



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the most up-to-date and comprehensive information on the company's ESG performance, the company will be able to identify the need for additional or different types of engagement.</p> <p>The company will ensure that all relevant information is disclosed in a timely and accessible manner, and that the information is consistent across all channels.</p>	<p>LEA 02</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on ability to identify the need for additional or different types of engagement</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with internal staff</li> <li><input type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency on ability to identify the need for additional or different types of engagement</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with collaborative engagements</li> <li><input type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency on ability to identify the need for additional or different types of engagement</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with service providers</li> <li><input type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency on ability to identify the need for additional or different types of engagement</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with service providers</li> </ul>	<p>Principles: PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/internal staff engagements</p>			
<p>Collaborative engagements</p>			
<p>Service provider engagements</p>			

# RI TRANSPARENCY REPORT

## 2013/14

### 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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

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# 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	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
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	✓	Public							✓
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	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
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	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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	✓	Public	✓					✓	
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	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	🔒	n/a	✓						✓
SAM 07	Appointment considerations (listed assets)	✓	Public				✓			
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	✓	Public	✓						✓
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public		✓					
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	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
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	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
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	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
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	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
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	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
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	✓	Public		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

# AP4

## Reported Information

## Public version

## Organisational Overview

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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 bank
- Reserve - sovereign or government controlled fund
- Other, specify

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

55

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	Mandatory	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		260	000	000	000
Currency	SEK				
Assets in USD		39	276	170	111

**OO 04.3** 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**

**Mandatory**

**Descriptive**

**General**

**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

	Internally managed (%)	Externally managed (%)
Listed equity	39	14
Fixed income – corporate	21	0
Fixed income – government	11	0
Fixed income – other	0	0
Private debt	0	0
Private equity	6	0
Property	6	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0

Cash	0	0
Other (1), specify	3	0
Other (2), specify	0	0

'Other (1)' specified

Investment in ESG.

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

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General
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**OO 07.1** Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
<i>Total externally managed assets</i>	<i>100%</i>

**OO 07.2** Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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**OO 08.1** Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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<b>OO 09.1</b>	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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AP4's brief is to contribute to the stability of the national pension system through managing Fund capital with the aim of generating the best possible return over time.

### Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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<b>OO 10.1</b>	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- We incorporate ESG issues into investment decisions on our internally managed assets
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 11	Mandatory	Gateway	General
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**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
- Private equity
- Property
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Investment in ESG.

**OO 11.3** Additional information. [Optional]

The fund has for example made investment in green bonds and are working for that the funds property investment should use GRESB as a guideline, having their own sustainability policies and report the progress.

OO 12	Mandatory	Gateway	General
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**OO 12.1** The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always 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

Direct - Other asset classes with dedicated modules

Property

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

Listed Equities

**Closing module**

Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# AP4

## 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.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- 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]

The fund a Ownership policy, please se:

[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4\\_Ownership\\_Policy\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4_Ownership_Policy_2013.pdf)

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

- Yes

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

URL

[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4\\_Ownership\\_Policy\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4_Ownership_Policy_2013.pdf)

- 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
AP4 Annual Report	<a href="http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013_final.pdf">http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013_final.pdf</a>
AP4 Sustainability and Corporate Governance	<a href="http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012_2013.pdf">http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012_2013.pdf</a>

No

**OA 02.5** Additional information. [Optional]

The information is found in the three above managed reports and on the AP4 Website:  
<http://www.ap4.se/default.aspx?id=220>

**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 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

<b>OA 03.2</b>	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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The Fund's ownership policy applies first of all to Swedish stock market companies. Particular emphasis is placed on companies in which the Fund has a significant shareholding or is one of the largest shareholders. In addition, the Fund strives to play an active role in significant issues of principle.

In foreign stock market companies, AP4's alternatives for active ownership are more limited, because ownership is more widely spread and holdings are relatively smaller. The Fund's corporate governance related to foreign companies is described on page 6 of this document.

In the field of the environment and ethics, AP4 has chosen to collaborate on many issues with AP1, AP2, and AP3. The principles for efforts in these fields apply to Swedish as well as non-Swedish stock market companies and are described in section 5, "Environmental and ethical issues in asset management".

