

# Board policy on responsibility and sustainability

## Introduction

AMF has an important societal role in contributing to customers' future security by delivering long-term solid returns at a low cost. AMF's work with responsibility and sustainability is intended to support this mission and be a means of achieving solid returns.

## Purpose and objectives

These rules apply to all of AMF's operations and everyone representing AMF.

The purpose of the rules is to express the approach, values and social responsibility that shall characterise AMF's work. Together with the core values – secure, simple, and human – the rules guide AMF's approach to responsibility and sustainability in both its internal operations and investment activities.

The objective is to ensure that AMF and its employees act in accordance with AMF's values and mission as well as the overarching principles and commitments that AMF supports.

## Guiding principles

Within the scope of its mission, AMF shall contribute to long-term sustainable societal development, in line with the UN's Sustainable Development Goals (the 2030 Agenda) and the Paris Agreement's goal to limit global warming. This includes integrating sustainability risks and opportunities and considering adverse impacts on sustainability factors, both in its own operations and investment activities.

Sustainability risks refer to the risk that AMF's investment assets or brand are negatively affected by how AMF's own operations or investee companies impact or are impacted by direct and indirect sustainability factors such as climate change, human rights, gender equality, labour rights, and biodiversity.

Adverse impacts on sustainability factors refer to negative effects that AMF's operations, investee companies or suppliers may have on environmental, social, and employee-related issues including respect for human rights and addressing corruption and bribery.

As a guiding principle for its work on responsibility and sustainability, AMF shall conduct a materiality analysis to identify the factors where AMF has the greatest impact on its surroundings and its stakeholders and which factors are important for AMF's strategy and stakeholders. This analysis shall be updated at least annually. AMF shall seek active dialogue with stakeholders and consider their perspectives and expectations. Customers and owners, as representatives of customer interests, hold a particularly important position in this work.

## External requirements and approach

AMF, and the companies in which it invests, shall follow international principles for sustainable business, including the UN Global Compact principles on human rights, labour, environment, and anti-corruption, the OECD Guidelines for Multinational Enterprises, and the UN Principles for Responsible Investment.



AMF shall conduct structured engagement on responsibility and sustainability with investee companies and suppliers. This may include dialogues, joint initiatives, or, where possible, shareholder directives.

AMF shall not invest in companies involved in the manufacture or distribution of controversial weapons (landmines, cluster munitions, chemical, biological, and nuclear weapons), which are banned under various international conventions signed by the Swedish Parliament.

In assessing industries and companies, AMF shall make a comprehensive evaluation based on its commitments and values, international agreements endorsed by Sweden and national goals and decisions. Generally, AMF shall not take a stance against specific industries or products, provided other sustainability criteria are met.

AMF shall be transparent regarding its responsibility and sustainability goals and how it is affected by and affects sustainability factors. AMF shall report its goals and outcomes in its external sustainability reporting, in accordance with applicable regulations and voluntary standards AMF chooses to follow. AMF shall also demonstrate how its sustainability efforts contribute to the UN's Sustainable Development Goals (the 2030 Agenda).

### **Economic responsibility**

AMF's economic responsibility is based on delivering long-term solid returns at a low cost.

AMF shall consider sustainability risks and opportunities in its investment activities as part of risk management and return generation. This includes considering how climate change and climate actions may affect future return opportunities.

### **Environmental responsibility**

AMF shall act in line with Sweden's climate goals. It shall strive to reduce its carbon footprint in accordance with the Paris Agreement, both in its own operations and its investment activities.

AMF shall take necessary measures to prevent, hinder, or mitigate harm to human health and the environment. It shall, individually or in collaboration with others, place demands on and work to influence business partners and investee companies to reduce their environmental impact and climate footprint.

AMF shall externally report the carbon footprint of its operations and investment portfolio.

### **Social responsibility**

AMF shall respect human rights and promote diversity, inclusion and a gender-equal work environment, while countering discrimination and abusive treatment.

AMF shall – both within its own operations and in relation to portfolio companies and suppliers – safeguard freedom of association and the right to collective bargaining, work to eliminate child and forced labour, and promote safe and healthy working conditions.

Everyone shall have equal opportunities for employment at AMF and for training, promotion, and development at work, based on experience, performance, and behaviour.

As part of a sustainable working life, AMF shall facilitate the balance between private and professional life, encourage further education, and provide good training opportunities.



### **Responsibility, governance and reporting**

The CEO is responsible for ensuring that AMF's operations are conducted in line with these principles and commitments.

The board shall, based on proposals from the CEO, decide on AMF's overall direction for its sustainability work.

The CEO shall decide on AMF's operational sustainability work and related goals.

The CEO is responsible for ensuring appropriate internal and external follow-up and reporting on issues related to responsibility and sustainability. The board shall be continuously informed about AMF's sustainability work as part of the CEO's operational reporting. AMF shall annually report externally on compliance with principles and commitments in sustainability, in accordance with applicable regulations.