

Sustainability Report 2015

AMF's primary mission is to deliver good pensions for the company's four million customers. AMF's core business is occupational pensions in the SAF-LO contractual pension segment, traditional insurance. This means that LO and the Confederation of Swedish Enterprise have appointed AMF to manage the pensions of customers that do not actively choose a pension fund manager. AMF also provides occupational pensions in the form of traditional insurance and unit linked insurance in other contract segments.

Apart from the parent company AMF Pensionsförsäkrings AB, the AMF group also includes the subsidiaries AMF Fonder AB and AMF Fastigheter AB, as well as a number of wholly owned property companies. AMF Fonder provides proprietary managed funds for the parent company. These funds are also available for direct fund savings for private individuals, institutional investors, and unit-linked savings in Sweden's premium pension system. AMF Fastigheter constitutes part of the parent company's investment portfolio, and its aim is to generate returns for pension savers. AMF Fastigheter develops and manages properties and commercial premises in the Stockholm region.

AMF operates according to mutual principles, which implies a special focus on fairness between customers, putting the customers' interests first, and that AMF's owners do not receive dividends.

AMF's core values

Simple

Secure

Human

The AMF group

AMF Pensionsförsäkring AB (parent company)
Pension insurance offering.

AMF Fonder AB
Fund management on behalf of the parent company, but also direct fund savings.

AMF Fastigheter AB
Owning and managing properties in central Stockholm.

The Sustainability Report encompasses AMF Pensionsförsäkring AB and wholly owned subsidiaries AMF Fonder AB and AMF Fastigheter AB, including all the group's wholly-owned property companies.

Accordingly, all of AMF's earnings are returned to its customers, for both traditional insurance and unit-linked insurance. Savings in the premium pension system and direct unit linked system are not encompassed by the principle of mutuality, and are governed by AMF's ambition to maintain low fees and generating high returns. AMF is currently the only pension company to offers both traditional insurance and unit-linked insurance for white and blue collar

AMF's vision

To be the pension company that provides simple and secure occupational pension solutions with high returns and low costs.

Every care has been taken in the translation of this Sustainability Report. In the event of discrepancies, the Swedish original will supersede the English translation.

Sustainability in AMF

Sustainable products and services – our offering

AMF provides secure occupational pension. We focus on creating high and secure returns, while keeping fees low and offering simple and fair products. Our customers should obtain optimum savings products whether they take an active interest in their pension savings or not.

Sustainable resource management – our operations

AMF's operations are characterised by high ethical standards, economical resource management and caring for the environment. We actively work to reduce our energy consumption, minimise waste and ensure equal opportunities in the workplace. We place the same demands on our suppliers as we do on ourselves.

Responsible investment – our investments

AMF manages over SEK 500 billion in pension capital. This implies a large responsibility for ensuring that investments and ownership practices focus on generating the optimum outcome for customers in a sustainable manner.

workers in the private, municipal and government sectors.

Sustainability is a natural part of AMF's operations because collective agreement pensions are a part of the Swedish welfare system and are based on taking a long-term view. AMF's sustainability work focus on three areas – sustainable products and services, sustainable resource management and responsible investments.

AMF's stakeholders

AMF's key stakeholders are its customers, owners and collective agreement parties, employees, suppliers and collaboration partners as well as society at large. The table illustrates their varying expectations on AMF.

Customers

AMF manages occupational pensions for some four million customers. The customers are mainly private individuals covered by collective agreement occupational pensions, but also companies that purchase solutions to secure their employees' occupational pensions. Just over 700,000 customers (just under 20%) are currently receiving pension pay-outs, and AMF's monthly pension payments total approximately SEK 1 billion. Customers mainly contact AMF ahead of retirement, and more than 90% of customers who contact AMF are over 55.

Owners and collective agreement parties

AMF's owners represent both employees and employers, i.e. the insured and the policy holder. A representative from each owner group has the specific task of monitoring the interests of the insured parties.

The collective agreement parties, such as LO and the Confederation of Swedish Enterprise, negotiate solutions for occupational pensions with fund managers on behalf of the various collective agreement segments. In some cases, the parties also represent the customers' interests with regard to amendments to contracts and terms and conditions

Employees

As of 31 December 2015, the group had 357 employees, of which 21 in AMF Fonder and 94 in AMF Fastigheter. All group employees are salaried employees. 44% of the employees are men and 56% women.