<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
- No

<b>OA 04.3</b>	Additional information. [Optional]
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The fund basically has one policy covering the investment process that apply to the asset classes.

## 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

<b>OA 05.2</b>	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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- At least once per year
- Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

**OA 05.4**

Additional information. [Optional]

There is no direct objective for the responsible investment, it is a part of the overall investment policy, and the objective is that the fund should consider the objectives in all the investment. Please see the following text:

The Fund is a governmental authority whose operations are regulated in the Swedish National Pension Funds Act (2000:192). The Act states that " Environmental and ethical issues must be taken into account without compromising the goal of best possible return".

OA 06	Voluntary	Descriptive	General
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**OA 06.1**

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

- Add responsible investment objective 1
- Add responsible investment objective 2
- Add responsible investment objective 3

**OA 06.2**

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

- Add responsible investment objective 1 for the next reporting year
- Add responsible investment objective 2 for the next reporting year
- Add responsible investment objective 3 for the next reporting year

**OA 06.3**

Additional information.

See the previous question.

## Governance and human resources

OA 07	Voluntary	Descriptive	General
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**OA 07.1**

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

The Fund's work on corporate governance issues is guided by the Ownership Policy adopted by the Fund's board. The policy is also reviewed annually by the board. The ownership policy directs that ownership issues are to be dealt with by AP4's CEO or another employee at the Fund, as delegated by the CEO. The purpose of the ownership policy is to lay down guidelines to the Fund's employees as to how the Fund is to act with regard to ownership issues in order to promote the Fund's overall goal, which is to generate the best possible return over time on behalf of pensioners in Sweden, and thereby to contribute to the stability of the pension system. The ownership policy shall safeguard the best interests of shareholders and individual companies. The policy shall take into account the unique circumstances and needs of each individual company and aim at contributing in the long run to maximising AP4's long-term return. The ownership policy is formulated on the basis of the legislation that governs the Fund's activities and on the Swedish Code of Corporate Governance (the Code). The Code summarises the principles that for many years were voluntary standard practice in the Swedish stock market. The Code is constructed according to the "comply or explain" principle, which gives companies the right and opportunity to diverge from it. The Fund believes that a justified divergence can be better for a company than compliance with a particular rule in the Code. The guidelines are summarised in the Fund's Ownership Policy and are posted on the Fund's website, [www.ap4.se](http://www.ap4.se) The Fund's work on environmental and ethical matters is pursued in asset management within the different asset classes by the Fund's corporate governance unit and through the Fund's commitments in the Ethical Council. Read more about the Ethical Council, [www.etikradetapfonderna.se](http://www.etikradetapfonderna.se). The Fund's corporate governance unit pursues and coordinates its work relating to ethics, the environment and corporate governance. This work includes pursuing dialogues with companies regarding ESG and exercising corporate governance by voting the Fund's shareholdings at shareholder meetings. The Fund's representatives on the Ethical Council work in the corporate governance unit. The Fund's different asset classes and management models provide different conditions for how work relating to sustainable value creation (ESG) can be pursued in the context of each management mandate. Responsibility for integration work, with the goal of fully integrating ESG into management, lies with each management unit. The management unit reports on the integration work to the business manager and CEO. The work is pursued in close collaboration with the corporate governance unit, which is responsible, for instance, for conducting dialogues with companies regarding ESG.

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

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
---------	---

**Board members/Board of trustees**

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

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

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

**Portfolio managers**

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

**Investment analysts**

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

**Dedicated responsible investment staff**

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

<b>OA 09.3</b>	Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment.
----------------	---

Variable pay part of over all variable pay, since responsible investment is both included in the ordinary investment decision making and the specific ESG-investments, the performance of these specific investmens is includet in the overall results.

**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>	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
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Yes

**OA 10.2**

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**

- 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]

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

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- 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]

Provided general support for the initiative in various non-public forums and joined association/initiative and its meetings but not actively involved in its work

- Global Investors Governance Network (GIGN)
- 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 an 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 i guiding tool for sustainability work and improvement of sustainability performance.

