

LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition plan</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition plan</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition plan</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	<p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition plan</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition plan</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	<p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition plan</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	

RI TRANSPARENCY REPORT

2020

AP4

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Public							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Public							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 10	Engagement methods	✓	Public		✓					
LEA 11	Examples of ESG engagements	✓	Public		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Public		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Public		✓					
LEA 21	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Public	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	🔒	n/a	✓						
FI 11	Integration - ESG information in investment processes	🔒	n/a	✓						
FI 12	Integration - E,S and G issues reviewed	🔒	n/a	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Public		✓					
FI 15	Engagement method	✓	Public	✓	✓					
FI 16	Engagement policy disclosure	✓	Public	✓	✓					
FI 17	Financial/ESG performance	✓	Public							✓
FI 18	Examples - ESG incorporation or engagement	✓	Public	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

AP4

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 01.3 Additional information. [Optional]

Buffer fund in the Swedish public pension system.

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Sweden

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

53

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

No

OO 04

Mandatory

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2019

OO 04.2

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		418	017	437	233
Currency	SEK				
Assets in USD		43	679	007	507

Not applicable as we are in the fund-raising process

We are a sovereign wealth fund and choose to not report our AUM

OO 06.1

Select how you would like to disclose your asset class mix.

 as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	46.7	8.5
Fixed income	27.2	1.3
Private equity	0	0.9
Property	0	9.1
Infrastructure	0	0.6
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	3.6
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	2.1	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

Yes

No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	50
	Corporate (financial)	5
	Corporate (non-financial)	45
	Securitised	0
	Total	100%
	Externally managed	SSA
Corporate (financial)	81	
Corporate (non-financial)	0	
Securitised	0	
Total	100%	

OO 08	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 08.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.
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Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)
[a] Listed equity	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[b] Fixed income - SSA	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[c] Fixed income – Corporate (financial)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[f] Private equity	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[g] Property	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%
[h] Infrastructure	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[j] Fund of hedge funds	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%

OO 09	Mandatory	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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93	Developed Markets
7	Emerging Markets
0	Frontier Markets
0	Other Markets
100%	Total 100%

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 11.2

Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="544 338 1477 427">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="544 439 1477 595"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </p>
Fixed income - SSA	<p data-bbox="544 651 1477 741">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="544 752 1477 909"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </p>
Fixed income - corporate (financial)	<p data-bbox="544 965 1477 1077">Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="544 1088 1477 1245"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </p>
Private equity	<p data-bbox="544 1301 1477 1391">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="544 1402 1477 1559"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </p>
Property	<p data-bbox="544 1615 1477 1704">Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="544 1715 1477 1872"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </p>
Infrastructure	<p data-bbox="544 1928 1477 1995">Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p>

	<p>selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Fund of hedge funds	<p>Fund of hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>

OO 11.4

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

It is AP4's conviction that the integration of sustainability aspects into the selection and management of assets contributes to a good risk-adjusted return over time. The methodology for how sustainability is considered and included in AP4's investment processes depends on the chosen investment strategy and degree of ownership influence.

The manager should preferably be a signatory of the PRI and share the conviction that integration of environmental, social and governance (ESG) related considerations contribute to long term value creation. Further, the manager should be subject to a policy related to the integration of and reporting on ESG issues. It is expected that fund managers provide regular updates describing how their ESG policy is being implemented and progressed, the process, responsibilities and including examples of activities and ESG KPIs and ESG targets used, notice of material changes to the ESG policy and reports on potential ESG incidents. How the manager integrates climate transitions risks/possibilities into the investment process is a focus. AP4 explore which standards and guidelines the manager supports/is signatory to. AP4 mentions specifically TCFD and PRI as two important frameworks to adhere to.

in addition to having expectations on a general ESG standard on all managers, fund managers can also be selected based on certain sustainability themes linked to the sustainability transformation.

Selection

AP4 has internal written guidelines and tools for the evaluation of external managers prior to a new investment and for the follow-up of the completed investment, as an integrated part of the investment process, which also has been updated, in 2020, in a cross-functional internal project, see below under "A new project...". In cases where AP4 does not have a direct relationship with the nominee, the issues should be secured in the intermediary's evaluation of the nominee.

AP4 sees that standardization of sustainability information benefits the business community and the transition to a sustainable economy. Therefore, AP4's tools draw inspiration from the PRI's guidelines for due diligence and reporting within private equity and hedge funds as well as ILPA.

For investments managed through an external manager, an assessment is made of the manager's insight and management of sustainability aspects. The assessment is based on the established tools and assess the following areas:

1) Investment strategy

Evaluation of the investment strategy in relation to a transformation to different sustainability trends/risks/opportunities, including climate change?

Are there specific sustainability risks, including climate risks linked to the investment strategy?

Are sustainability aspects a factor in the investment strategy?

Are there sustainability risks associated with the investor base?

2) Inclusion of sustainability in the investment process and ownership

Policy

Governance and responsibility

Practice - Investments
 Practice - Ownership
 Monitoring and reporting

3) Sustainability in the manager's own organization

Policy, practice, monitoring and results regarding essential sustainability issues in the manager's own organization
 Employees, including skills, psychosocial work environment, diversity and gender equality
 Governance and business ethics, including compliance, conflicts of interest, anti-corruption, whistleblowing

In the selection process for new investments, the sustainability assessment is compiled as part of the regular in-depth analysis conducted in the investment process. A summary must be included in the documentation for final investment decision. In the legal documentation, e.g., investment agreements, side letters and/or other documentation, expectations and goals regarding ESG are included. TCFD and PRI are two frameworks/guidelines AP4 strongly recommends if they not already are part of the managers work.

A new project is initiated

When a new project is initiated, i.e. a new manager or investment is to be evaluated, a mapping of relevant sustainability aspects including long-term climate risk/possibilities/transition risks is done. At AP4 the responsibility of sustainability is integrated with each investment team and process. Depending on issue the investment team involves different sustainability experts within the organisation as support on an ongoing basis in the process, based on needs and relevance. Areas that govern which issues are important to consider include type of asset (credit, shares), type of fund (venture, growth, buy-out), possible geographical exposure (specific issues related to certain markets, including risk markets), possible sector exposure (specific issues related to certain sectors, including risk sectors), etc..

During 2020 AP4 started a permanent cross-functional group involving all internal entities working with external asset managers in order to further develop AP4's internal Due Diligence process of external managers within Alternative Investments. The project also had as a goal to further develop the internal process for "how" AP4 does the DD. A cross-functional internal group formed with representatives from Alternative Investments, Strategy & Sustainability, Compliance, Finance & Business Operation and Legal. The group meets regularly and cooperate through out the whole process of DD (and thereafter - monitoring) to share each others assessments and thoughts. The written DD sent out to prospective external managers was reviewed in total and updated.

Answers to the questions in the AP4's guideline are collected from written documentation, DD, written follow-up questions and during meetings / conversations with the manager. An interview with the investment teams together with the ESG manager (if there is one) is recommended. When the evaluation is completed, AP4's investment manager as well as the representatives from the cross-functional group summarizes their individual conclusions of the evaluation and, where relevant, briefly describes the implications for AP4's continued work (eg follow-up of specific issues after some time or as part of the ongoing follow-up). Evaluation and conclusions are documented as part of the overall investment recommendation.

Monitoring

Investment monitoring includes ESG follow-up. The follow-up is based on the DD questionnaire and conclusions from the investment recommendation. The follow-up is typically done in combination with a meeting with the manager. The frequency of evaluation depends on the amount invested and level of sustainability risks, usually every year or every two years, and more frequent if relevant. The evaluations are documented.

OO 12	Mandatory	Public	Gateway	General
OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.			
	Core modules			
	<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance			
	RI implementation directly or via service providers			

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Private Equity
- Property
- Infrastructure

Closing module

- Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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Percentage of internally managed listed equities

Passive

36

Active - quantitative (quant)

23

Active - fundamental and active - other

41

Total

100%

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

SSA	<table border="1"> <tr> <td data-bbox="496 221 619 286"> </td> <td data-bbox="619 221 1474 286"> Passive </td> </tr> <tr> <td data-bbox="496 297 619 320"> 0 </td> <td></td> </tr> <tr> <td data-bbox="496 365 619 430"> </td> <td data-bbox="619 365 1474 430"> Active - quantitative (quant) </td> </tr> <tr> <td data-bbox="496 441 619 463"> 0 </td> <td></td> </tr> <tr> <td data-bbox="496 508 619 573"> </td> <td data-bbox="619 508 1474 573"> Active - fundamental and active - other </td> </tr> <tr> <td data-bbox="496 584 619 607"> 100 </td> <td></td> </tr> <tr> <td data-bbox="496 651 619 716"> </td> <td data-bbox="619 651 1474 716"> Total </td> </tr> <tr> <td data-bbox="496 728 619 750"> 100% </td> <td></td> </tr> </table>		Passive	0			Active - quantitative (quant)	0			Active - fundamental and active - other	100			Total	100%	
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Corporate (non-financial)	<table border="1"> <tr> <td data-bbox="496 1400 619 1464"> </td> <td data-bbox="619 1400 1474 1464"> Passive </td> </tr> <tr> <td data-bbox="496 1476 619 1498"> 0 </td> <td></td> </tr> <tr> <td data-bbox="496 1543 619 1608"> </td> <td data-bbox="619 1543 1474 1608"> Active - quantitative (quant) </td> </tr> <tr> <td data-bbox="496 1619 619 1641"> 0 </td> <td></td> </tr> <tr> <td data-bbox="496 1686 619 1751"> </td> <td data-bbox="619 1686 1474 1751"> Active - fundamental and active - other </td> </tr> <tr> <td data-bbox="496 1762 619 1785"> 100 </td> <td></td> </tr> <tr> <td data-bbox="496 1830 619 1895"> </td> <td data-bbox="619 1830 1474 1895"> Total </td> </tr> <tr> <td data-bbox="496 1906 619 1928"> 100% </td> <td></td> </tr> </table>		Passive	0			Active - quantitative (quant)	0			Active - fundamental and active - other	100			Total	100%	
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OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1 Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	100
	Emerging markets	0
	Total	100%

OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	100%

OO FI 03.3 Additional information. [Optional]

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

OO SAM 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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**OO SAM
01.1**

Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)	Passive	24
	Active - quantitative (quant)	52
	Active - fundamental and active - other	24
		100%
Fixed income - SSA	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
		100%
Fixed income - Corporate (financial)	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
		100%

AP4

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

AP4's mission is to contribute to the financial security for current and future pensioners in Sweden. We manage part of the national pension system's buffer capital with the aim to maximize long term returns and to provide liquidity to the pension system to ensure payment of pensions when there is a net deficit in the system. AP4 has three essential characteristics that distinguish it and to some degree set it apart from other investors. These characteristics are 1) the ability to invest long term, 2) a large degree of freedom to formulate strategies, portfolio structures and choose investments and 3) the right size to allow for economies of scale that enable cost efficiency without restricting investment opportunities.