Suppliers and collaboration partners

The group has some 1,800 suppliers. In 2015, invoiced costs in the parent company and AMF Fonder mainly related to IT and telephony

Stakeholder group	Expectations on AMF	Dialogue/Surveys
Customers	Good, simple and secure pensions.	Customer service, customer panels, customer surveys, brand surveys, complaints function, Pension Blog.
Owners (LO and the Confederation of Swedish Enterprise) and other collective agreement parties.	High and secure pensions, low charge, high ethical and sustainability standards.	Board meetings, meetings with owners, meetings with collective agreement parties, procurement and sign-ups.
Employees	Good employer, good employment terms, personal development, high ambitions regarding ethics and sustainability, compliance with AMF's values.	Meetings at unit and group level, employee surveys, performance appraisals, dialogue with trade union representatives.
Suppliers and collaboration partners.	Secure and stable contractual party, strong brand, transparency.	Meetings and follow up
Society (e.g. public authorities, political decision makers and the media).	Transparency and regulatory compliance, responsible ownership.	Brand surveys, meetings and dialogues with public authorities and decision makers, committee reports, participation in debates, reports.

AMF's latest customer and employee surveys regarding their expectations on AMF's sustainability work were completed in December 2014. The surveys showed that both customers and employees assign a higher priority to areas relating to financial sustainability compared to other sustainability aspects. Both groups consider it particularly important that AMF works to ensure that customers obtain optimum returns. The second priority is that AMF manages pensions in a secure manner, minimizes charges and makes responsible investments. The results corresponded closely to the materiality analysis completed by AMF's management in 2014. In 2015, political decision-makers, the media and society at large focused on the climate issue, particularly ahead of the COP21 meeting in Paris in December 2015. Political interest groups in Sweden initiated two projects: sustainable fund markets and CO₂ reporting for financial companies. AMF participated in a number of round table talks with the Minister for Financial Markets.

services, marketing and pension administration. AMF Fastigheter mainly purchases various consulting services, construction and management services, as well as energy and heating. AMF also collaborates with the choice centres that administrate the customers' choice of pension manager, such as Fora AB which administrates the SAF-LO contractual pension.

Society

Occupational pensions are an important part of the Swedish welfare system. The government's interest in ensuring a secure income after the end of an individual's working life takes the form of initiatives such as tax incentives aimed at stimulating occupational pension savings.

AMF is involved in matters relating to the structure of the pension system. This takes place through opinion-forming activities, dialogue with political decision-makers and sector collaborations such as those with Svensk Försäkring, SNS, Min Pension and Gilla din ekonomi.

AMF's assignment from the owners LO and the Confederation of Swedish Enterprise:

1. To create value for the parties in the SAF-LO contractual pension segment, traditional insurance. Value is to be created by generating high returns, minimizing costs and ensuring security.
2. To offer occupational pensions to other collective agreement segments, as well as unit-linked policies to customers in the SAF-LO segment, as long as there are no negative implications for customers in the SAF-LO contractual pension segment, traditional insurance.
3. To offer other products and services that generate economies of scale for AMF.

Materiality analysis

In 2014, AMF's management completed a materiality analysis for sustainability through a series of workshops. The purpose was to identify the areas where AMF has the biggest impact. The analysis was based on GRI G4's defined sustainability areas and AMF's undertaking as a member of the UN Global Compact initiative and Principles for Responsible Investments (UN PRI). The process is described on pages 21–22 of AMF's Annual Report and Sustainability Report for 2014. The analysis defined eight prioritized areas of improvement, which were approved by the Board of Directors in December 2014. These are organized under sustainable products and services, sustainable resource management and responsible investments as indicated in the table below.

In order to integrate the sustainability work into AMF's operations, each prioritized area has been allocated a responsible unit manager on the management team. In 2015, AMF's sustainability council concluded that no changes in AMF's external environment or operations had occurred that required an adjustment of the

materiality analysis in the year.

Ahead of 2016, AMF's ownership instructions to its subsidiaries AMF Fastigheter and AMF Fonder were clarified regarding ethics and sustainability. As a minimum, the subsidiaries must comply with the group's sustainability efforts. AMF's CEO instructs the subsidiaries regarding their goals in these areas.

What impact does AMF have?

AMF's impact on the surrounding world can be within or outside of the organization. The effect inside the organization arises as part of AMF's operations. Outside the organization, the impact arises externally to AMF's operations, although AMF's actions influence the effect.