- 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 but not actively involved in its work

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- 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 including sharing a steering committee

- 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)
- 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 performance, improvement and the information / transparency.

- Other collaborative organisation/initiative, specify  
GRESB

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]

Provided general support for the initiative in various non-public forums and joined association/initiative and its meetings but not actively involved in its work. Direct contact with companies to support them to use GRESB

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

No

OA 11	Mandatory	Core Assessed	PRI 4
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**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]

Influence companies and stakeholders in different meetings to use PRI.

OA 12	Voluntary	Additional Assessed	PRI
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**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

- Yes
- Yes, individually
- Yes, in collaboration with others

**OA 12.2**

Select the methods you have used.

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

**OA 12.3**

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

## ESG issues in asset allocation

**OA 13**

Voluntary

Descriptive

PRI 1

**OA 13.1**

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

- Yes

**OA 13.2**

Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

For example portfolios dedicated to promote lower use of CO2 for specific markets.

- No

**OA 14**

Voluntary

Descriptive

PRI 1

**OA 14.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

<b>OA 14.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	% of total AUM
--	----------------

5

<b>OA 14.3</b>	Please specify which thematic area(s) you invest in and provide a brief description.
----------------	--

	Area
--	------

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

Reduced greengas emission.

	Asset class invested
--	----------------------

- Listed equity
- Fixed income - corporate
- Property
- Other (1)

	Brief description of investment
--	---------------------------------

AP4 invested in two "green" stock indexis. It is a low-greenhouse gas strategy that drops companies with the greatest greenhouse gas emissions. The strategy favours the most environmentally friendly companies, which have the least greenhouse gas emissions. It also favours companies that improve themselves and reduce their emissions.

AP4 invest in green bonds if there is a real strategy for the use of the funds, and if the bonds are competitived priced.

No

**Asset class implementation not reported in other modules**

OA 15	Voluntary	Descriptive	General
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OA 15.1	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.
---------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Property	
Other (1) [as defined in Organisational Overview module]	Portfolios of listed equities to promote lower use of CO2.

## Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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The funds listed equity portfolio with the aim to promote lower use of CO2.

## Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
---------	---

Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
---------	--

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

AP4's reports are validated and reviewed by auditors, third party consultants and the the Swedish Government

No

# 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.

## Overview

<b>SAM 01</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1-6</b>
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**SAM 01.1**

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

AP4's sustainability efforts are adapted based on asset class and management model. Various conditions affect how work is conducted within each management mandate.

Responsibility for integration work in strategies and processes in management lies with each management unit. The head of the management unit reports on the integration work to the Chief Investment Officer and CEO. Integration work is pursued in close collaboration with the Fund's corporate governance unit.

Working with sustainability is a constant effort that evolves all the time. The same applies to AP4's work with environmental, ethical, and corporate governance matters.

<b>SAM 02</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**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  
 No

**SAM 02.4**

Additional information. [Optional]

AP4 is using external consultants to monitoring the ESG of the external managers in PE.

<b>SAM 03</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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

### Overview

<b>SAM 04</b>	Mandatory to Report Voluntary to Disclose	Gateway/Peering	General
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#### SAM 04.1

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

#### Listed equity (LE)

Type of strategy	As % of externally managed listed equity
Passive	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

<b>SAM 05</b>	Mandatory	Gateway	PRI 1,2
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#### SAM 05.1

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

#### Active investment strategies



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

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

	<b>LE</b>	
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"/>

**SAM 05.4** Additional information. [Optional]

AP4 encourage ESG for our external managres. We do an overall review about their work. AP4 decide inernally or via the Ethical Council about the screening, which the managers has to follow.

## Appointment

SAM 07	Voluntary	Additional Assessed	PRI 4
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**SAM 07.1**

When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets:

### General

	LE		
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input checked="" type="checkbox"/>		
Other general RI considerations in investment management agreements, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

### Reporting

	LE		
Reporting on the agreed responsible investment activities	<input checked="" type="checkbox"/>		
Reporting on the ESG characteristics of the portfolio	<input type="checkbox"/>		
Reporting on the impact of ESG issues on financial performance	<input type="checkbox"/>		
Other RI considerations relating to reporting in investment management agreements, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

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

Monthly reports and letter from investment managers every quarter. If there is a breach, we receive an incident report directly.

