



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 relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</p> <p><input type="checkbox"/> To engage investor ESG objectives</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</p> <p><input type="checkbox"/> To engage investor ESG objectives</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</p> <p><input type="checkbox"/> To engage investor ESG objectives</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</p> <p><input type="checkbox"/> To engage investor ESG objectives</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

# RI TRANSPARENCY REPORT

## 2014/15

Folksam

## 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 2014-15 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 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	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	🔒	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Private	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Private							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓						✓
SAM 07	Appointment considerations (listed assets)	✓	Private				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓						✓
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓						✓
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓						✓
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						✓
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 16	Disclosure of RI considerations	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	🔒	n/a	✓						
LEI 04	Type of ESG information used in investment decision	🔒	n/a	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	🔒	n/a	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	🔒	n/a	✓						
LEI 11	Review ESG issues while researching companies/sectors	🔒	n/a	✓						
LEI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
LEI 13	Aspects of analysis ESG information is integrated into	🔒	n/a	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

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 engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	🔒	n/a	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	🔒	n/a	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	🔒	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	🔒	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					



Folksam

Reported Information

Public version

Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the category which best represents your primary activity.

- 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 or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2 Additional information. [Optional]

Folksam is a mutual insurance and pension company.

OO 02	Mandatory	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

3400

OO 03	Mandatory	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 04.1** Indicate the year end date for your reporting year.

31/12/2014

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		37	646	000	000
Currency	EUR				
Assets in USD		49	372	396	798

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	<10%	10-50%
Fixed income – corporate	<10%	10-50%
Fixed income – government	<10%	10-50%
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	<10%
Infrastructure	<10%	0

Commodities	<10%	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Folksam's customers care about how listed companies handle the issues of sustainability. We at Folksam firmly believe that companies that take responsibility for the environment and human rights are more profitable in the long term. Folksam influences the companies it invests in by applying environmental, human rights and anti-corruption criteria. On the other hand, there are companies Folksam has deliberately chosen not to invest in, regardless of how small their environmental impact is or how good a working environment they have. The disqualifying criteria are tobacco and illegal weapons such as cluster munitions, anti-personnel mines and nuclear weapons. All companies within Folksam apply these criteria. The subsidiary KPA Pension has also adopted even tougher disqualifying criteria and, it does not invest in the tobacco industry, the arms industry, the alcohol industry or commercial gambling.

In 2012, Folksam General continued its work to achieve the requirements for the Good Environmental Choice label - something we are first in doing in the insurance industry. It means that Folksam General disqualifies investments in alcohol, all weapons, tobacco, coal-fired power, nuclear power and uranium. For the rest of the Folksam Group, tobacco and illegal weapons are among the disqualifying criteria. Our influencing criteria for human rights, the environment and anti-corruption cover all companies in the Folksam Group.

Folksam manages around SEK 350 billion on behalf of just over four million customers. This gives us the ability to influence and change society in the long term. All the assets Folksam manages, regardless of whether they are insurance portfolios or personal savings, are covered by ethical investment criteria. Folksam's objective of persuading companies to assume their social responsibility is very much for the public good, as we believe that knowledge helps bring about positive change. Folksam regularly publishes reports and indices in which we present information on the companies' performance in areas such as the environment, human rights and gender equality.

## Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Infrastructure
- Commodities
- Cash
- None of the above

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Property
- None of the above

OO 11.3

Additional information. [Optional]

Regarding fixed income - government - as of today only Germany, Sweden, USA and Denmark is on the list. Possible countries according to the policy are as follows: Australia, Belgium, Denmark, Finland, France, Greece, Holland, Ireland, Iceland, Italy, Japan, Canada, Luxembourg, Norway, New Zealand, Portugal, Switzerland, Spain, Great Britain, Sweden, South Korea, Germany, USA and Austria.