Prioritized areas of improvement			
Focus areas	Prioritized area of improvement	Where is AMF's impact felt?	Read more on page
Sustainable products and services	Financial value creation	Within the organization – includes the entire group	9
	Sustainable insurance and savings products	Within the organization – parent company and AMF Fonder	10
	Accessibility and comprehensibility	Within the organization – parent company and AMF Fonder	12
Sustainable resource management	Equal opportunities	Within the organization – includes the entire group	13
	Waste	Within the organization – includes the entire group	15
	Follow up of suppliers	Outside the organization	16
	Emissions /Energy	Within the organization – includes the entire group	17
Responsible investments	Active ownership	Outside the organization	19

Financial value creation

AMF creates financial value for pension savers by generating high and secure returns on pension capital. Accordingly, AMF has a responsibility to present information on the financial value created in the year and how profits are allocated. AMF's assignment does not include financial value creation for the owners, and the owners are not entitled to receive dividends.

Value created in the year

Financial value creation can be measured as net growth of total pension capital. Net growth corresponds to returns generated by asset management, less expenses associated with insurance operations charged to pension capital. The following table illustrates AMF's value creation during the year.

- Returns for the year are dependent on the returns generated by asset management. AMF manages capital by investments in shares, fixed-income securities and property.
- The largest expenses influencing pension payments over time are associated with AMF's ongoing operations, e.g. IT expenses, personnel expenses, asset management costs, marketing costs and taxes.

Value creation per customer in the parent company was SEK 5,031 (13,438) in the year.

AMF's value creation (parent company), SEK m	2015	2014
Return for the year	20 817	50 698
Less salary/remuneration to employees	-278	-272
Less other operating expenses	-454	-485
Less tax	-1 068	-1 242
Value creation in the year	19 017	48 698
Value creation in the year by customers (SEK)	5 031	13 438

Some of AMF's expenses do not affect value creation, such as pension payments. Accordingly, a reduction in these costs does

not increase value creation. Similarly, AMF's income (premiums from traditional insurance and income from unit-linked premiums), does not create value for AMF, as customer payments correspond to rights in the form of guaranteed amounts, or claims on AMF's profits.

Profit allocation to customers

AMF's total profit corresponds to the difference between the value of total assets and AMF's obligations to its customers, i.e. mainly guaranteed pension payments. As a rule, high value creation increases profit. In 2015, more than SEK 13 billion were allocated to AMF's customers from profits. Allocation can take the form of increased guaranteed pensions, reduced premiums, allocation of units and payment of surpluses in connection with pension payments, mobility and repurchases.

- Each pension payment allows customers with traditional insurance policies to participate in AMF's total profit. This also applies to mobility and repurchases of pension insurance, provided preliminarily distributed profit is available under the insurance.
- Guaranteed amounts or guarantee insurance are allocated ahead of retirement to customers that have contributed a sufficiently large proportion of total profit (applies to AMF's traditional insurance with individual rate of return). For customers who hold the product "Pension under the definitive transition rules for the SAF-LO contractual pension" (ÖGR), allocation normally takes place at age 60. Before that, these customers have no guaranteed pension amount.
- AMF's defined-benefit insurance also returns profit to customers—in this case employers—in the form of reduced premiums within the SAF-LO contractual pension.
- In unit-linked insurance operations, potential profits should also be distributed to policy holders. This may take the form of reduced charges or allocation of extra units to customers.

For more information, see Distribution of surpluses on page 32 in the Swedish version.

Tilldelning av vinstmedel, Mkr	2015	2014
Allocation of surpluses (in connection with pension, mobility or repurchases)	9 536	7 839
Guarantee consolidation and other allocation of guarantees	1 860	1 740
Premium reduction (defined-benefit insurance)	2 180	2 223
Allocation of units	0	0
Total allocation of surpluses	13 576	11 802

AMF managed the special pension assets deposited by employers in the SAF-LO contractual pension segment in the period 1996–2015. These funds are used for the collective agreement guarantee, and for information on the SAF-LO contractual pension for all employers and employees covered by the collective agreement. In December 2015, the funds were transferred to a trust set up for this purpose. The special pension assets were previously reported in accumulated profit. For more information, see the heading Changes in equity in the parent company on page 62 in the Swedish version.