## Monitoring

SAM 08	Mandatory	Core Assessed	PRI 1
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**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 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 type="checkbox"/>		
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6
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**SAM 14.1** Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.

%

80

SAM 15	Voluntary	Descriptive	PRI 2
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**SAM 15.1** 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	Violations of international conventions
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity
Scope and process	Control that the managers not invest in companies that have breach international conventions sign by the State of Sweden, and are excluded from AP4's investment universe.
Outcomes	As aspectet, no investment in excluded companies.

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

## 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
- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

# AP4

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

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## Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

### Strategies

Passive

% of internally managed listed equities

- <10%
- 10-50%
- >50%

Active – quantitative (quant)

Active – fundamental and other active strategies

% of internally managed listed equities

- <10%
- 10-50%
- >50%

LEI 02

Voluntary

Descriptive

PRI 1

LEI 02.1

Provide a brief overview of how you incorporate ESG issues in listed equity investments.

As a long-term investment, sustainability is a hygienic factor. Our business model is based on sustainability being an express part of our management strategy. The Sustainability team works closely with the portfolio managers, sustainability is incorporated in the normal investment process. AP4 also encourage our external managers to follow AP4's ESG-policy, and do follow-ups.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03

Mandatory

Gateway/Core Assessed

PRI 1

**LEI 03.1** Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) 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)

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<table border="1" style="width: 100%;"> <tr> <td style="width: 10%;"></td> <td style="width: 90%; text-align: center;">%</td> </tr> <tr> <td style="width: 10%; text-align: center;">100</td> <td style="width: 90%;"></td> </tr> </table>		%	100	
	%				
100					

- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

**Total actively managed listed equities**

100%

**LEI 03.2** Describe your primary reasons for choosing a particular ESG incorporation strategy.

ESG over all is integrated part in the active managed portfolios.

<b>LEI 04</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 04.1** 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
- 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
- Issue-specific analysis or ratings
- Other, specify

<b>LEI 04.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	---

AP4 use different sources of information, both from various external providers but also by inhouse research and company visits. AP4 do not see the information as pure ESG, but as a natural part of ordinary investment research.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

- Yes
- No

<b>LEI 04.5</b>	Additional information.
-----------------	-------------------------

We encourage them to provide ESG-research as a part of the normal research and they will probably receive more business overall if providing ESG integrated research.

<b>LEI 05</b>	Voluntary	Additional Assessed	PRI 1
---------------	-----------	---------------------	-------



<b>LEI 05.1</b>	Indicate if 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.
-----------------	---

- 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.

<b>LEI 05.2</b>	Additional information. [Optional]
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On going internal meetings with ESG, legal and managers. Updates on AP4 web site.

### (C) Implementation: Integration of ESG issues

<b>LEI 10</b>	Voluntary	Descriptive	PRI 1
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<b>LEI 10.1</b>	Describe how you integrate ESG factors into investment decision making processes.
-----------------	---

ESG is integrated in the investment decision making thru weekly and mounthly scheduled meetings, and in the daliy process when ESG and investment managres discuss ESG. Each asset class has the responsibility to implement ESG in their investment process, with support from ESG and CEO.

<b>LEI 11</b>	Mandatory	Core Assessed	PRI 1
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<b>LEI 11.1</b>	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
-----------------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

**LEI 11.2** Additional information. [Optional]

AP4 is using consultants to track ESG factors in companies. We receive weekly updates about incidents and have screening of portfolios twice a year.

**LEI 12** Voluntary Descriptive **PRI 1**

**LEI 12.1** Indicate which processes your organisation uses to ensure that ESG integration is based on a 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
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

**LEI 12.2** 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 was incorporated into investment decisions
- Other, specify

Company relevant ESG information is stored within the company research for each company. ESG has records of ESG research provided by consultants.

None of the above

<b>LEI 13</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 13.1** Indicate into which aspects of investment analysis you integrate ESG information.