Based on the three characteristics, AP4 has formulated six investment beliefs of which one relates to sustainability:

"Integrating sustainability aspects in asset management contributes over time to better management of risks and opportunities, and thereby to returns. AP4 uses active corporate governance to secure asset values."

Our investment philosophy is further described on pages 16-17 of Annual Report 2017:

http://www.ap4.se/globalassets/dokument/rapportarkiv/2017/ar-17/eng/ap4_annual_report_2017.pdf

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

AP4 works with two focus areas in its sustainability work - Climate & Environment and Corporate Governance. These are in line with the Fund's mission, framework and core values. They have been chosen because they have significant financial impact on AP4's investments and affect its opportunities to generate favourable returns over time. They are also relevant and possible to implement in the portfolio. A first joint step in integrating sustainability in portfolio management consists of the values-based decisions on which assets AP4 chooses not to invest in. In this assessment AP4 makes an interpretation of the AP Funds Act's requirement for exemplary management and the Swedish state's core values concretised through the international conventions that Sweden has ratified and the international agreements that Sweden has backed. AP4 integrates sustainability in the investment processes based on the specific conditions that apply for the respective asset classes and how management of these asset classes is conducted. The conditions for integration of sustainability vary, depending on whether AP4 owns stocks or fixed income instruments, whether the investments are made in Sweden or globally, whether the asset management is conducted internally or by external asset managers, and whether the investments are in listed or unlisted assets.

No

Sustainability is a so-called investment belief for AP4. The pension system’s needs and the investment rules that govern the AP Funds create unique opportunities to act long-term in the asset management. By integrating sustainability aspects in asset management, sustainability risks can be reduced and sustainability opportunities can be taken advantage of. This enables a better risk-adjusted return over time. Ahead of 2019, new sustainability goals were added to the AP Funds Act, which stipulate that asset management shall be conducted in an exemplary way through responsible investments and responsible ownership. In the asset management activities, particular importance shall be attached to how sustainability development can be promoted without compromising on the overarching objective to generate a long-term high return. AP4 welcomes this higher level of ambition regarding sustainability and believes that an integrated sustainability perspective in investments is a precondition for successful and long-term asset management. AP4 works with two focus areas in its sustainability work – Climate & Environment and Corporate Governance. These are in line with the Fund’s mission, framework and core values. They have been chosen because they have significant financial impact on AP4’s investments and affect its opportunities to generate favourable returns over time. They are also relevant and possible to implement in the portfolio. A first joint step in integrating sustainability in portfolio management consists of the values-based decisions on which assets AP4 chooses not to invest in. In this assessment AP4 makes an interpretation of the AP Funds Act’s requirement for exemplary management and the Swedish state’s core values concretised through the international conventions that Sweden has ratified and the international agreements that Sweden has backed. AP4 integrates sustainability in the investment processes based on the specific conditions that apply for the respective asset classes and how management of these asset classes is conducted. The conditions for integration of sustainability vary, depending on whether AP4 owns stocks or fixed income instruments, whether the investments are made in Sweden or globally, whether the asset management is conducted internally or by external asset managers, and whether the investments are in listed or unlisted assets. Please see annual report page 25 for details of integration of sustainability per asset class.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation’s investment time horizon.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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AP4 conducted a climate scenario analysis in 2018 which was further developed in 2019, when the analysis was integrated in the medium- term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. The starting premise for AP4’s climate scenario analysis is achievement of the Paris Agreement’s goals, which entails a comparatively rapid and proactive climate transition. This transition can take place in several different ways. AP4’s overarching scenario analysis evaluates the transition’s potential impact on supply and demand, and by extension, also on anticipated growth and inflation.

In the base scenario, the climate transition is expected to accelerate over the coming ten years through a gradual sharpening of climate policies. In part this will entail more and stricter climate laws and in part a higher and more widespread CO2 price along with new technology that promotes the transition.

In the alternative scenarios, a faster and slower climate transition is modelled as well as the degree of political and technological drivers. An important conclusion is that a slower initial transition should not be interpreted to mean that it will not take place, but rather that it will be more intense once it takes place. Fossil assets and the value chains that deliver into fossil energy production will be affected first and foremost. The transition will also entail extensive shifts in value within all sectors that are large energy consumers through production processes, in transportation, steel and metal production, agriculture and food, and construction and real estate. AP4 believes that the climate transition on the whole constitutes an asymmetric force that will have a varying impact between and within various sectors. Some existing companies within a given sector will be negatively affected while others may be part of the solution at the same time that new companies and technologies will take market shares. AP4 is therefore working actively with a combination of quantitative and fundamental analyses at the portfolio and sector levels to identify potential winners and losers.

AP4’s conclusion is that the risks of being late in the transition are assumed to outweigh the risks of being too early. The upside for resource-intensive assets is limited by the emergence of climate-friendlier alternatives -

which are gradually winning support through technology, policies and reputation - at the same time that the risk in these investments is great, as assets could become stranded due to regulatory and technical risks combined with market and reputation risks. Short-term market movements, such as changes in oil prices, can hit in both directions, but over time the market is expected to move in this direction given the strong focus on sustainability.

AP4 has reported in line with the TCFD framework since 2017. For 2017, AP4 published a separate TCFD Climate Report. For the years 2018 and 2019, the TCFD climate reporting has been integrated into the Annual Report in accordance with TCFD recommendations.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

The climate scenario analysis as presented above is done with a 5-15 year time perspective that corresponds to our macro economic modelling and portfolio construction. This work is conducted yearly and results in a benchmark portfolio set by the board (the Dynamic Normal Portfolio - DNP). Every three years, AP4 conducts an ALM analysis with a 40 year time perspective that will incorporate demographic as well as long-term asset return assumptions. In this ALM analysis, which will be updated in 2020, AP4 will look to address climate change risk and opportunities from a longer time perspective where physical risks will be more relevant. These risks are deemed to be important while at the same time very difficult to assess.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Climate & Environment is a focus area for AP4's asset management. For a long-term investor such as AP4, climate change is one of the largest systemic risks. Reducing climate impact is a prerequisite for stable economic development and thereby for our opportunities to perform our mission over time. AP4 works actively on reducing climate risk in the portfolio. AP4 makes sustainability investments that contribute to and benefit from the ongoing climate transition, by reducing climate risk exposure across the portfolio, by engaging our portfolio companies in an active dialogue to promote transparent reporting, and by setting goals in line with the Paris Agreement, and by transparent reporting of climate-related risks and opportunities. AP4 therefore supports TCFD and has reported in accordance with the TCFD since the framework was established in 2017.

AP4 conducted its first climate scenario analysis in 2018, and summarized results of the analysis were presented in the 2018 Annual Report. Work with the climate scenario analysis was further developed in 2019, and the analysis was integrated in the medium-term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. Based on the climate scenario analysis, AP4 has identified a number of themes that are essential for the climate transition. These are considered to be investable and have impact on the portfolio today. Among these themes are the energy shift including mobility, resource efficiency and renewable energy. AP4 searches for, evaluates and makes

thematic, proactive investments in specific sustainability areas. Examples of such investments are green bonds, alternative investment funds with a pronounced sustainability focus, and directly owned companies with a distinct sustainability focus as part of their business strategies, such as in real estate and infrastructure.

No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach

	URL/Attachment
--	----------------

- URL

	URL
--	-----

<https://www.ap4.se/globalassets/dokument/policyer/ap4-hallbarhetspolicy.pdf>

- Attachment (will be made public)

	Attachment
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[File 1:ap4-hallbarhetspolicy.pdf](#)

- Formalised guidelines on environmental factors

	URL/Attachment
--	----------------

- URL

URL

<https://www.ap4.se/globalassets/dokument/vardegrund/ap-funds-common-guidelines-reporting.pdf>

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

- URL

URL

<https://www.ap4.se/globalassets/dokument/vardegrund/ap-funds-common-guidelines-reporting.pdf>

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

<https://www.ap4.se/globalassets/dokument/policyer/ap4-agarpolicy.pdf>

- Attachment (will be made public)

Attachment

[File 1:ap4-agarpolicy.pdf](#)

- Fiduciary (or equivalent) duties

URL/Attachment

- URL

URL

<https://www.ap4.se/globalassets/dokument/vardegrund/ap-funds-common-core-values.pdf>

- Attachment (will be made public)

Attachment

[File 1:ap-funds-common-core-values.pdf](#)

- Asset class-specific RI guidelines
- Screening / exclusions policy

URL/Attachment

- URL

URL

<https://www.ap4.se/globalassets/dokument/vardegrund/ap-funds-common-guidelines-assets-should-not-be-invested-in.pdf>

- Attachment (will be made public)

Attachment

[File 1:ap-funds-common-guidelines-assets-should-not-be-invested-in.pdf](#)

- Engagement policy

URL/Attachment

- URL

URL

<https://www.ap4.se/globalassets/dokument/policyer/ap4-agarpolicy.pdf>

- Attachment (will be made public)