Financial value creation in AMF Fonder

AMF Fonder's assignment is to provide pension funds with high returns and low charges that consolidate AMF's unit-linked insurance offering. The profits from this business should be used to reduce or discount fund charges, to the extent they are not required to cover future losses. This operation is evaluated on the level of fund charges, returns in relation to competitors and ratings. Active management in combination with active ownership helps create value. Since each fund's start date, nine of AMF's twelve funds have outperformed the relevant benchmark indexes. AMF's self-managed funds have been awarded an average rating of 4.0 out of 5.0 from independent institution Morningstar.

Sustainable insurance and savings products

AMF works to design and provide sustainable products. This means that products should generate maximum returns during the savings period, while pension payments should be stable and secure. The products should be designed to make pension savings easy for customers, while also ensuring fairness and low charges. This work is largely based on AMF's aim that all customers should have a single insurance policy, pay a single fee and have access to leading-edge functions such as mobility and repayment options.

The sustainability of AMF's investments in relation to the management of its products is governed by the Active Ownership sustainability segment (see page 14).

Traditional insurance

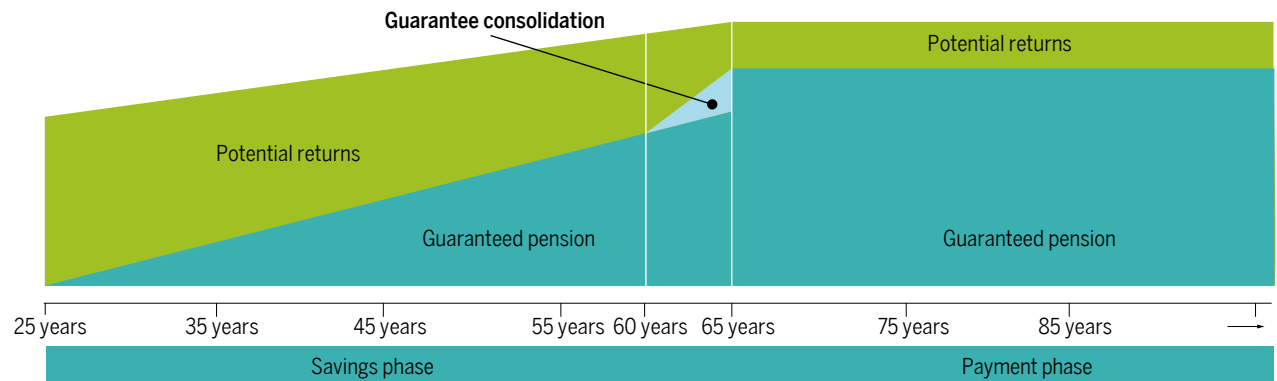
Traditional insurance represents AMF's main business. Traditional insurance means that customers transfer the management of their pension capital to an insurance company. A proportion of pension payments is guaranteed and the remainder is dependent on the performance of the insurance company's fund management. Savings in traditional insurance represent a balance between the security provided by guaranteed pension payments and the potential for higher risk and the associated anticipated higher returns. A high guarantee element reduces the potential for high returns.

In traditional insurance, AMF has a particular responsibility to structure the offering to meet the interests and needs of its customers, as many do not make an active choice regarding the management of their pension capital. AMF's traditional insurance is adapted to satisfy customer requirements for high returns coupled with stable payments.

High returns

During the savings period, AMF's traditional insurance seeks to outperform its competitors in terms of returns, while prioritizing security through higher guaranteed payments during the pension pay-out period.

Returns and guarantees in AMF's traditional insurance



The figure shows the distribution between guaranteed pension payments and potential returns for AMF's traditional insurance. Ahead of retirement, pension funds can be secured by transferring a proportion of the surplus generated to guaranteed payments. This makes it possible to combine potential for high returns with stable pension payments.

Returns and guarantees in AMF's traditional insurance

7.5%	Average 5 years	(2011–2015)
6.7%	Average 10 years	(2006–2015)
5.8%	Average 15 years	(2001–2015)
8.9%	Average 20 years	(1996–2015)

Over the last 15 years, AMF has generated average returns of 5.8% (6.0) per annum, the highest amongst comparable companies. The current low market rates will make it difficult to continue to generate returns such as those seen in recent years.