- (Macro) economic analysis
- Industry analysis
  - Systematically
  - Occasionally
- Analysis of company strategy and quality of management
  - Systematically
  - Occasionally
- Idea generation
- Portfolio construction
- Fair value/fundamental analysis
- Other, specify

### ESG incorporation in passively managed listed equities

<b>LEI 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 14.1** Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

Yes

**LEI 14.2** Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive listed equity funds)

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

**LEI 14.3** 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
Black Rock CO2 US	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Northern Trust CO2 EM	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 3

Index/fund 4

Index/fund 5

No

## Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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**LEI 15.1** Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify

Index incorporating ESG issues (for passively managed funds)

LEI 16	Voluntary	Descriptive	PRI 1
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**LEI 16.1** Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.

a) Impacted funds' financial performance

	Integration of ESG issues	Index incorporating ESG(for passively managed funds)
	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

b) Reduced funds' risk or volatility

	Integration of ESG issues	Index incorporating ESG(for passively managed funds)
	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

c) Improved funds' ESG performance

	Integration of ESG issues	Index incorporating ESG(for passively managed funds)
	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

**LEI 16.2** Describe how you are able to determine these outcomes and your actual performance.

Performance of actual portfolios indicate better performance then broad index, the volatility are on the low end.

<b>LEI 17</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 17.1** Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

ESG issue 1

ESG issue and explanation
Portfolios that exclude high carbon users in each sector indicate better performance than an ordinary index portfolio.
ESG incorporation strategy applied
<input type="checkbox"/> Integration <input type="checkbox"/> Index incorporating ESG issues

- ESG issue 2
- ESG issue 3
- ESG issue 4
- ESG issue 5

## 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://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013\\_final.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013_final.pdf)

Provide URL	
-------------	--

[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012_2013.pdf)

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 18.5**

Additional information. [Optional]

More information at:

[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4\\_Ownership\\_Policy\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4_Ownership_Policy_2013.pdf) and  
<http://www.ap4.se/etikradet/Etikradet.aspx?id=598> and <http://www.ap4.se/default.aspx?id=220>

# 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.



## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

As a long-term investment, sustainability is a hygienic factor. Our business model is based on sustainability being an express part of our management strategy. With our unique, long-term mandate, we have gradually moved a larger part of the investments from tactical operations (evaluations over a rolling three-year period) to the strategic level where the view is set on an even longer horizon. Express long-term thinking provides greater prospects of utilizing various business opportunities that the work with corporate governance and sustainability offer.

LEA 02	Mandatory	Gateway	PRI 1,2,3
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 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 service providers

<b>LEA 02.2</b>	Additional information. [Optional]
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AP4 are using both direct interaction by ourself, by the Ethical Council and by consultants.

## 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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<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
-----------------	---

☉ Yes

<b>LEA 03.2</b>	Describe how you identify and prioritise engagements.
-----------------	---

See the Ethical Council report, <http://www.ap4.se/etikradet/StartPage.aspx?id=556> and AP4's website, <http://www.ap4.se/default.aspx?id=220>. The fund is also voting at Swedish AGM's and via proxy at non-Swedish AGM's.

No

<b>LEA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

<b>LEA 04.1</b>	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

<b>LEA 04.2</b>	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

<b>LEA 04.3</b>	Describe how you monitor and evaluate the progress of your engagement activities.
-----------------	---

Different types of contacts with companies, their websites and reports, and via direkt meetings with companies to validate and confirm progress.

No

<b>Process for engagements conducted via collaborations</b>			
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<b>LEA 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
-----------------	---

Yes

<b>LEA 05.2</b>	Describe how you identify and prioritise collaborative engagements.
-----------------	---

Please see AP4's and the Ethical Councils websites;  
<http://www.ap4.se/default.aspx?> and at  
<http://www.ap4.se/etikradet/StartPage.aspx?id=570>.

No

<b>LEA 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 06.1</b>	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

<b>LEA 06.2</b>	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

<b>LEA 06.3</b>	Describe how you monitor and evaluate the progress of your collaborative engagement activities.
-----------------	---

AP4 get reports via results via reports and via benchmarking reports.