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**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 - Corporate

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate

**Closing module**

- Closing module

# Folksam

## Reported Information

### Public version

### Overarching Approach

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- Yes
- No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- Yes
- No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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Folksam's customers (i.e. owners) care about how listed companies handle the issues of sustainability. We at Folksam firmly believe that companies that take responsibility for the environment and human rights are more profitable in the long term. Folksam influences the companies it invests in by applying environmental, human rights and anti-corruption criteria.

On the other hand, there are companies Folksam has deliberately chosen not to invest in, regardless of how small their environmental impact is or how good a working environment they have. The disqualifying criteria are tobacco and illegal weapons such as cluster munitions, anti-personnel mines and nuclear weapons. All companies within Folksam apply these criteria. The subsidiary KPA Pension has also adopted even tougher disqualifying criteria and, it does not invest in the tobacco industry, the arms industry, the alcohol industry or commercial gambling.

In 2013, Folksam General continued its work to achieve the requirements for the Good Environmental Choice label - something we are first in doing in the insurance industry. It means that Folksam General disqualifies investments in alcohol, all weapons, tobacco, coal-fired power, nuclear power and uranium. For the rest of the Folksam Group, tobacco and illegal weapons are among the disqualifying criteria. Our influencing criteria for human rights, the environment and anti-corruption cover all companies in the Folksam Group.

Folksam manages around SEK 350 billion on behalf of just over four million customers. This gives us the ability to influence and change society in the long term. All the assets Folksam manages, regardless of whether they are insurance portfolios or personal savings, are covered by ethical investment criteria. Folksam's objective of persuading companies to assume their social responsibility is very much for the public good, as we believe that knowledge helps bring about positive change.

Folksam was the only Swedish investor to take part in drawing up the UN Principles for Responsible Investment (PRI) guidelines. Folksam was also one of the first investors to endorse the principles. In this year's sustainability report, we have chosen for the fourth consecutive year to report the year's events based on these principles to clarify how Folksam fulfils its commitment as a signatory to PRI. The Folksam Sustainability Report will be published within a few weeks on Folksam webpage.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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- Yes

OA 02.2	Provide a URL to your responsible investment policy.
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URL

<http://omoss.folksam.se/meranforsakring/sajobbarvi/1.92067>

No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Corporate Governance guidelines	<a href="http://omoss.folksam.se/meranforsakring/folksamsomagare/meromexternbolagsstyrning">http://omoss.folksam.se/meranforsakring/folksamsomagare/meromexternbolagsstyrning</a>
Good Environmental Choice	<a href="http://omoss.folksam.se/meranforsakring/sajobbarvi/1.119210">http://omoss.folksam.se/meranforsakring/sajobbarvi/1.119210</a>
Renumeration policy	<a href="http://omoss.folksam.se/polopoly_fs/1.99523!/Folksams%20ers%C3%A4ttningspolicy%20mars%202011.pdf">http://omoss.folksam.se/polopoly_fs/1.99523!/Folksams%20ers%C3%A4ttningspolicy%20mars%202011.pdf</a>

No

**OA 03** **Mandatory** **Core Assessed** **PRI 1,2**

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

<b>OA 03.2</b>	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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As described earlier our investment criteria varies depending on which company within the Folksam Group you look at, regarding the negative investment criteria.

<b>OA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
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<b>OA 04.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

<b>OA 04.2</b>	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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The policy is part of the "Guidelines for conflicts of interest" and describes different situations and how they should be handled.

No

## Objectives and strategies

<b>OA 05</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>OA 05.1</b>	Indicate if your organisation sets objectives for its responsible investment activities.
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Yes

No

OA 05.4

Additional information. [Optional]

Folksam's Boards of Directors have established a corporate governance policy and ethical investment criteria for the companies' holdings, which are available at folksam.se. These activities are followed up by an internal corporate governance committee. The corporate governance committee comprises Folksam's CEO (chairman) and otherwise includes the head of asset management, the presidents of the subsidiaries (KPA, Förenade Liv, KP Stiftelsen) and the Department for Responsible Ownership as well as a person from the Fund Group. The result is reported to the boards.