One insurance policy per customer—harmonization of terms

AMF's ambition is that all customers should have a single insurance policy per management form, pay a single fee and have access to leading-edge functions such as mobility and repayment options. Many of AMF's customers currently hold different insurance policies with varying characteristics, even within the same agreement segments. This is because the terms and conditions applying to a specific segment may change as

Measures implemented in 2015

- AMF introduced a new method for calculating pension payments, which generates more stable payments over time.
- AMF's guarantee consolidation was adjusted according to customer's retirement age, rather than being effected between ages 60 and 65. The aim is to improve security regardless of when the customer chooses to retire.
- Guarantee interest was adjusted in order to provide customers with a good balance between guaranteed pay-outs and potential returns.

a result of renegotiation or procurement during the payment period. Accordingly, AMF will be harmonising the terms of its insurance policies over the coming years. The objective is for all traditional insurance and unit-linked policies to be subject to the same terms and conditions. In the SAF-LO segment, harmonisation of insurance terms and conditions is expected to take place in autumn 2016. Other agreement segments will also undergo this process over the coming years.

Low costs

AMF's objective is to achieve operating expenses per core customer (defined as customers with traditional insurance in the SAF-LO segment) of less than SEK 100 annually by 2018. In 2015, these expenses were SEK 108 (106). As a percentage, management charges (see definition on page 117 in the Swedish version) for traditional insurance were 0.12% (0.13) in 2015, amongst the lowest in the sector.

Fairness between customer groups

It is important to AMF that customers who are not actively involved in the management of their occupational pension, or customers who do not make active choices, should not be disadvantaged or receive poorer pensions than those who take a more active interest. This is particularly important for a company such as AMF, with a high proportion of non-choice customers.

One fairness consideration relates to how surpluses from the management of pension capital are distributed. AMF applies a rate of return on all defined-contribution traditional insurance products. The rate of return means that the surplus is continuously distributed over traditional insurance, and that no surplus or deficit is retained at collective level. This reduces the risk of disadvantaging customers who do not make active choices.

AMF also aims to ensure that each insurance policy carries its own risks, and applies an individual rate of return to more recent traditional insurance policy holders. This means that each insurance policy's rate of return is dependent on its contribution to the company's surplus.

Unit-linked insurance

AMF's unit-linked insurance offering consists of 28 (28) funds, of which twelve are managed in-house. AMF's proprietary funds satisfy the basic needs of most savers. Of the total, only nine funds are available for choice in the PA03 segment, and these are scheduled for termination in 2016. AMF Generation Portfo-

Goals and follow up: Sustainable insurance and savings products					
		Target 2015	Results 2015	Target 2016	Long-term ambition
AMF (parent company)	Cost per core customer (traditional insurance customers in the SAF-LO contract segment)	–	SEK 108	–	The cost per core customer should be below SEK 100 by 2018
AMF Fonder	Returns and fees	–	–	The funds should outperform the average for competitors' funds	Fund charges should be reduced gradually. By 2020 they should amount to 0.25% (Equity Funds and Balanced Fund) and 0.10% respectively (Fixed-income Fund)

lio is AMF's entry solution, i.e. the mix of funds that savers are allocated if they do not actively choose pension funds. This has been developed to meet long-term pension savings needs, and is a combination of two funds: Aktiefond Mix and Räntefond Mix. The fund composition is adjusted according to the insured party's age, which means that the management fee changes over time. AMF's Generation Portfolio steps down the risk profile when the insured party reaches age 55 to 75.

The external funds AMF offers as part of its unit-linked insurance are not subject to the same requirements relating to factors such as sustainability. The external funds are included in AMF's offering as a result of the requirements stipulated in procurement for various contract segments.

AMF Fonder

AMF provides twelve self-managed funds through AMF Fonder, which provides funds with competitive returns and low charges. Low fund charges improve the prospects of achieving good long-term returns. In 2015, the management fee for the equity and mix funds was 0.4-0.6%, and 0.1-0.3% for fixed income funds. AMF's funds are assigned high ratings by independent ratings agencies. As of 31 December 2015, the funds had an average rating of 4.0 out of 5.0 from both Morningstar and Lipper Leaders. In 2015, 10 out of 12 funds generated returns that outperformed their benchmark indexes.

Fund	Morningstar	Lipper Leaders	Management charges
Equity Fund Asia-Pacific	4	3	0,6
Equity Fund Europe	5	4	0,4
Equity Fund Global	5	4	0,4
Equity Fund Mix	3	3	0,4
Equity Fund North America	4	4	0,4
Equity Fund Small Caps	3	3	0,6
Equity Fund Sweden	4	4	0,4
Equity Fund World	4	4	0,4
Balanced Fund	4	5	0,4
Fixed-income Fund Short ¹	3	–	0,1
Fixed-income Fund Long	5	5	0,1
Fixed-income Fund Mix ²	–	5	0,3
Total	4	4	

Ratings are based on a scale of 1 to 5, 5 being the highest. Morningstar and Lipper Leaders evaluate a fund's return compared to other comparable funds.