No

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

<b>LEA 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,4</b>
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<b>LEA 07.1</b>	Indicate if you play a role in the engagement process that your service provider conducts on your behalf.
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Yes

<b>LEA 07.2</b>	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

<b>LEA 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 08.1</b>	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

<b>General processes for all three groups of engagers</b>			
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<b>LEA 09</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>LEA 09.1</b>	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.
-----------------	---

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

<b>LEA 09.2</b>	Additional information.
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The information is shared via scheduled meetings.

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 10.1</b>	Indicate if you track the number of companies you engage with.
-----------------	--

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

<b>LEA 10.2</b>	Additional information. [Optional]
-----------------	------------------------------------

AP4 receives information about the progress in the engagements on a weekly updates and bi-annual meetings and reports.

## Outputs and outcomes

<b>LEA 11</b>	<b>Mandatory to Report</b>	<b>Voluntary to Disclose</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 11.1</b>	Indicate the number of companies with which your organisation engaged during the reporting year.
-----------------	--

	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	55
Collaborative engagements	155
Service provider engagements	405

<b>LEA 11.2</b>	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
-----------------	---

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Service provider engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 11.3** Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

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 11.4** Indicate for which part of your service provider engagements you were highly involved during the reporting year. [Optional]

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

<b>LEA 12</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**LEA 12.1** Indicate if your engagements in the reporting year covered E, S and/or G issues.



Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Service provider engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

**LEA 12.2** Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Overlapping ESG issues

100

**100%**

Collaborative engagements

% Environmental only

20

% Social only

45

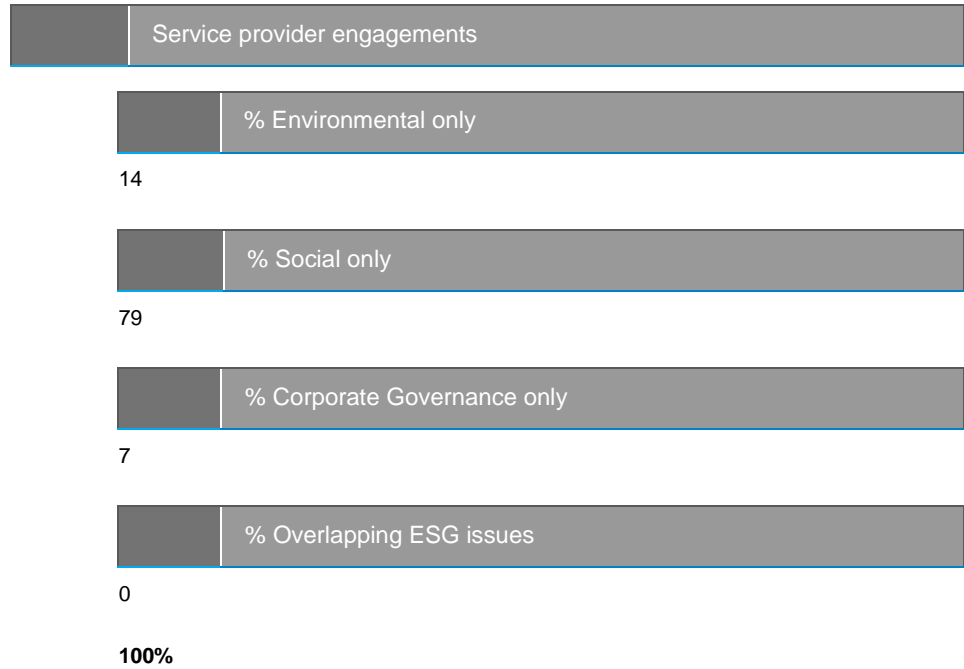
% Corporate Governance only

26

% Overlapping ESG issues

9

**100%**



LEA 13	Voluntary	Descriptive	PRI 2
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**LEA 13.1** Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

- Yes
- No

**LEA 13.3** Additional information.

It's hard to follow if it's because it's nearly impossible the follow if's just a specific engagement or if it is a combination of a number of engagements that's the ground for a change.

LEA 14	Voluntary	Descriptive	PRI 2
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<b>LEA 14.1</b>	Provide examples of the engagements that your organisation 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

<b>LEA 14.2</b>	Additional information.
-----------------	-------------------------

Please see reports from AP4, <http://www.ap4.se/default.aspx?id=220> and AP4's Sustainability Report, [http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012_2013.pdf) and in the Ethical Councils report, <http://www.ap4.se/etikradet/StartPage.aspx?id=570>.