Attachment

[File 1:ap4-agarpolicy.pdf](#)

- (Proxy) voting policy

URL/Attachment

- URL

URL

<https://www.ap4.se/globalassets/dokument/policyer/ap4-agarpolicy.pdf>

Attachment (will be made public)

Attachment

[File 1:ap4-agarpolicy.pdf](#)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<https://www.ap4.se/globalassets/dokument/policyer/ap4-hallbarhetspolicy.pdf>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<http://www.ap4.se/en/esg/>

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

https://www.ap4.se/globalassets/dokument/rapportarkiv/2019/arsredovisning-2019/4ap-fonden-ar-2019-eng_web_200327.pdf

Attachment

File Attachment

[4ap-fonden-ar-2019-eng_web_200327.pdf \[2492KB\]](#)

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<http://www.ap4.se/en/esg/>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

https://www.ap4.se/globalassets/dokument/rapportarkiv/2019/arsredovisning-2019/4ap-fonden-ar-2019-eng_web_200327.pdf

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<http://www.ap4.se/en/esg/corporate-governance---a-focus-area/>

Attachment

Reporting

URL/Attachment

URL

URL

<https://www.ap4.se/globalassets/dokument/vardegrund/ap-funds-common-guidelines-reporting.pdf>

Attachment

File Attachment

[ap-funds-common-guidelines-reporting.pdf \[738KB\]](#)

Climate change

URL/Attachment

URL

URL

<http://www.ap4.se/en/esg/climate-and-the-environment---a-focus-area/>

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

On 1 January 2019 new rules went into effect for the AP Funds concerning sustainable asset management. The new rules convey a higher level of ambition regarding sustainability, whereby the wording of the AP Funds Act was changed to stipulate that asset management shall be conducted in an exemplary manner through responsible investments and responsible ownership. Based on internal assessments or recommendations from the Council on Ethics of the AP Funds, AP4's CEO decides on which assets AP4 will not invest in. AP4 does not invest in:

Nuclear weapons

Nuclear weapons are weapons of mass destruction, and their use would bear a heavy toll on civilians. Corresponding biological and chemical weapons are addressed and banned by UN conventions. Nuclear weapons are covered by the Non-Proliferation Treaty, which permits five states to have nuclear weapons. However, under the treaty these states have committed themselves to reducing and, over the long term, eliminating their own nuclear weapons. Currently, modernisations and upgrades are being made to nuclear weapons programmes. AP4 is of the opinion that these modernisations and upgrades go against the spirit of the Non-Proliferation Treaty. AP4 therefore decided in 2018 to not invest in companies involved in this area.

Tobacco and cannabis

In 2016 AP4 decided to not invest in tobacco companies, based on the determination that mounting regulations would negatively impact tobacco companies' future stock market valuations. In addition, AP4 believes that an exemplary interpretation of the WHO Framework Convention on Tobacco Control, which seeks to steadily and sharply reduce tobacco consumption, supports AP4's decision to not have ownership in tobacco companies. The Council on Ethics of the AP Funds has recommended that the AP Funds exclude companies active in cannabis as a pleasure drug or for religious purposes based on the UN's conventions on narcotic preparations. Companies that produce cannabis for medical or scientific purposes are not covered by the exclusion. This decision was made in 2018.

Thermal coal and oil sand

AP4 does not invest in companies for which thermal coal or oil sand account for more than 20% of sales. Thermal

coal and oil sand are fossil energy sources with high CO2 intensity per energy unit, and AP4 believes that these must be phased out in a global transition to a low-fossil society in line with the UN's Climate Convention and the Paris Agreement. AP4 therefore divested its holdings in these companies in 2018. On top of this, AP4 applies low-carbon strategies for global equities, entailing the AP4 is reducing its exposure to the companies in each sector that have high CO2 intensity or fossil fuel reserves.

Cluster munitions and mines

The Mine Ban Treaty and the Convention on Cluster Munitions stipulate that states that have signed and ratified these treaties shall cease to produce, conduct trade in and use anti-personnel mines and cluster bombs. The Council on Ethics of the AP Funds has recommended that the four AP Funds divest companies that manufacture anti-personnel mines or cluster bombs, and AP4 therefore has not had ownership in any such companies since 2008.

Company-specific exclusions

AP4 has been collaborating with AP1-AP3 through the Council on Ethics of the AP Funds since 2007. In the event of confirmed violations of international conventions, the Council on Ethics may choose to engage individual companies in a dialogue to bring about a change. If such a dialogue proves to be unfruitful, the Council on Ethics recommends that the AP Funds exclude such companies from their investment portfolios. AP4 has chosen to exclude companies based on recommendations from the Council on Ethics due to violations of conventions on health and safety, negative environmental impact, labour law, corruption and operations in occupied areas.

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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AP4 has ethical policies and guidelines that address potential conflicts of interest between AP4 and its employees.

No

SG 04	Voluntary	Public	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.
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Yes

No

SG 04.2	Describe your process on managing incidents
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The AP Funds work together in the Council on Ethics in reactive and pro-active dialogues and projects with companies to address and prevent incidents.

The Council on Ethics' aim is to influence companies to address environmental and social issues through active dialogue with management, often together with other investors. Improved sustainability in companies' business will give better returns in the long-term. The Council's experience to date shows that dialogue is an effective tool that produces results. Part of the AP Funds assets are invested globally in diversified equity portfolios comprising of up to 3 500 companies. To focus dialogues, both reactive and proactive, on the companies where they will have the greatest benefit, the Council applies a systematic working process. This process also helps ensure an even spread across various sectors, geographies and sustainability issues.

The Council on Ethics' working process manages a steady flow of dialogues, which evolves in different directions over time.

Review of the AP Funds' holdings: The Council's working process includes approximately 3 500 companies. Among the sources are media, investors, interest groups, stakeholders, trade organisations, public authorities, judiciary, UN bodies and many other sources to monitor corporate incidents. Some incidents are inevitably overlooked. The Council incorporates all information that it receives about such incidents into its systematic working process.

In depth examination: Within each of its four focus areas - climate, environment, human rights and business ethics - the Council reviews and analyses companies, industries, problem areas and investor initiatives. Between 100 and 300 company incidents each year are examined more closely for possible implication in violation of international conventions. The Council, other investors and various service providers are all involved in the examination.

Choosing companies and setting objectives: The choice of proactive focus areas as well as dialogues does not represent a statement that one is more important than another but is simply a deliberate strategy to earmark the resources of the Council in ways that are most likely to yield the greatest benefits. The Council carries on direct dialogues with 40-60 selected companies whose violations of international conventions are palpable and well documented. The Council also collaborate with various investors and service providers to dialogue with companies in response to alleged violations.

How a dialogue proceeds: In-depth corporate analyses and possible comparisons with minimum requirements and best practice for the industry in question. Collaboration with other investors, submission of proposals and voting at general meetings, and other forms of pressure.

Objective achieved: The dialogue is concluded.

Objective not achieved: Dialogue is continued if deemed constructive. A dialogue, where a violation of a convention is verified, should, should last a maximum of four years unless the dialogue is constructive or achieves its objectives. If not, the Council recommends the AP Funds to exclude the company. Each AP Fund makes its own exclusion decision. Companies that the Council has recommended the AP Funds to exclude. The Council investigates annually whether the situation has changed, and the company has begun to comply with international conventions. For more information www.etikradet.se.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2	Additional information. [Optional]
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AP4 sets targets and report on those in the annual reports. Focus areas are Climate & Environment and Corporate Governance.

SG 06	Voluntary	Public	Descriptive	General
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SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
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Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator

The Fund have internal and external training sessions with regards to ESG in the form of a seminar series.

Progress achieved

The investment professionals have attended various training sessions related to investment and ESG. The Fund also have internal courses for all employees at the Fund in these areas. Seminars during 2019 were:

- An update on climate change research (Jan-19)
- Impact investing within hedge funds (Mar-19)
- Global voting (Apr-19)
- Climate change and economic control models (Oct-19)
- Climate scenario analysis (Dec-19)

- Provide training on ESG engagement

Key performance indicator

Conduct workshops to address human rights risks and the Ruggie Principles together with Shift

Progress achieved

Have been conducted

- Improved communication of ESG activities within the organisation

Key performance indicator

Inform all employees about the Fund's work and progress on ESG issues.

Progress achieved

The information is a part of the weekly information meetings and there are also special information presentations and seminars regarding ESG.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Actively contribute to ESG work together with our investors internationally, through for example ClimateAction100+ Dialogues - reactive and pro-active - through the Council on Ethics

Progress achieved

AP4 is participating in dialogues with three companies, Daimler, Engie and Volkswagen. Daimler and Volkswagen are two of the companies in the initiative that have set targets to be climate-neutral by 2039 and 2050, respectively.

The AP Funds' Concil on Ethics publish every year a public report about its work (reactive as well as pro-active).

- Improved ESG incorporation into investment decision making processes

Key performance indicator

AP4 has a structured process in place to identify, assess and implement sustainability theme investments and for evaluation ESG in investment processes.

Progress achieved

Increased low-carbon strategies' impact on the portfolio, which reduced CO2 intensity by 28% in 2019, to where it is now 48% lower than for a broad global equity index. During 2019 AP4 further developed its low-carbon strategies for global equities. In addition to the portfolio companies' own direct CO2 emissions, the strategies now also take into account direct emissions from the companies' subcontractors. By also taking into account subcontractors' CO2 emissions, the analysis of climate risk in the value chain has been broadened. This is expected to lead to better company selection in the low-carbon strategies. Based on the thematic analysis, AP4 developed broader equity strategies with focus on resource efficiency related to water use and waste. Based on the thematic analysis, developed and implemented an equity strategy in line with the transition from internal combustion engines to electric vehicles. Integrated sustainability criteria and reduced exposure to CO2 emissions in external equity mandates in emerging markets.