¹ Morningstar ranks AMF Fixed-income Fund Short in the category: Fixed income—SEK bonds, corporate.

² There is no comparable category for AMF Fixed-income Fund Mix.

Accessibility and comprehensibility

Although most of AMF's customers take an interest in their personal pension pay-outs, the subject of pensions is generally considered to be difficult to understand and there is a general lack of interest in the pension system. This means that it's important that AMF's communication is accessible easy to understand.

AMF's work with accessibility and comprehensibility should result in customers finding it easy to get in touch with AMF and to manage matters relating to their occupational pension. The information provided by AMF should be clear and easy to understand.

Most of the customer service contacts or log-ins to AMF's internet service are made ahead of retirement. 90% of customers who contact AMF by phone are over 55 years. In 2015, AMF received no complaints or comments relating to its accessibility for customers with disabilities.

Increasing awareness of pensions

AMF works to increase awareness of pension-related matters in society as a whole. For example, AMF is a member of the Gilla din Ekonomi network, where sector operators and public authorities

AMF's work with accessibility and comprehensibility

- AMF's customer service should be accessible to all customers, regardless of age or disability.
- AMF's customer service is available by telephone, chat and email.
- The opening hours of customer services telephone service are adapted to customer requirements.
- Customers can manage their pensions online, e.g. change the pension payment period or start date.
- AMF evaluates key customer communications in customer surveys before distribution. Customer interfaces and self-service facilities are also evaluated by users before being introduced.
- All staff are required to participate in customer service operations at least once a year in order to increase their understanding of the customers' needs.

Objectives and follow up: Accessibility and comprehensibility

		Targets 2015	Results 2015	Targets 2016	Long-term ambition
AMF (parent company) and AMF Fonder	Average Customer Satisfaction Index, 1-5	>4	4,4	>4	AMF should be perceived as the company that provides simple and secure occupational pensions
AMF (parent company) and AMF Fonder	LIX value for new texts in material sent to customers and on amf.se	Max. 50	66 texts of 74 met target	Max. 50	AMF should be perceived as the company that provides simple and secure occupational pensions

collaborate to educate the general public on private finances. AMF also acts as an expert advisor for producing that rules that govern the pension system, by means including participating in inquiries and responding to committees. AMF's Secure Pension Advisor pursues matters relating to pensions and pension savings in the public domain, and ensures that any discussions relating to pensions stay focused on the interests of the average saver.

We listen to our customers

AMF listens to its customers and keeps a record of all complaints and comments. In the first instance, AMF tries to solve any problems alongside the customer. If this is not possible, the matter can be raised with AMF's arbitration body. More information about how

to make a complaint can be found at amf.se.

AMF's management and the Board of Directors are informed about current matters on a quarterly basis.

Satisfied customers

AMF continuously carries out quantitative and qualitative customer surveys in order to map customer needs, behaviours and perceptions regarding AMF and the sector as a whole. The results are particularly important for improving AMF's offerings and services, and to enhance customer communications. Customer surveys are also important for safeguarding the AMF brand in a cost-effective manner.

In 2015, AMF's customer satisfaction index was 4.4 (4.4) on a scale of 1 – 5, where 5 represents the maximum customer satisfaction.

Initiatives in 2015

- AMF published information on matters such as how repayment protection works, at amf.se and on AMF's YouTube channel.
- AMF improved the design of its website and internet services in order to make the information more accessible to customers.
- AMF adopted the sector standard for calculating pension forecasts, which makes it easier for customers to understand the amounts presented by other operators, such as Min Pension and the Swedish Pensions Agency.
- AMF introduced a new customer processing system and new working methods for improving customer service.

Equal opportunities

AMF aims to eliminate all forms of discrimination. AMF strives to ensure that all employees have equal terms of employment, rights and potential for professional development. AMF considers equal opportunities to be a natural and fundamental part of its operations. It is also an important pre-requisite for the efficient use of the available competencies, and for creating a good working environment. Equal opportunities apply to recruitment, staff training programs and salaries. All assessments are carried out on a factual basis, such as competencies and suitability.