## Communication

<b>LEA 15</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 15.1</b>	Indicate whether your organisation proactively discloses information on its engagements.
-----------------	--

- We disclose it publicly

	please provide URL
--	--------------------

<http://www.ap4.se/default.aspx?id=220>

	please provide URL
--	--------------------

[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012_2013.pdf)

<b>LEA 15.2</b>	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 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 15.6** Additional information. [Optional]

Please see, in addition to the once listed above;  
[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013\\_final.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013_final.pdf)  
 and <http://www.ap4.se/etikradet/StartPage.aspx?id=570>

**(Proxy) voting and shareholder resolutions**

**Overview**

<b>LEA 16</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
----------	--

Please see;  
[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013\\_final.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013_final.pdf) and  
[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4\\_Ownership\\_Policy\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4_Ownership_Policy_2013.pdf)

## Process

LEA 17	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
----------	---

### Approach

- 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.
- 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.

### Based primarily on

- 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.

LEA 17.2	Additional information.[Optional]
----------	-----------------------------------

AP4 is using consultants with AP4's votingpolicy for non Swedish holdings and in Sweden AP4 are all decions, including the policy, is soley internal at AP4.

LEA 18	Mandatory	Descriptive	PRI 2
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LEA 18.1	Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.
----------	---

#### Percentage of voting recommendations your organisation reviewed

- >20%
- 5-20%
- 1-5%
- <1%

**Reasons for review**

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Other, explain

LEA 19	Voluntary	Descriptive	PRI 2
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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
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- Obtain confirmation that votes have been lodged:
- Participate in projects to improve the voting trail and/or to obtain vote confirmation
- None of the above

LEA 20	Voluntary	Additional Assessed	PRI 2
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LEA 20.1	Indicate if your organisation has a securities lending programme.
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- Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.
----------	---

**Please select one of the following**

- We recall most securities for voting on all ballot items
  - We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
  - We occasionally recall some securities for voting on some 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 shares for voting purposes
  - Other (please specify)
- No

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.
-----------------	---

- 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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AP4 is voting in Sweden and on the ten biggest markets included in MSCI Developed markets. AP4 is writing letter some of the non Swedish companies and explained why AP4 voted against the managements recommendations and i Sweden AP4 has contact with companies if AP4 has the intention to vote against the managements recommendations.

## 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.
-----------------	---

- We do track or collect this information

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

	%
--	---

37

	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

<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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AP4 prioritised AGMs for companies where the Fund has a substantial ownership interest or that are a substantial part of AP4's portfolio or if there are issues of special or principal interest. For the non Swedish investments AP4 is gradually expanding the number of AGM's and EGM's are voting on, but in good order to keep the quality of the voting, since AP4 consider it is of great importance to vote with high quality.



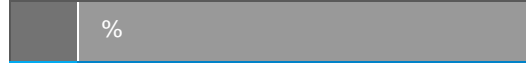
We do not track or collect this information

<b>LEA 23</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 23.1</b>	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
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Yes, we track this information

<b>LEA 23.2</b>	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
-----------------	---

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	 80
Against (opposing) management proposals	 19
Abstentions	 1

100%

<b>LEA 23.3</b>	For the reporting year, describe your approach towards voting on shareholder resolutions.
-----------------	---

Of course AP4 vote on shareholder resolutions!

No, we do not track this information



<b>LEA 24</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 24.1</b>	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.
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Yes

<b>LEA 24.2</b>	Indicate the number of ESG shareholder resolutions you filed or co-filed.
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	Total number
--	--------------

1

<b>LEA 24.3</b>	Indicate what percentage of these ESG shareholder resolutions.
-----------------	--

Went to vote	<input type="text" value="100"/> %
Were withdrawn due to changes at company and/or negotiations with the company	<input type="text" value="0"/> %
Were withdrawn for other reasons	<input type="text" value="0"/> %

	Total
--	-------

100%

	50-20% approval
--	-----------------

100

<b>LEA 24.5</b>	Describe the ESG shareholder resolutions that you filed or co-filed and the outcomes achieved.
-----------------	--