- Other, specify (1)

Contribute to the climate transition to a sustainable society

Key performance indicator

Lowered the portfolio's CO2 emissions by 34% since 2013. Carbon dioxide intensity approximately 48% lower than for a broad global equities index.

Progress achieved

Lowered the portfolio's CO2 emissions by 34% since 2013. Carbon dioxide intensity approximately 48% lower than for a broad global equities index.

- Other, specify (2)

other description (2)

Advocate for greater diversity among board members, especially in terms of gender balance

Key performance indicator

At least one woman should be included as a final candidate in nominations for new board members, ensure 40% women on boards by 2020.

Progress achieved

On the nomination committees for 2019 AGMs on which AP4 participated, final candidates of both genders existed in 76% of the cases, and 44% of newly elected directors were women.

- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors

Key performance indicator

AP4 has a structured process in place to identify, assess and implement sustainability theme investments that should contribute to a higher risk-adjusted performance.

Progress achieved

Increased low-carbon strategies' impact on the portfolio, which reduced CO2 intensity by 28% in 2019, to where it is now 48% lower than for a broad global equity index. During 2019 AP4 further developed its low-carbon strategies for global equities. In addition to the portfolio companies' own direct CO2 emissions, the strategies now also take into account direct emissions from the companies' subcontractors. By also taking into account subcontractors' CO2 emissions, the analysis of climate risk in the value chain has been broadened. This is expected to lead to better company selection in the low-carbon strategies. Based on the thematic analysis, AP4 developed broader equity strategies with focus on resource efficiency related to water use and waste. Based on the thematic analysis, developed and implemented an equity strategy in line with the transition from internal combustion engines to electric vehicles. Integrated sustainability criteria and reduced exposure to CO2 emissions in external equity mandates in emerging markets. Started reporting on the relative performance of sustainability factors in the annual report of 2019, please see page 24.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

Please see above

Progress achieved

AP4 does not invest in nuclear arms companies, tobacco or cannabis companies, we underweigh carbon intensive companies (e.g. thermal coal and oil sand), we do not invest in cluster weapons and we make specific divestments based on violations of international conventions.

- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio

Key performance indicator

AP4 supports the Paris Agreement and the more ambitious Swedish environmental objective to reach net GHG emissions of near zero by 2045.

Progress achieved

Since AP4 began measuring CO2 emissions for the listed equity portfolio in 2013, the portfolio's CO2 emissions have decreased by 34%. Carbon dioxide intensity (CO2 emissions in relation to the portfolio companies' sales) has decreased by 39% since measurements began in 2015. AP4's carbon dioxide intensity is today approximately 48% lower than for a broad global equity index.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Assess on an annual basis RI organisations and specific initiatives.

Progress achieved

Participate in initiatives that are in line with the fund's investment philosophy, for example TCFD, Climate Action 100+, TPI, and publicly support different ownership codes etc.

Initiatives during 2019 were among others work with the Investor Mining and Tailings Safety Initiative by the Council on Ethics of the AP Funds, PRI Cobalt Statement, CA100+ two out of three successful dialogues, Christchurch initiative led by NZ Super, TCFD support letter to 80 Swedish corporates together with the Council on Ethics of the AP Funds, letter to 47 US companies regarding climate lobbying together with a large group of international investors, supported the Women's Empowerment Principles, Investor Agenda letter to EU, letter to the SEC regarding proxy voting proposal.

- Encouraging others to join a RI initiative

Key performance indicator

As part of due diligence of external managers require ESG policy documentation and promoting managers to support PRI and others.

Progress achieved

This is a requirement before we fund an external manager.

- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Head of Strategy & Sustainability

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)

Other description (1)

Corporate Governance professionals

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

Other description (2)

Senior Sustainability Manager

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The Portfolio Managers has the responsibility to find and to implement ESG ideas and themes in their portfolios. Portfolio management teams are supported by a Sustainability staff function. The equities team as dedicated corporate governance professionals within the team. Corporate governance professionals are responsible for voting at AGMs of the holdings of the equity portfolio. Corporate governance also leads the work regarding ESG-engagement with companies such as the participation in Nomination Committees and engagement at specific markets where the funds engagement in the Japanese market. Corporate governance leads the work regarding resolutions to AGMs. Persons from Corporate Governance and the sustainability staff are also the fund's delegates on the Council on Ethics.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
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Number

8

SG 07.4	Additional information. [Optional]
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AP4 integrates sustainability into all investment processes. Responsible investment functions are thus not dedicated to a few ESG staff. In all, AP4 has 19 employees with ESG experience and who devote partial or significant time to sustainability factors within the management of the portfolio. Some persons work with sustainability full time and others work part time with ESG or as part of the investment processes. In total, this sums up to 8 FTEs.

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Corporate Governance professionals

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (2)

Senior Sustainability Manager

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

AP4's operations are governed by the AP Funds Act. In this act and its drafting work it is stipulated that asset management shall be conducted in an exemplary manner through responsible investments and responsible ownership, and that particular emphasis shall be given to how sustainable development can be promoted without compromising on the overarching risk and return targets. AP4's board of directors has adopted a Sustainability Policy that describes the work on integrating sustainability in asset management, where Climate & Environment is one of AP4's two focus areas. Sustainability is a key investment belief in AP4's investment philosophy.

SG 07.7 CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Board has assigned the CEO with the task of continuously assessing and addressing climate-related issues in the asset management. The CEO, the heads of the respective asset management units and the head of Strategy & Sustainability are responsible for ensuring that sustainability is integrated in all of AP4's investment processes.

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

SG 08	Voluntary	Public	Additional Assessed	General
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SG 08.1

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

SG 08.1b

RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan

SG 08.2

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

Internal and external presenters have addressed climate related topics at the board meetings, for example presentations on climate change, voting, climate change and economic control models, climate scenario analysis thematic sustainability trends.

- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

SG 08.1a

RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b

RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

Head of Strategy & Sustainability

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other role (1) [from SG 07]

Corporate Governance professionals

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other role (2) [from SG 07]

Senior Sustainability Manager

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

SG 08.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

We manage sustainability decisions as active decisions which affect active return and therefore also variable compensation to portfolio managers, corporate governance and sustainability professional. Due to state regulation, CEO and heads of entities may not receive variable compensation. However, sustainability factors are included in the annual performance assessments as well as when setting wages.

SG 08.4

Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.

Background and experience varies from person to person, but many of board and investment staff have addressed and worked with ESG factors continuously for decades.

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Provided general support for the initiative in various non-public forums and joined association/initiative and its meetings and actively involved in their work.

- Asian Corporate Governance Association
 Australian Council of Superannuation Investors
 AVCA: Sustainability Committee
 France Invest – La Commission ESG
 BVCA – Responsible Investment Advisory Board
 CDP Climate Change
 CDP Forests
 CDP Water
 CFA Institute Centre for Financial Market Integrity
 Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AP4 is participating in dialogues with three companies, Daimler, Engie and Volkswagen. Daimler and Volkswagen are two of the companies in the initiative that have set targets to be climate-neutral by 2039 and 2050, respectively.

- Code for Responsible Investment in SA (CRISA)
 Council of Institutional Investors (CII)
 Eumedion
 Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Providing general support for the initiative.

- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Support and demand the use of GRESB for the real estate company the fund are involved in. Supporting GRESB as a tool for real estate companies as a guiding tool for sustainability work and improvement of sustainability performance.

- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Joined association/initiative and its meetings but not actively involved in its work

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Joined association/initiative and its meetings and involved in a working group.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Supporting the use of Global Compact by companies, to be a guideline in the ESG work, improvement and the information / transparency.

- Other collaborative organisation/initiative, specify

Transition Pathway Initiative (TPI)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Member of Strategic Committee

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.

%

82

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Participation as speaker and or panel member at conferences and seminars

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

AP4 has for example been giving support for an US governance code, been supportive regarding the revised Japanese code, supported Climate Action 100+, supported and reported according to the TCFD,

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Spoke publicly at events and conferences to promote responsible investment

Description

Participation as speaker and or panel member at conferences

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

Description

Encourage investors at different meetings.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

Responded when questions asked.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 10.3 Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

Influence companies and stakeholders in different meetings increase the incorporation of ESG.

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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SG 11.1 Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

- Yes

If yes

- Yes, individually
- Yes, in collaboration with others

SG 11.2 Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3 Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Supporting a Governance and Corporate Code for the American market, lead by ISG.

Supported the revised Japanese code.

Attended a project lead by Ministry of Environment, Japan regarding the Japanese companies and their work regarding ESG issues.

Provided opinions on new regulation in Sweden regarding the green bond market, amended corporate governance regulation and on new investment guidelines for the AP Funds.

Open letter on soy production in Amazonas, Brazil

Investor Agenda letter to EU

Letter to the SEC regarding proxy voting proposal

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

AP4 conducted its first climate scenario analysis in 2018, and the analysis was further developed in 2019, was integrated in the medium-term scenarios for the economic macro analysis.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

Allocation to low-carbon strategies and thematic sustainability investments and allocation to sustainable alternative investments.

- We do not consider ESG issues in strategic asset allocation

SG 13 CC**Mandatory to Report Voluntary to Disclose****Public****Descriptive****General****SG 13.4 CC**

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

AP4 conducted a climate scenario analysis in 2018 (Please see annual report 2018 pages 28-29) which was further developed in 2019 (Please see annual report 2019 pages 29-31), when the analysis was integrated in the medium-term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. The starting premise for AP4's climate scenario analysis is achievement of the Paris Agreement's goals, which entails a comparatively rapid and proactive climate transition. This transition can take place in several different ways. AP4's overarching scenario analysis evaluates the transition's potential impact on supply and demand, and by extension, also on anticipated growth and inflation. In the base scenario, the climate transition is expected to accelerate over the coming ten years through a gradual sharpening of climate policies. In part this will entail more and stricter climate laws and in part a higher and more widespread CO2 price along with new technology that promotes the transition. In the alternative scenarios, a faster and slower climate transition is modelled as well as the degree of political and technological drivers.