AMF's diversity initiatives are aimed at creating an inclusive and tolerant corporate culture. In cases where AMF appoints recruitment specialists, these are encouraged to consider equal opportunities and diversity when making selections. However, AMF has chosen not to follow up statistics and report employee diversity indicators. Apart from equal opportunities initiatives, AMF's diversity programs take the form of projects such as Stockholm University's "Korta vägen" scheme, aimed at speeding up the employment process for academics with foreign qualifications.

AMF also seeks to ensure equal opportunities on Boards of Directors as part of its corporate governance work. For more information, see page 14.

Equal opportunities

During the year, AMF pursued initiatives aimed at improving gender distribution in individual job categories. For example, more men are employed in equity and fixed income management, and more women in administrative functions. In 2015, AMF introduced a requirement that one of three final candidates must be of the underrepresented sex, for external recruitment for job categories with uneven gender distribution. AMF recruited a total of 24 new staff to job categories with uneven gender distribution in the year. In ten cases, this led to the employment of a candidate of the underrepresented sex. In four instances, there was no final candidate of the underrepresented sex. At the end of the year, 12

Equal opportunities	Women	Men	< 30 years	30–50 years	>50 years	Total
General disclosure requirements						
Total no. of employees	200	157	28	236	93	357
Divided by type of employment:						
Permanent employees	196	156	27	232	93	352
Temporary employees	4	1	1	4	0	5
Divided by working hours:						
Full-time employees	181	152	27	217	89	333
Part-time employees	19	5	1	19	4	24
New appointments and staff turnover						
No. of recruitments	33	22	17	32	6	55
No. of terminations	27	15	7	21	14	42
Share of new appointments	17%	14%	61%	14%	6%	15%
Share of terminations (staff turnover)	14%	10%	30%	9%	14%	12%
Composition of Board of Directors, management and other staff						
Composition of Board of Directors						
AMF	56%	44%	–	11%	89%	100%
AMF Fastigheter	43%	57%	–	14%	86%	100%
AMF Fonder	33%	67%	–	17%	83%	100%
Management of parent company and subsidiaries	42%	58%	–	67%	33%	100%
Other managers, excluding managers in equity and fixed income asset management	59%	41%	–	73%	27%	100%
Other salaried employees, excluding equity and fixed income fund managers	59%	41%	10%	65%	25%	100%
Managers in equity and fixed income asset management	–	100%	–	75%	25%	100%
Equity and fixed income asset management	21%	79%	–	63%	37%	100%
Salary comparison						
	Women's average salary as a proportion of men's average salary		No. of persons			
			Women	Men		
Management of parent company and subsidiaries	69%		5	7		
Other managers, excluding managers in equity and fixed income asset management	95%		22	15		
Other salaried employees, excluding equity and fixed income fund managers	92%		169	116		
Managers in equity and fixed income asset management	–		0	4		
Equity and fixed income asset management	79%		4	15		

Comment on the tables:

The information in the table relates to the total for the parent company and subsidiaries unless otherwise indicated. As market salaries in equity and fixed-income asset management differ relatively significantly from other professional groups, AMF has chosen to break out this staff group. The breakdown into men and women is carried out on the basis of personal ID number. All employees with the exception of AMF's and AMF Fastigheter's CEO and deputy CEO, as well as AMF Fonder's CEO, are encompassed by collective agreements. AMF recruits temporary staff externally when required, for example to replace absent staff and also for services to some extent. The parent company AMF reviews the proportion of consultants and in-house staff on a quarterly basis in order to gain an overview of the organization, and ultimately to reduce the proportion of consultants. The review at the end of the final quarter 2015 estimated the number of consultants in the parent company at just under 30% of the total workforce. AMF does not currently register or follow up its employment of consultants by gender. On the whole, however, AMF's gender distribution is even with 44% men and 56% women. Gender distribution is also even at management and Board level, and in AMF's management teams. (at least 40% of each gender), with the exception of equity and fixed income asset management, and on the Board of AMF Fonder. However, the proportion of women increased from 17% to 33% on this Board in 2015.

of AMF's 24 teams had uneven gender distribution (by more than five individuals).

Equal pay

The latest salary mapping process did not indicate any salary differences attributable to gender. However, men earn more on average compared to women, because men are employed in professional segments where market salaries are higher. AMF's long-term ambition is to reduce the pay gap between women and men by the end of 2018, by means of more even gender distribution. The pay gap between women and men increased in some groups during the year. The explanation for this development is largely due to changes in staff composition in terms of experience and job description.