## Governance and human resources

OA 07

Voluntary

Descriptive

General

OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Folksam's Boards of Directors have established a corporate governance policy and ethical investment criteria for the companies' holdings, which are available at folksam.se. These activities are followed up by an internal corporate governance committee. The corporate governance committee comprises Folksam's CEO (chairman) and otherwise includes the head of asset management, the presidents of the subsidiaries (KPA, Förenade Liv, KP) and the Department for Responsible Ownership as well as a person from the Fund Group. The result is reported to the boards.

The Department for Responsible Ownership has four employees of which one is head of the department, one is deputy head and two are senior analysts. The department reports its work to the board and the CEO. The department is responsible for all the responsible investments within the Folksam Group, as well as KPA Pension which also has their own Sustainability Manager who partly work with responsible investments apart from regular internal sustainability issues.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), 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  
Presidents of subsidiaries

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

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	---

Number
--------

4

<b>OA 08.3</b>	Additional information. [Optional]
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Our external asset managers are also working with responsible investments however Folksam Group make all the formal decisions regarding the investment criteria and how to implement them.

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	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.
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**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]

Folksam was part of the initial group forming the principles and has been active in various engagement projects earlier.

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

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]

Folksam earlier sponsored the Nordic Secretariat.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

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

- Basic
- Moderate
- Advanced

United Nations Global Compact

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

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

**Global Network Initiative**

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

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

**Nordic Engagement Cooperation**

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]

Cooperation with Norwegian KLP and Finnish Ilmarinen, for more information see:  
[https://www.klp.no/polopoly\\_fs/1.22346.1366369110!/menu/standard/file/NEC\\_annual%20report\\_2012.pdf](https://www.klp.no/polopoly_fs/1.22346.1366369110!/menu/standard/file/NEC_annual%20report_2012.pdf)  
The report for 2014 is to be published within a few weeks.

Other collaborative organisation/initiative, specify

**Sustainable Value Creation**

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]

For more information see <http://www.svcinitiative.com/>

Other collaborative organisation/initiative, specify

Swesif

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]

Part of the board of Swesif

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3

Additional information. [Optional]

Carina Lundberg Markow, head of the Department for Responsible Investments at Folksam, spoke at various seminars during 2014.

Folksam also encourage the fund providers whose funds we promote to engage more in responsible investments. Last year we arranged a seminar in collaboration with Greenpeace to discuss the risks with fossil fuels explorations in the Arctic region. Various fund managers as well as investors were invited.

Folksam

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

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## Overview

SAM 02	Mandatory	Core Assessed	PRI 4
--------	-----------	---------------	-------

**SAM 02.1** Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

Yes

**SAM 02.2** Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional]

- We use investment consultants in our selection and appointment of external managers  
 We use investment consultants in our monitoring of external managers

Asset class

- Listed Equity (LE)  
 Fixed income - corporate (FIC)  
 We use fiduciary managers

**SAM 02.3** Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers.

- Responsible investment is included in the selection process for investment consultants  
 Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them  
 Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring  
 We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

No

SAM 03	Mandatory	Gateway	General
--------	-----------	---------	---------

**SAM 03.1** Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 05	Mandatory	Gateway	PRI 1,2
--------	-----------	---------	---------

**SAM 05.1** Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Passive investment strategies

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

**SAM 05.2** Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	
We require our external managers to engage on our behalf	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

**SAM 05.3** Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	<b>LE</b>
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

## Selection

<b>SAM 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
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### SAM 06.1

Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

#### General

	<b>LE</b>		
Review the manager's responsible investment policies	<input type="checkbox"/>		
Discuss managers' governance and management of responsible investment activities	<input type="checkbox"/>		
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>		
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>		
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>		
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input type="checkbox"/>		
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input type="checkbox"/>		
Discuss the type of ESG reporting you expect	<input type="checkbox"/>		
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>		
Other general aspects in your selection process, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