- Incorporation into investment analysis

Describe

An important conclusion of climate scenario analysis is that a slower initial transition should not be interpreted to mean that it will not take place, but rather that it will be more intense once it takes place. Fossil assets and the value chains that deliver into fossil energy production will be affected first and foremost. The transition will also entail extensive shifts in value within all sectors that are large energy consumers through production processes, in transportation, steel and metal production, agriculture and food, and construction and real estate. AP4 believes that the climate transition on the whole constitutes an asymmetric force that will have a varying impact between and within various sectors. Some existing companies within a given sector will be negatively affected while others may be part of the solution at the same time that new companies and technologies will take market shares. AP4 is therefore working actively with a combination of quantitative and fundamental analyses at the portfolio and sector levels to identify potential winners and losers.

AP4's conclusion is that the risks of being late in the transition are assumed to outweigh the risks of being too early. The upside for resource-intensive assets is limited by the emergence of climate-friendlier alternatives - which are gradually winning support through technology, policies and reputation - at the same time that the risk in these investments is great, as assets could become stranded due to regulatory and technical risks combined with market and reputation risks. Short-term market movements, such as changes in oil prices, can hit in both directions, but over time the market is expected to move in this direction given the strong focus on sustainability

- Inform active ownership
- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

Investment horizon is long, up to 40 years. It is not possible to make predictions beyond that time horizon.

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input checked="" type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		57	505	000	000
Currency	SEK				
Assets in USD		6	008	747	729

Specify the framework or taxonomy used.

Internal models, low carbon strategies are managed as an active position based on internally developed investment strategies.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

AP4 measures the portfolio's carbon footprint and has been publishing information about it in its annual reports since 2014. Together with other AP Funds, AP4 has standardised how the AP Funds conduct their carbon footprint reporting by introducing three joint metrics in 2015 that describe the carbon footprint of its investments. In 2017 the AP Funds' carbon footprint reporting was complemented with the TCFD's metrics for CO2 intensity. In 2019 the AP Funds further developed their reporting to also include an account of changes over time. These measures are aimed to report changes in a portfolio's carbon footprint owing in part to the changes that the AP Fund makes in the portfolio and in part to the work conducted by the underlying portfolio companies to reduce their emissions. Please see annual report 2019 page 32 for more details. In 2019 we also started to include measurement and reporting of carbon emissions of our unlisted real estate portfolio.

SG 14 CC	Voluntary	Public		General
SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To be aligned with the Paris agreement and Swedish climate goals	Relative emissions, change in emissions, share of portfolio	Relative emissions and change of emissions based on total emissions and TCFD intensity. Share of portfolio based on market values.
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e/MSEK	Please see common AP Funds reporting standard.
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	We measure and report Scope 1+2 emissions from listed equities portfolio as well as unlisted real estate portfolio.	Million ton CO2e	Please see common AP Funds reporting standard.
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e	Please see common AP Funds reporting standard.
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e	Please see common AP Funds reporting standard.
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e/MSEK	Please see common AP Funds reporting standard.
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Other emissions metrics	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets			

	<input type="checkbox"/> Minority of assets			
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SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Baseline year	Target year	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Continuously		Decrease emissions and increase share of investments that lower climate risk in the asset portfolio.	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Continuously		Decrease emissions and increase share of investments that lower climate risk in the asset portfolio.	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

AP4 conducted its first climate scenario analysis in 2018, and summarized results of the analysis were presented in the 2018 Annual Report. Work with the climate scenario analysis was further developed in 2019, and the analysis was integrated in the medium-term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. Based on the climate scenario analysis, AP4 has identified a number of themes that are essential for the climate transition. These are considered to be investable and have impact on the portfolio today. Among these themes are the energy shift including mobility, resource efficiency and renewable energy. AP4 searches for, evaluates and makes thematic, proactive investments in specific sustainability areas. Examples of such investments are green bonds, alternative investment funds with a pronounced sustainability focus, and directly owned companies with a distinct sustainability focus as part of their business strategies, such as in real estate and infrastructure.

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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Yes

Please describe

In cooperation with other institutional investors through for example the Climate Action 100+ initiative as well as in dialogues with Swedish companies and with our external managers.

No, we do not undertake active ownership activities.

No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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%

50

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Specific mandates to reduce the carbon footprint. Specific green bond investments. Specialized ESG managers.

Asset class invested

Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

35

- Fixed income - SSA
- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

1

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

44

- Fund of hedge funds
- Cash

Brief description and measures of investment

AP4 invests in low-carbon equity strategies and in green bonds if there is a real strategy for the use of the bond funding, and if the bonds are competitively priced. AP4 also invests in infrastructure companies and entities focusing on sustainable infrastructure. We also invest in corporate entities that focus on sustainable real estate, however we are not able to report on the proportion of the underlying assets that are defines as sustainable.

No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Corporate (financial)	Please see PRI moduler relating to fixed incom (FI)

SG 16.2	Additional information [Optional].
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None

SG 17	Mandatory	Public	Descriptive	General
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SG 17.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved		
Fixed income - SSA	Not applicable, we do not have any external mandates for SSA bonds.		
Fixed income - Corporate (financial)	We only have external mandates for green bond funds.		
Hedge funds - DDQ (Fund of Hedge Funds)	<table border="1"> <tr> <td>Select whether you use the PRI Hedge Fund DDQ</td> </tr> <tr> <td> <input type="radio"/> Yes <input checked="" type="radio"/> No </td> </tr> </table>	Select whether you use the PRI Hedge Fund DDQ	<input type="radio"/> Yes <input checked="" type="radio"/> No
Select whether you use the PRI Hedge Fund DDQ			
<input type="radio"/> Yes <input checked="" type="radio"/> No			
Fund of hedge funds	x		

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 18.2

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Global equity portfolio invested in active low carbon strategies since 2012 and have been continuously developed. During 2018 AP4 decided to divest thermal coal and oil sand companies. In 2019 we enhanced our low carbon strategies by including emissions of sub-suppliers to the companies. We also implemented a specific strategy based on the transition from internal combustions engines (ICEs) to electric vehicles (EVs) in our low carbon strategies. In the annual report of 2019 we started to report the performance of different sustainability themes, please see page 24. We have started to report on resource efficiency (water & waste), please see annual report page 34 and expect to implement an investment strategy based on resource efficiency during 2020.

No

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Selection, Appointment and Monitoring

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
https://www.ap4.se/globalassets/dokument/rapportarkiv/2019/arsredovisning-2019/ap4-ar-2019_web.final.0220.pdf	
URL	
http://media.etikradet.se/2019/06/Eng_CouncilonEthics_AnnualReport2018.pdf	

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
https://www.ap4.se/globalassets/dokument/rapportarkiv/2019/arsredovisning-2019/ap4-ar-2019_web.final.0220.pdf	
URL	
http://media.etikradet.se/2019/06/Eng_CouncilonEthics_AnnualReport2018.pdf	

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	https://www.ap4.se/globalassets/dokument/rapportarkiv/2019/arsredovisning-2019/ap4-ar-2019_web.final.0220.pdf
URL	http://media.etikradet.se/2019/06/Eng_CouncilonEthics_AnnualReport2018.pdf

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

Yes

No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
Frequency	
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
https://www.ap4.se/hallbarhet-och-agarstyrning/agarstyrning/sverige/ap4s-deltagande-pa-stammor/	
URL	
https://www.ap4.se/en/esg/corporate-governance---a-focus-area/corporate-governance/global-voting/	

Fixed income

Do you disclose?

We do not disclose to either clients/beneficiaries or the public.

We disclose to clients/beneficiaries only.

We disclose to the public

AP4

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Listed Equity and Fixed Income Strategies

SAM 01	Mandatory	Public	Gateway	PRI 1
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SAM 01.1 Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity				
Screening	<input checked="" type="checkbox"/>				
Thematic	<input checked="" type="checkbox"/>				
Integration	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>				

Passive investment strategies

Passive investment strategies	Listed Equity				
Screening	<input checked="" type="checkbox"/>				
Thematic	<input type="checkbox"/>				
Integration	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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SAM 02.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE					Private equity	Property	Infrastructure
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No RI information covered in the selection documentation	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 02.2

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE					Private equity	Property	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the ESG definitions to be used	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG people/oversight

	LE					Private equity	Property	Infrastructure
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Process/portfolio construction/investment valuation

	LE				Private equity	Property	Infrastructure
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree manager's ESG risk framework	<input type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how ESG materiality is evaluated by the manager	<input type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 02.3

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

Indepth interviews with both ESG professionals and investment professionals. Reference calls with earlier investors.

SAM 02.4

When selecting external managers does your organisation set any of the following:

	LE					Private equity	Property	Infrastructure
ESG performance development targets	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG score	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input checked="" type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

You selected an `Other` option in table SAM 02.4 above, please specify

Management quality and performance - ESG considerations integrated in asset mgt approach. That the manager is informed of and share AP4's view on exclusions from the Council on Ethics and AP4's own thematic exclusion and divestment approach. Expectation that managers will report ESG and sustainability metrics in line with established frameworks like TFCF.

SAM 02.5

Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

ESG and sustainability policy and practices are an integrated part of the investment process. In the first step of the process, investment strategy and potential links to the sustainability agenda and climate change are assessed. As we go deeper in the due diligence, this area is also assessed. ESG is always included in materials to investment committee and an integral part of the investment agreement and/or sideletter.

SAM 03

Mandatory

Public

Additional Assessed

PRI 2

SAM 03.1

Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.

Engagement

	LE					
Review the manager's engagement policy	<input type="checkbox"/>					
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>					
Ensure whether engagement outcomes feed back into the investment decision-making process	<input type="checkbox"/>					
Other engagement issues in your selection process specify	<input type="checkbox"/>					

SAM 03.2 Describe how you assess if the manager's engagement approach is effective.