AP4 co-filed a resolution urging the board of directors (the "Board") to adopt a policy (the "Policy") that Walmart will disclose annually whether Walmart, in the previous fiscal year, recouped any incentive or stock compensation from any senior executive or caused a senior executive to forfeit an outstanding incentive or stock compensation award, in each case as a result of a determination that the senior executive breached a company policy or engaged in conduct inimical to the interests of or detrimental to Walmart. The resolution was supported by 32% of the shareholders

No

<b>LEA 25</b>	Voluntary	Descriptive	PRI 2
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<b>LEA 25.1</b>	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
-----------------	---

Add Example 1

Topic or ESG issue	Split role of Chairman of the board and CEO.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	The separation of the two roles is crucial to an effective and accountable management of a public company.
Scope and Process	
Outcomes	In some cases AP4 got good and informative feedback from companies either via mail or via telefon dialouges.

Add Example 2

Topic or ESG issue	Remuneration
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Sharebased program should be subject to demanding performance condotion that reward long-term value creation.
Scope and Process	
Outcomes	In some cases AP4 got good and informative feedback from companies either via mail or via telefon dialogues.

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
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- We disclose it publicly

provide URL
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[http://www.ap4.se/upload/http://www.ap4.se/upload/VB%20och%20Stämmor/Delta%20tagandeArss  
tämmorValberedningar\\_2013\\_15okt.pdf](http://www.ap4.se/upload/http://www.ap4.se/upload/VB%20och%20Stämmor/Delta%20tagandeArss%20tämmorValberedningar_2013_15okt.pdf)

provide URL
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[http://www.ap4.se/upload/VB%20och%20Stämmor/Global%20röstning/AP4\\_Global\\_Voting\\_2012\\_2013.pdf](http://www.ap4.se/upload/VB%20och%20Stämmor/Global%20röstning/AP4_Global_Voting_2012_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

# 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.

## Overview

FI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

### Strategies

- Passive
- Active – quantitative (quant)

Percentage of internally managed fixed income - corporate

- <10%
- 10-50%
- >50%

- Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

- <10%
- 10-50%
- >50%

FI 02

Mandatory to Report Voluntary to Disclose

Peering

General

FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

<b>Credit quality</b>	<b>Fixed Income - Corporate</b>	
<b>Investment grade</b>	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	
<b>High yield</b>	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	
<b>Distressed</b>	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	

**FI 02.2** Provide a breakdown of your fixed income investments between primary and secondary market.

<b>Market</b>	<b>Fixed Income - Corporate</b>	
<b>Primary market (new issues)</b>	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	
<b>Secondary market</b>	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	

**ESG incorporation in actively managed fixed income**

**FI 03** Voluntary Descriptive **PRI 1**

**FI 03.1** Provide a brief overview of how you incorporate ESG issues in fixed income investments.

Fixed Income - Corporate

ESG is an integrated part of the over all investment decision.

## 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%)	<div style="display: flex; align-items: center;"> <div style="width: 100px; height: 20px; background-color: #0070C0; margin-right: 5px;"></div> <span style="font-size: 24px; margin-right: 5px;">%</span> </div> <div style="display: flex; align-items: center;"> <div style="width: 100px; height: 20px; background-color: #0070C0; margin-right: 5px;"></div> <span>100</span> </div>
---	--

Total actively managed fixed income - corporate
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100%

FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.
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ESG is an integrated part of the over all investment decision.

### 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.
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☉ We disclose it publicly



Provide URL

[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012\\_2013.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/SustainabilityAndCorpGovRep2012_2013.pdf)

Provide URL

[http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013\\_final.pdf](http://www.ap4.se/upload/FinansiellaRapporter/Engelska/AP4.AnnualReport2013_final.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

## Engagement in fixed income investments

### Fixed Income - Corporate

FI 19

Voluntary

Descriptive

PRI 2

**FI 19.1**

Indicate if you engage with corporate issuers.

Yes

**FI 19.2**

Describe your organisation's approach to engagement in corporate fixed income.

Engagement is done by the ESG-team

No