## ESG incorporation

	LE		
Evaluate the quality and coverage of ESG research used by managers	<input type="checkbox"/>		
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input type="checkbox"/>		
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input type="checkbox"/>		
Evaluate index providers' ESG incorporation when designing the index	<input type="checkbox"/>		
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

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

Folksam has kept the responsibility for the ESG work inhouse and controls the investment policy, the engagement work, the screening process, the decision on new companies to invest (ie designing the index according to our investment policy) in as well as potential divestments. We meet with our asset manager regularly and appreciate the serious work they do on their behalf within this area. But it is difficult to select any of the above since we do not work according to how the question and the answers are made.

## Monitoring

**SAM 08**

**Mandatory**

**Core Assessed**

**PRI 1**

**SAM 08.1**

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

	LE		
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>		
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>		
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>		
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>		
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted risk or volatility	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

ESG incorporation

	LE		
Request information on ESG incorporation in specific investment decisions	<input type="checkbox"/>		
Other ways you monitor ESG incorporation, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

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

Folksam need to approve of all the companies that Swedbank Robur invests in on our behalf.

## Communication

SAM 16

Mandatory

Core Assessed

PRI 6

**SAM 16.1**

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

Yes, we disclose information publicly

provide URL

<http://omoss.folksam.se/meranforsakring/sajobbarvi>

provide URL

<http://media.folksam.se/sv/reports/hallbarhetsredovisning-2013/>

**SAM 16.2**

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

Yes

**SAM 16.3**

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify

No

Yes, we disclose information to clients/beneficiaries only

We do not proactively disclose information to the public and/or clients/beneficiaries

**SAM 16.4**

Additional information. [Optional]

Our clients are also our owners. We disclose information on our webpage, through our sustainability report as well as our blog <http://agarstyrning.folksamblogg.se/> and our twitter account @etikkatten.

Folksam

Reported Information

Public version

Direct - Listed Equity Incorporation

## PRI disclaimer

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## Overview

LEI 02	Voluntary	Descriptive	PRI 1
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**LEI 02.1** Provide a brief overview of how you incorporate ESG issues into listed equity investments.

Folksam's customers - who are also our owners - care about how the listed companies we invest in handle the issues of sustainability. We at Folksam firmly believe that companies that take responsibility for the environment and human rights are more profitable in the long term. Folksam influences the companies it invests in by applying environmental, human rights and anti-corruption criteria. On the other hand, there are companies Folksam has deliberately chosen not to invest in, regardless of how small their environmental impact is or how good a working environment they have. The disqualifying criteria are tobacco and illegal weapons such as cluster munitions, anti-personnel mines and nuclear weapons. All companies within Folksam apply these criteria. The subsidiary KPA Pension has also adopted even tougher disqualifying criteria and, it does not invest in the tobacco industry, the arms industry, the alcohol industry or commercial gambling. Folksam first started implementing responsible investment criteria in 2001 and has developed the criteria during the years.

In 2012, Folksam General continued its work to achieve the requirements for the Good Environmental Choice label - something we are first in doing in the insurance industry. It means that Folksam General disqualifies investments in alcohol, all weapons, tobacco, coal-fired power, nuclear power and uranium. As mentioned above, for the rest of the Folksam Group, tobacco and illegal weapons are among the disqualifying criteria. Our influencing criteria for human rights, the environment and anti-corruption cover all companies in the Folksam Group.

Folksam manages around SEK 350 billion on behalf of just over four million customers. This gives us the ability to influence and change society in the long term. All the assets Folksam manages, regardless of whether they are insurance portfolios or personal savings, are covered by ethical investment criteria. Folksam's objective of persuading companies to assume their social responsibility is very much for the public good, as we believe that knowledge helps bring about positive change. Folksam regularly publishes reports and indices in which we present information on the companies' performance in areas such as the environment, human rights and gender equality.

## Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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**LEI 18.1** Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

<http://media.folksam.se/sv/reports/hallbarhetsredovisning-2013/>

Provide URL

<http://agarstyrning.folksamblogg.se/>



**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- No
- We disclose it to clients and/or beneficiaries only
  - We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.7**

Additional information. [Optional]

During 2014 Folksam was awarded by RI Reporting for the best reports on responsible investment

[https://www.responsible-investor.com/events/events\\_page/ri\\_awards\\_2014/](https://www.responsible-investor.com/events/events_page/ri_awards_2014/)

We also have a blog, see link above, as well as a twitter account, @etikkatten, where we for example report directly from the Swedish AGM's, what the CEOs say and what questions we ask.

# Folksam

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
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We at Folksam firmly believe that companies that take responsibility for the environment and human rights and work against corruption are more profitable in the long run. We manage 350 billion SEK on behalf of our customers and all the investments are covered by ethical investment criteria. Our engagement criteria covers human rights, environment, anti-corruption as well as gender balance and remuneration.

Every year we contact the 20 Swedish companies where we have most money allocated with information on how we evaluate their CSR work. We also demand meetings with around five of them each year. Further on, we also contact the 20 Swedish companies with the highest risks with regards to human rights and environment. In the letter we present information on how we evaluate their work in this area and also demand meetings with around five of them.

In case of information of ESG problems in any of the companies we hold shares in we initiate a dialogue with the company, either with the assistance of our service provider GES or by ourselves or in collaboration with other investors. For example we work together with KLP and Ilmarinen in Nordic Engagement Cooperation [http://database.unpri.org/?post\\_type=bibliography&p=4432](http://database.unpri.org/?post_type=bibliography&p=4432)

Every year we participate during the Swedish AGM season by being present and asking questions to the CEO and sometimes to the board on around 40-45 AGMs (we normally hold shares in that many Swedish companies). We always vote and occasionally vote against for example new remuneration schemes. When considered needed we also file resolutions at the AGMs, which was the case with TeliaSonera (regarding human rights policy) and Lundin Petroleum (regarding an independent investigation of the company's history in Sudan) a few years ago.

By proxy we also vote at foreign AGMs. In 2013 we voted at 232 foreign AGMs and co-filed a resolution on the AGM of Chevron.

We believe in transparency and regularly publish reports in which we present information on the companies' performance in areas such as environment, human rights and gender equality. In 2013 we published the report "Responsible Business" where all Swedish listed companies are ranked according to their performance in environment and human rights. The report is often asked for by CSR managers in the companies as well as by media. We analyze the public information the companies disclose and urge the companies to improve their reporting on CSR. Next publication will be in 2015.

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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#### LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

#### LEA 03.2

Describe how you identify and prioritise engagements.

Every year we contact the 20 Swedish companies where we have most money allocated with information on how we evaluate their CSR work. We also demand meetings with around five of them each year. Further on, we also contact the 20 Swedish companies with the highest risks with regards to human rights and environment. In the letter we present information on how we evaluate their work in this area and also demand meetings with around five of them.

In case of information of ESG problems in any of the companies we hold shares in we initiate a dialogue with the company, either with the assistance of our service provider GES or by ourselves or in collaboration with other investors.

We identify engagements through our service provider GES (screening of all companies twice a year and ad hoc alerts), through media, through information from the companies as well as through our own work. The formal decisions on which companies to engage with is taken in the committee chaired by our CEO.

No

LEA 04	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

**LEA 04.1** | Indicate if you define specific objectives for your engagement activities.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- No

**LEA 04.2** | Indicate if you monitor the actions that companies take following your engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

**LEA 04.3** | Describe how you monitor and evaluate the progress of your engagement activities.

The progress is monitored by our service provider and by internal staff and reported to the internal committee quarterly. We monitor through dialogue with the company, NGOs and other stakeholders such as other investors.