- Impact on investment decisions
- Financial impact on target company or asset class
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify

Important part of evaluation is the managers practices with regards to including ESG in the ongoing active ownership i.e. value creation plan, board work, executive appointments etc.

- None of the above

SAM 03.4 Additional information [OPTIONAL]

Important part of evaluation is the managers practices with regards to including ESG in the ongoing active ownership i.e. value creation plan, board work, executive appointments etc.

Appointment

SAM 04

Mandatory

Public

Core Assessed

PRI 1

SAM 04.1 Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

SAM 04.2 Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

- Listed equity (LE)

Benchmark

- We do not set benchmarks

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
All managers are notified of AP4's exclusion list and thematic divestments.
- ESG integration, specify
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify
- ESG guidelines/regulation, principles/standards, specify

Ask managers to be members of for example PRI, GRESB. All managers are notified of AP4's exclusion list and thematic divestments..

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested

- Private equity

Benchmark

- We do not set benchmarks

ESG Objectives

- ESG related strategy, specify
for example, identification of positioning of the strategy, e.g., do no harm, benefit stakeholders, contribute to solutions
- ESG related investment restrictions, specify
for example, exclusion of companies involved in
i) the production and selling or trading of nuclear weapons;

- ii) the production and selling or trading of tobacco or cannabis;
- iii) operations related to thermal coal and oil sand; and
- iv) the production and selling or trading of cluster munitions and mines.

ESG integration, specify

for example, ensuring sustainability/ESG risks and opportunities are an integrated part of the investment evaluation of the manager, including climate related risks (in line with TFCO)

Engagement, specify

for example, the manager needs to confirm it will use commercially reasonable efforts to proactively identify and manage sustainability related risks and opportunities in the Fund and Investments, as part of the governance and management of the Investments.

Voting, specify

Promoting responsible investment

ESG specific improvements

Other, specify

ESG guidelines/regulation, principles/standards, specify

for example, we encourage managers to be signatories of the PRI, to support and report in line with TFCO and GRESB (real estate and infrastructure), OECD guidelines for MNEs

Incentives and controls

We do not set incentives and controls

Reporting requirements

Ad-hoc/when requested

Annually

Bi-annually

Quarterly

Monthly

Property

Benchmark

We do not set benchmarks

ESG Objectives

ESG related strategy, specify

Please see comments for Private Equity

ESG related investment restrictions, specify

Please see comments for Private Equity

ESG integration, specify

Please see comments for Private Equity

Engagement, specify

Please see comments for Private Equity

- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify
 - Please see comments for Private Equity
- ESG guidelines/regulation, principles/standards, specify
 - Please see comments for Private Equity

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested
- Infrastructure

Benchmark

- We do not set benchmarks

ESG Objectives

- ESG related strategy, specify
 - Please see comments for Private Equity
- ESG related investment restrictions, specify
 - Please see comments for Private Equity
- ESG integration, specify
 - Please see comments for Private Equity
- Engagement, specify
 - Please see comments for Private Equity
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
 - Please see comments for Private Equity
- Other, specify
- ESG guidelines/regulation, principles/standards, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

SAM 04.3

Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

SAM 04.4

Provide additional information relevant to your organisation’s appointment processes of external managers. [OPTIONAL]

ESG is part of the overall valuation, follow up, monitoring.

Monitoring

SAM 05

Mandatory

Public

Core Assessed

PRI 1

SAM 05.1

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE					Private equity	Property	Infrastructure
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG portfolio characteristics	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on any ESG incidents	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Metrics on the real economy influence of the investments	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRI Transparency Reports	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRI Assessment Reports	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Changes to the oversight and responsibilities of ESG implementation	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 05.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE					Private equity	Property	Infrastructure
ESG score	<input type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG performance minimum threshold	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any `Other` option(s), specify

Compliance regarding companies excluded by AP4. Progress by manager with regards to ESG/sustainability knowledge and practices.

SAM 06

Mandatory

Public

Additional Assessed

PRI 1

SAM 06.1

When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement

	LE				
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input type="checkbox"/>				
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>				
Information on any escalation strategy taken after initial unsuccessful dialogue	<input checked="" type="checkbox"/>				
Alignment with any eventual engagement programme done internally	<input type="checkbox"/>				
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>				
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

Outputs and outcomes

SAM 08	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SAM 08.1 Describe how you ensure that best RI practice is applied to managing your assets

- Encourage improved RI practices with existing investment managers

Measures

Share examples of good practice with managers. Give practical input on areas of improvement potential.

- Move assets over to investment managers with better RI practices
- Other, specify

Since RI is part of the overall performance, there is the possibility of not continuing with the investment manager.

Measures

Se above

- None of the above

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1 Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

- Add Example 1

Topic or issue	Investing in companies supporting the sustainability transformation
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input checked="" type="checkbox"/> Private equity <input type="checkbox"/> Property <input type="checkbox"/> Infrastructure
Scope and process	Assessed new fund within PE/VC investing in companies that enable shifting to more sustainable practices. Reviewed the managers' internal thematical research, interviewed investment team.
Outcomes	Decided to invest.

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

AP4

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e., not combined with any other strategies)
- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)
- Screening and integration strategies
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	<div style="display: flex; align-items: center;"> <div style="width: 100%; height: 20px; background-color: #0070C0; margin-right: 5px;"></div> % </div> <p>100</p>
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- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

ESG overall is integrated part in the active managed portfolios where the different portfolios could have different approaches. For AP4, as a long-term investor, sustainability is a hygienic factor. Our business model is based on sustainability being an express part of our management strategy. We believe companies and businesses managed in a responsible way will contribute to lower risk and higher returns long-term.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

AP4 use for example broad implementation of risk-mitigation strategies in AP4's portfolio. AP4 applies low-carbon strategies in global equities, entailing that AP4 reduces its exposure to the companies in each sector that have high CO2 intensity or fossil fuel reserves. Dedicated allocation to investments that benefit from or play a leading role in prioritised areas. AP4 searches actively and has made a number of investments focused on contributing to or benefiting from the shift to a low-carbon economy that is currently taking place. Using ownership dialogues with companies to discuss issues and to promote ESG. Using ownership rights to vote. Participating in different collaborations concerning ESG.

LEI 02

Voluntary

Public

Additional Assessed

PRI 1

LEI 02.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 02.2	Indicate whether you incentivise brokers to provide ESG research.
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- Yes
- No

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.
- (Proxy) voting
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.

LEI 03.2	Additional information. [Optional]
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Depending on investment team and asset class, there are different ways of information processes, for example weekly meetings and ad-hoc information meetings depending on the issue.

(A) Implementation: Screening

LEI 04

Mandatory

Public

Descriptive

PRI 1

LEI 04.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
 Activity
 Sector
 Country/geographic region
 Environmental and social practices and performance
 Corporate governance

Description

AP4 has some sectors, products and ESG related issues where we either exclude companies or just do not invest in. We do the screening to ensure that we are not invested in those companies.

- Positive/best-in-class screening

Screened by

- Product
 Activity
 Sector
 Country/geographic region
 Environmental and social practices and performance
 Corporate governance

Description

AP4 has some sectors, products and ESG related issues where we do positive screening to be able to find companies that could benefit from change in behavior from costumers.

- Norms-based screening

Screened by

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

International conventions that are signed by the Kingdom of Sweden.

	Description
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This is mainly in regards to the international conventions that are signed by the Kingdom of Sweden, such as nuclear weapons, cluster munition and land mines.

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
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NA, but the fund makes the changes public on our web site.

LEI 05	Mandatory	Public	Core Assessed	PRI 1
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LEI 05.1	Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
- None of the above

LEI 05.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.
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- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.3 Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 05.5 Additional information. [Optional]

By bi-annual screening of the portfolio and heads ups by weekly updates.

LEI 06	Voluntary	Public	Additional Assessed	PRI 1
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LEI 06.1 Indicate which processes your organisation uses to ensure fund criteria are not breached.

- Systematic checks are performed to ensure that stocks meet the fund's screening criteria
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other; specify
- None of the above

LEI 06.2 If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

Immediate action to correct the breach and analyse of what happend. Evaluation of routine and routine description. and if needed, updating the routine/process. Implementation of identified changes, if any.

(B) Implementation: Thematic

LEI 07	Mandatory	Public	Descriptive	PRI 1
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LEI 07.1 Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes




LEI 07.2 Describe your organisation's processes relating to sustainability themed funds. [Optional]

AP4 aims to integrate ESG in all investment processes. For example to lower the funds exposure to CO2 and take into consideration other ESG factor related issues. This is done both in internally managed portfolios (both semi-active and active) as well as in externally managed portfolios.

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1 Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	 Environmental <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	 Social <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	 Corporate Governance <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

AP4 screens the portfolio in regards to different factors as well as for different issues, and when needed continue with deeper research

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.3

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
On data base for relevant parties and by the portfolio managers as a part of the overall research.
- None of the above

LEI 10**Mandatory to Report Voluntary to Disclose****Public****Core Assessed****PRI 1**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 10.1

Indicate which aspects of investment analysis you integrate material ESG information into.

 Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

 Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

 Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

 Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

 Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

 Security sensitivity and/or scenario analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Other; specify

LEI 10.2 Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

LEI 10.3 Describe how you integrate ESG information into portfolio weighting.

ESG factors is a part of the general company analysis.

LEI 10.4 Describe the methods you have used to adjust the income forecast/valuation tool.

ESG factors is a part of the general company analysis.

LEI 10.5 Describe how you apply sensitivity and /or scenario analysis to security valuations.

ESG factors is a part of the general company analysis.

ESG incorporation in passively managed listed equities

LEI 11	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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LEI 11.1

Indicate if you manage passive listed equity funds that incorporate ESG factors in the index construction methodology.

- Yes
- No

LEI 11.2

Indicate the percentage of your total passive listed equity funds for which ESG factors are incorporated in the index construction methodology.

ESG incorporation in index construction methodology (% of total passive listed equity funds)

- <10%
- 10-50%
- 51-90%
- >90%

LEI 11.3

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
AQR Sustainable Emerging Markets	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Northern Trust Quality Low Carbon	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

Index/fund 3

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Internal Pacific Low Carbon	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

Index/fund 4

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Internal Europe Low Carbon	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

Index/fund 5

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Internal North America Low Carbon	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

LEI 11.4	Additional information. [Optional]
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Besides the funds above, AP4 also have these two funds
 Amundi Asia ex Japan CO2 Screening

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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Screening

	Describe any reduction in your starting investment universe or other effects.
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We screen and reduce the investable universe based on the Council on Ethics' review of violation against international conventions. We also reduce the investable universe by for example companies active within nuclear weapons, tobacco, thermal coal, oil sand, and some company-specific exclusions .

	Specify the percentage reduction (+/- 5%)
--	---

	%
--	---

5

Thematic

Describe any alteration to your investment universe or other effects.

We do not invest in companies where thermal coal or oil sand represents 20 percent or more of turnover. We also apply low-carbon strategies which reduce climate risk exposure across all sectors.

- Integration of ESG factors
- Index incorporating ESG factors (for passively managed funds)

LEI 13	Voluntary	Public	Descriptive	PRI 1
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LEI 13.1 Provide examples of ESG factors that affected your investment view and/or performance during the reporting year.

ESG factor 1

ESG factor and explanation
Portfolios that reduce climate risk in its equity investments by reducing exposure to companies with relatively high carbon emissions and/or fossil fuel reserves.
ESG incorporation strategy applied
<p>Screening, Thematic, Integration</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG factors
Impact on investment decision or performance
Carbon footprint reducing strategies has had a positiv impact on performance.

ESG factor 2

ESG factor and explanation
<p>AP4 has invested in a Japanese strategic investments with a focus on corporate governance, TMAM GO Japan Engagement Fund (JEF) and GO Japan Engagement Consortium. JEF owns shares in about 12-15 Japanese companies with a specific identified potential for increased shareholder value. They work according to a structured process of active governance, which enables monitoring and transparency.</p> <p>AP4 is also engaged in the GO Japan Engagement Consortium (JEC). Other members of the consortium are TMAM and the English pension funds Railpen (Railway Pension Fund) and USS (University Superannuation Scheme). The consortium conducts, via GO - Japan and TMAM, ownership dialogues with 15-20 major Japanese companies. The work is principally structured in the same way as for JEF, but in contacts with companies it is the names of the consortium members that are presented.</p> <p>ESG incorporation strategy applied</p>
ESG incorporation strategy applied
<p>Integration</p> <p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Index incorporating ESG factors</p>
Impact on investment decision or performance
<p>The Japanese strategies with a focus on active corporate governance have performed well and made a positive contribution to both total return and active return.</p>

ESG factor 3

ESG factor and explanation
<p>The Fund is invested in RobecoSAMs Gender Fund, a fund that invest in companies that score high on ESG and on gender indexes.</p>
ESG incorporation strategy applied
<p>Thematic</p> <p><input type="checkbox"/> Screening</p> <p><input checked="" type="checkbox"/> Thematic</p> <p><input type="checkbox"/> Integration</p> <p><input type="checkbox"/> Index incorporating ESG factors</p>

ESG factor 4

ESG factor and explanation

Transition to EVs

ESG incorporation strategy applied

Thematic

- Screening
- Thematic
- Integration
- Index incorporating ESG factors

ESG factor 5

AP4

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

<http://www.ap4.se/globalassets/dokument/policyer/ap4-agarpolicy.pdf>

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)
- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other; (specify)
 - Other
 - None of the above
- No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes

LEA 01.5

Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following:

- Outline of service provider`s role in implementing your organisation`s active ownership policy
 - Description of considerations included in service provider selection and agreements
 - Identification of key ESG frameworks which service providers must follow
 - Outline of information sharing requirements of service providers
 - Description of service provider monitoring processes
 - Other; (specify)
The service provider is acting in association with the fund.
 - None of the above
- No

Engagement

LEA 02

Mandatory

Public

Core Assessed

PRI 1,2,3

LEA 02.1

Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

LEA 02.2

Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

Yes

LEA 02.3

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- We discuss the topic of the engagement (or ESG issue(s)) of engagement
- We discuss the rationale for the engagement
- We discuss the objectives of the engagement
- We select the companies to be engaged with
- We discuss the frequency/intensity of interactions with companies
- We discuss the next steps for engagement activity
- We participate directly in certain engagements with our service provider
- Other; specify
- We play no role in engagements that our service provider conducts.

No

LEA 02.4

Additional information. [Optional]

AP4 use direct interaction by ourself, by the Council fo Ethics and by engagement consultants (the service provider).

LEA 03

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input type="checkbox"/> Responses to ESG impacts that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Collaborative engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Alleviate the resource burden of engagement <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers
Service-provider engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Service-provider engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred

	<input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our service providers
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No

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration
Service-provider engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
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Individual / Internal staff engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.
Service-provider engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our service providers.

LEA 05.2

Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Service-provider engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 06

Mandatory

Public

Additional Assessed

PRI 2,4

LEA 06.1

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

No

LEA 06.3

Additional information. [Optional]

One of AP4s staff that has regular contact with service providers, discussing ongoing and potential engagements including setting goals for the engagements and being active in some of the engagements.

LEA 07

Voluntary

Public

Additional Assessed

PRI 1,2

LEA 07.1

Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Service-provider engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2 Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3 Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Service-provider engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.4 Additional information. [Optional]

Information is shared by the fund to the public via annual reports and on the website. Information is also shared via The Council on Ethics (a collaboration between AP1-AP4 regarding mainly non-Swedish companies) yearly report.

LEA 08	Mandatory	Public	Gateway	PRI 2
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LEA 08.1 Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track
Service-provider engagements	<input checked="" type="radio"/> Yes, we track the number of service-provider engagements in full <input type="radio"/> Yes, we partially track the number of our service-provider engagements <input type="radio"/> We do not track

LEA 08.2 Additional information. [Optional]

AP4 records information about the progress in the engagements on weekly updates and meetings and reports.

Outputs and outcomes

LEA 09	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 09.1 Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.

	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/>	130	8
Collaborative engagements	<input type="checkbox"/>	548	32
Service-provider engagements	<input type="checkbox"/>	30	2

LEA 09.2 Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

No. of interactions with a company	% of engagements
One interaction	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
More than 3 interactions	<input type="radio"/> >76% <input checked="" type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
Total	100%

LEA 09.3

Indicate the percentage of your collaborative engagements in which you were the leading organisation during the reporting year.

Type of engagement	% leading role
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 09.4

Indicate the percentage of your service-provider engagements in which you had some involvement during the reporting year.

Type of engagement	% of engagements with some involvement
Service-provider engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 09.5	Additional information. [Optional]
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Besides this form of engagement AP4 is also involved in 39 nominations committees in Swedish companies, counting as Governance engagement.

LEA 10	Voluntary	Public	Additional Assessed	PRI 2
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LEA 10.1	Indicate which of the following your engagement involved.
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- Letters and emails to companies
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with board/senior management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with the CSR, IR or other management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to operations
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to supplier(s) in supplier(s) from the company's supply chain
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Participation in roadshows
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Other

LEA 10.2	Additional information. [Optional]
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Contact with companies differ from case to case. Contact with companies, and responses from companies could be via mail if the issue is less severe and easy to solve. There could also be visits to the headquarters or at different sites if the case is more complicated or more severe, but also for educational reasons for the portfolio managers and related staff for future situations. Regarding Swedish companies it is mainly contact with the Chairman or the CEO.

LEA 11	Voluntary	Public	Descriptive	PRI 2
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LEA 11.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
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Add Example 1

ESG Topic	<p>Pollution, General ESG, Health and Safety</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Pollution <input checked="" type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	<p>Together with The Church of England Pensions Board, Church Commissioners for England, are the Sweden's Public Pension Funds Council on Ethics for AP1, AP2, AP3 and AP4, are leading a global independent public classification system that monitors the safety risk of mining company tailings dams.</p>
Scope and Process	<p>The funds are jointly proposing that the new system should be independent of companies and require annual audits of all tailings dams as well as verification that the highest corresponding safety standards are being implemented. All reporting should be made public through an accessible database that communities, governments, civil society and investors can access.</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing

	<input type="checkbox"/> Voting <input type="checkbox"/> Other
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Add Example 2

ESG Topic	<p>Executive Remuneration</p> <input checked="" type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	<p>Together with international investors engage with 10-15 international companies regarding remuneration, asking for real performance criterias in the programs.</p>
Scope and Process	<p>Se above</p>
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 3

ESG Topic	Human rights <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<input type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input checked="" type="checkbox"/> Service provider
Objectives	Initiative to engage with companies using cobolt in their products
Scope and Process	Se above
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 4

ESG Topic	<p>Labour practices and supply chain management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input checked="" type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	<p>Food supply engagement with Systianalytics as lead. Looks at the risk for child labour and forced labour in the food industries supply chain.</p>
Scope and Process	
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 5

- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

LEA 11.2	Additional information. [Optional]
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Besides of different special engagement, AP4 is active in a number of Swedish Nomination Committees, engaging with Swedish companies in a number of issues where the outcome is hard to measure and/or takes some years before we could measure the outcome. On the Global market is AP4 active in the Council of Ethics, and of course through initiatives in connection to CO2. There are also a number of different initiatives that AP4 support and and have been engaged regarding corporate governance and the development of corporate governance. That is for example initiatives like CA100+, TPI and ICGN.

(Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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LEA 12.1	Indicate how you typically make your (proxy) voting decisions.
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	Approach
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- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

	Based on
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- The service-provider voting policy we sign off on
- Our own voting policy
- Our clients` requests or policies
- Other (explain)
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

LEA 12.2	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.
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For the non Swedish portfolios, the service provider has set up the voting instruction after our voting policy, meaning that all issues that are not basic, such as questions regarding governance, capital allocation, remuneration, board composition etc always go to AP4 to make the voting decision decided from own research.