No

### Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

**LEA 05.1** | Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

Yes

**LEA 05.2** | Describe how you identify and prioritise collaborative engagements.

We decide to join collaborative engagements depending on current engagements and focus areas. All decisions are formally taken in the committee chaired by Folksam's CEO.

No

LEA 06	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

**LEA 06.1** Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
  - Yes, for all collaborative engagement activities
  - Yes, for the majority of collaborative engagement activities
  - Yes, for a minority of collaborative engagement activities
- No

**LEA 06.2** Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

**LEA 06.3** Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Please find more information here about one of the collaborative engagements - Nordic Engagement Cooperation - and how we work

<http://media.folksam.se/sv/2014/05/19/arsrapport-fran-nordic-engagement-cooperation/>

- No

## Process for engagements conducted with/on your behalf by service providers

**LEA 07**

**Mandatory**

**Core Assessed**

**PRI 2,4**

**LEA 07.1** Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

- Yes

**LEA 07.2** Indicate what role you play in engagements that your service provider conducts on your behalf.

- Specify the issues for the engagement
- Specify the objectives for the engagement
- Select the companies to be engaged with
- Participate directly in the engagements with your service provider
- Actively monitor and review the activities of the service provider
- Other, specify

- No

**LEA 08**

**Mandatory**

**Core Assessed**

**PRI 2,6**

**LEA 08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

**General processes for all three groups of engagers**

**LEA 10**

**Mandatory**

**Gateway/Core Assessed**

**PRI 2**

**LEA 10.1**

Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<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"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<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"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Service provider engagements</b>	<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"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

**Communication**

**LEA 15**

**Mandatory**

**Core Assessed**

**PRI 2,6**

**LEA 15.1**

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

<http://agarstyrning.folksamblogg.se/>

provide URL

<http://media.folksam.se/sv/reports/hallbarhetsredovisning-2013/>**LEA 15.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEA 15.3**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA 15.4**

Indicate how frequently you typically report engagements information.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.



LEA 15.8	Additional information. [Optional]
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We disclose information in the sustainability report as well as on our blog on most of the engagements.

## (Proxy) voting and shareholder resolutions

### Process

LEA 17	Mandatory	Descriptive	PRI 2
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LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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	Approach
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- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

	Based primarily on
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- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
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We both hire service providers and do our own research. It was not possible to choose two alternatives so we picked one of them.

LEA 21	Mandatory	Core Assessed	PRI 2
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<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
  - votes in selected markets
  - votes on certain issues (all markets)
  - votes for significant shareholdings (all markets)
  - other, explain
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 21.2</b>	Additional information. [Optional]
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In Sweden we always motivate the vote against publicly at the AGM. We also inform the company about it before the AGM.

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

27

	Specify the basis on which this percentage is calculated
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- 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

<b>LEA 22.2</b>	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
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Nearly 100 percent of the Swedish companies we hold shares in.

- We do not track or collect this information

## Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<http://agarstyrning.folksamblogg.se/wp-content/uploads/2009/12/Bolagsst%C3%A4mmorapport-2013.pdf>

LEA 26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

For the AGMs in Sweden: As mentioned earlier we report live on Twitter at @etikkatten, publish a report after the AGM on our blog and after the Swedish AGM season we publish a specific report on the subject.

Folksam

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

### Fixed Income - Corporate

#### Implementation processes


FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation 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 + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 100
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Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

The strategy follows the same investment criteria as the rest of Folksam's investments.

#### Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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**FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- We disclose it publicly

Provide URL

<http://omoss.folksam.se/meranforsakring/sajobbarvi/1.92067>

Provide URL

<http://media.folksam.se/sv/files/2014/03/Folksam-Hallbarhetsredovisning-2013-v2.pdf>

**FI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**FI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**FI 18.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- No
  - We disclose it to clients/beneficiaries only
  - We do not proactively disclose it to the public and/or clients/beneficiaries