LEA 12.3	Additional information.[Optional]
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For the Swedish holdings all decisions are solely taken by AP4.

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
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LEA 14.1	Does your organisation have a securities lending programme?
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Yes

LEA 14.3	Indicate how the issue of voting is addressed in your securities lending programme.
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- We recall all securities for voting on all ballot items
- We maintain some holdings, so that we can vote at any time
- We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
- We recall some securities so that we can vote on their ballot items on an ad-hoc basis
- We empower our securities-lending agent to decide when to recall securities for voting purposes
- We do not recall our securities for voting purposes
- Other (specify)

No

LEA 15	Mandatory	Public	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
-----------------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2	Indicate the reasons for raising your concerns with these companies ahead of voting.
-----------------	--

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

Explain

For the Swedish holdings discussions mostly regarding remuneration and board structure, the last item mainly thru the work in nomination committees.

LEA 16	Mandatory	Public	Core Assessed	PRI 2
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LEA 16.1

Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2

Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

Explain

Mainly regarding capital structure, remuneration, board structure, board independence, the role of chairman and CEO should be split on two persons and the ability for shareholders to file resolutions.

LEA 16.3

In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 16.4

Additional information. [Optional]

In all cases related to the Swedish portfolio. For the non-Swedish portfolio some examples.

LEA 17	Mandatory	Public	Core Assessed	PRI 2
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LEA 17.1

For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

66

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2

Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

AP4 has the aim to keep high quality in the voting process, and are therefor expanding the number of AGM's voted in a pace where we are able to keep the quality.

LEA 18

Voluntary

Public

Additional Assessed

PRI 2




LEA 18.1

Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- Yes, we track this information

LEA 18.2

Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 71
Against (opposing) management recommendations	 28
Abstentions	 1

100%

No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.
-----------------	---

5

LEA 18.4	Additional information. [Optional]
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The figures above is mainly on the global portfolio.

LEA 19	Mandatory	Public	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
-----------------	--

Yes

No

LEA 19.3	Additional information. [Optional]
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These situations are treated case by case.

LEA 20	Voluntary	Public	Descriptive	PRI 2
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LEA 20.1	Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.
-----------------	--

Yes

LEA 20.2 Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

5

No

LEA 20.3 Indicate what percentage of these ESG shareholder resolutions resulted in the following:

Went to vote	<input type="text" value="20"/> %
Were withdrawn due to changes at the company and/or negotiations with the company	<input type="text" value="0"/> %
Were withdrawn for other reasons	<input type="text" value="0"/> %
Were rejected/not acknowledged by the company	<input type="text" value="80"/> %

Total

100%

LEA 20.4 Of the ESG shareholder resolutions that you filed or co-filed and that were put to a vote (i.e., not withdrawn), indicate the percentage that received approval:

100

LEA 20.5 Describe the ESG shareholder resolutions that you filed or co-filed, and the outcomes achieved.

Asking companies to review their support for organizations that do not work in the same direction as the companies regarding mainly climate policies.

LEA 20.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.
-----------------	--

AP4 did in some cases give public support for resolutions and in some cases wrote letters to companies and reminded them about resolutions filed earlier years.

LEA 21	Voluntary	Public	Descriptive	PRI 2
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LEA 21.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

LEA 21.2	Additional information. [Optional]
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See previous question.

AP4

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<p>Stacked bar chart for SSA. The y-axis represents percentage from 0 to 100. The x-axis lists eight categories. The 'Screening alone' category is filled with blue and reaches the 100% mark. All other categories (Thematic alone, Integration alone, Screening + integration strategies, Thematic + integration strategies, Screening + thematic strategies, All three strategies combined, and No incorporation strategies applied) are also filled with blue but reach the 0% mark.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>100</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Category	Percentage	Screening alone	100	Thematic alone	0	Integration alone	0	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	Total	100%
Category	Percentage																				
Screening alone	100																				
Thematic alone	0																				
Integration alone	0																				
Screening + integration strategies	0																				
Thematic + integration strategies	0																				
Screening + thematic strategies	0																				
All three strategies combined	0																				
No incorporation strategies applied	0																				
Total	100%																				
Corporate (non-financial)	<p>Stacked bar chart for Corporate (non-financial). The y-axis represents percentage from 0 to 100. The x-axis lists four categories. The 'Screening alone' category is filled with blue and reaches the 100% mark. All other categories (Thematic alone, Integration alone, and Screening + integration strategies) are also filled with blue but reach the 0% mark.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>100</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> </tbody> </table>	Category	Percentage	Screening alone	100	Thematic alone	0	Integration alone	0	Screening + integration strategies	0										
Category	Percentage																				
Screening alone	100																				
Thematic alone	0																				
Integration alone	0																				
Screening + integration strategies	0																				

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

ESG is an integrated part of the over all investment decision. The AP4 investment guidelines and exclusion list applies to all FI investments.

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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FI 02.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (non-financial)
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2 Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data
- ESG factor specific analysis
- Issuer-level ESG analysis

Indicate who provides this information

- ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify
- Sector-level ESG analysis

Indicate who provides this information

- ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify
- Country-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

FI 02.3	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
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ESG analysis is part of the investment process.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

	specify description
--	---------------------

ESG analysis is part of the investment process.

None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 04 **Mandatory** **Public** **Gateway** **PRI 1**

FI 04.1 Indicate the type of screening you conduct.

Select all that apply

	SSA	Corporate (non-financial)
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 04.2 Describe your approach to screening for internally managed active fixed income

Adhere to internal investments guidelines concerning ESG themes and exclusions.

FI 05 **Voluntary** **Public** **Additional Assessed** **PRI 1**

FI 05.1 Provide examples of how ESG factors are included in your screening criteria.

- Example 1

Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Norms-based
Description of how ESG factors are used as the screening criteria
ESG factors like cluster weapons, nuclear weapons, thermal coal and tar sands etc. Please see www.ap4.se .

- Example 2
- Example 3
- Example 4
- Example 5

FI 06	Mandatory	Public	Core Assessed	PRI 1
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FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
---------	---

Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

Fixed income - Engagement

FI 14	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 14.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.
---------	---

Category	Proportion of assets
SSA	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5%
	<div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (SSA fixed income assets). </div> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5%
	<div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue

FI 15	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 15.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
----------------	---

Select all that apply

Type of engagement	SSA	Corporate (non-financial)
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input type="checkbox"/>	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.2

Indicate how your organisation prioritises engagements with issuers.

Select all that apply

	SSA	Corporate (non-financial)	
Size of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Credit quality of the issuer	<input type="checkbox"/>	<input type="checkbox"/>	
Duration of holdings	<input type="checkbox"/>	<input type="checkbox"/>	
Quality of transparency on ESG	<input type="checkbox"/>	<input type="checkbox"/>	
Specific markets and/or sectors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Specific ESG themes	<input type="checkbox"/>	<input type="checkbox"/>	
Issuers in the lowest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	
Other	<input type="checkbox"/>	<input type="checkbox"/>	

FI 15.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (non-financial)
We engage pre-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage post-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input type="checkbox"/>	<input type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input type="checkbox"/>	<input type="checkbox"/>
We engage prior to ESG-related divestments.	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.4

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (non-financial)
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input type="checkbox"/>	<input type="checkbox"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.5

Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

Select all that apply

	SSA	Corporate (non-financial)	
Ensuring regular cross-team meetings and presentations.	<input type="checkbox"/>	<input type="checkbox"/>	
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input type="checkbox"/>	<input type="checkbox"/>	
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input type="checkbox"/>	<input type="checkbox"/>	
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input type="checkbox"/>	<input type="checkbox"/>	
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input type="checkbox"/>	<input type="checkbox"/>	
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input type="checkbox"/>	<input type="checkbox"/>	
Considering active ownership as a mechanism to assess potential future investments.	<input type="checkbox"/>	<input type="checkbox"/>	
Other, describe	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	

If 'other' has been selected, please give a description

The portfolio manager conducts the engagement with the issuers and the collected information feeds into the decision-making process.

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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FI 16.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

- Yes
 No

Outputs and outcomes

FI 17	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 17.1

Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.

Select all that apply

	SSA	Corporate (non-financial)	
We measure whether incorporating ESG impacts portfolio risk.	<input type="checkbox"/>	<input type="checkbox"/>	
We measure whether incorporating ESG impacts portfolio returns.	<input type="checkbox"/>	<input type="checkbox"/>	
We measure the ESG performance/profile of portfolios (relative to the benchmark).	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

FI 17.2

Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

ESG considerations are part of the fixed income investments managers processes. We do not separate the ESG analysis in the investment process - it is an integrated part of the investment decision - and therefore part of the performance.

FI 18

Voluntary

Public

Descriptive

PRI 1,2

FI 18.1

Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

 Example 1

Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (non-financial)
ESG issue and explanation
ESG factors like clusterweapons, nuclearweapons, thermal coal and tarsands etc. Please see www.ap4.se .
RI strategy applied
<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Engagement

- Example 2
- Example 3
- Example 4
- Example 5

AP4

Reported Information

Public version

Confidence building measures

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Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- Other, specify

Each investment team provides the answers to their respective module. The answers are discussed with the Strategy & Sustainability team. Risk & Control assesses the numbers.

- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report

CM1 03.3 Provide a link to the public report (such as a sustainability report that you carry out third party assurance over and for which you have used extracts of in this year's PRI Transparency Report. Also include a link to the external assurance provider's report.

Link to sustainability, RI, or integrated report [URL]

https://www.ap4.se/globalassets/dokument/rapportarkiv/2019/arsredovisning-2019/4ap-fonden-ar-2019-eng_web_200327.pdf

Link to external assurance provider`s report [URL]

https://www.ap4.se/globalassets/dokument/rapportarkiv/2019/arsredovisning-2019/4ap-fonden-ar-2019-eng_web_200327.pdf

- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1 Do you plan to conduct third party assurance of this year`s PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year`s PRI Transparency report