Corporate Governance

AMF's initiatives relating to diversity and equal opportunities are governed by an equal opportunities policy and an action plan based on the Board of Directors' regulations relating to ethics and sustainability, and on the basis of salary mapping, employee surveys and collaborations with trade unions. The equal opportunities policy is decided annually by AMF's staff manager, and the action plan is decided by the HR manager every three years. Salary mapping is performed annually. In cases where unreasonable differences emerge, AMF produces a plan to adjust the relevant salaries.

Staff composition

Knowledgeable and committed employees are critical to AMF's ability to carry out its assignment. AMF continuously seeks to

Objectives and follow up: Equal opportunities

		Target 2015	Results 2015	Target 2016	Long-term ambition
Group	The underrepresented sex should be amongst the three final candidates in connection with external recruitment for job categories with uneven gender distribution, as a percentage.	100%	83%	100%	Reduce the pay gap between men and women by 2018 (compared to 2014).

promote internal mobility and staff training initiatives to provide employees with the possibility of personal and professional development. At the same time, this also strengthens and retains internal competencies in the company. AMF monitors the progress of its staff composition and any changes in personnel turnover.

Employee survey

AMF conducts an annual employee survey encompassing all group staff. In 2015, the survey showed that employee satisfaction remained high, with positive results relating to individual goals, leadership, commitment and collaboration. The areas requiring work included information and competence development. In addition, perceived stress levels had increased compared to previous surveys. According to the most recent employee survey, almost nine out of ten employees view AMF as an equal opportunities workplace.

AMF Fastigheter's employee survey indicated a very positive result overall, although it was a little lower compared to 2013. Areas requiring improvement included information, job distribution and collaboration.

Read more about AMF's HR work on page 39 (in the Swedish version).

Waste

AMF works continuously on reducing the consumption of resources that its operations give rise to, within waste generation for example. AMF's ownership and improvement of properties generate substantial volumes of waste. Otherwise, AMF's main consumption of resources in its own operations relates to paper when communicating with customers, and IT equipment.

Waste in AMF Fastigheter

The main types of waste generated by AMF Fastigheter's operations are:

- Waste from construction projects (from conversions or demolition, for example).
- Waste from tenants' operations (anything from production waste to food waste).
- Waste from managing properties (spare parts, and chemical residues).

Waste management from building projects takes place mainly in individual projects. These projects vary in number and scope from year to year. Waste from projects is extensive, especially from demolition. In 2015, the largest projects were Urban Escape (the conversion and extension of retail and office premises) and Grävlingen 12 (conversion and tenant adaptations), both located in central Stockholm.

As a developer, AMF Fastigheter is responsible for waste being disposed of appropriately. AMF Fastigheter requires its contractors to prepare a waste management plan. This plan encompasses the reporting of waste volumes, types and targets for waste sorting levels. Additionally, AMF Fastigheter requires its contractors to dispose of waste in accordance with the Resource and Waste Guidelines for Construction issued by Sweden's construction sector and employers' organisation, Sveriges Bygginstrier. In 2016, AMF Fastigheter intends to commence a project to monitor disposal of construction waste.

In 2015, AMF Fastigheter created a process for reporting the waste generated by its properties, which consists of waste from tenants'

Targets and monitoring		Target 2015	Results 2015	Target 2016	Long-term ambition
AMF parent company	Paper consumption in AMF's basic communication	Less than 63 tons	32.1 tons	Less than 33 tons	Digitalised customer meetings 2017
AMF parent company	Paper consumption in AMF's communication relating to the harmonisation of insurance terms	Less than 88 tons	23,7 tons	Less than 106 tons	Digitalised customer meetings 2017
Group	Recycling and reuse of leased equipment	Formulated and implemented requirements on suppliers	Requirement implemented	100%	100%
AMF Fastigheter	Share of construction waste to be monitored in central statistics	-	-	100%	

operations and the operating activities of property management. In certain properties, tenants are responsible for waste disposal themselves.

Office equipment

AMF leases most of the computers it uses in its operations. In 2015, AMF imposed a requirement on its suppliers for all leased equipment to be recycled or reused, which was met in the year. For other IT equipment, such as printers and servers, AMF applies basic environmental standards etc. through a Code of Conduct for its suppliers. The equipment that AMF sources itself, mainly screens, phones and office equipment such as batteries and lightbulbs, is waste sorted when extinguished.

Reducing mailshotting

AMF works continuously on reducing paper consumption by realigning customer communication from paper to digital channels. Customers can execute the most important processes such as notifying account numbers or amending payment periods themselves through AMF's Internet service rather than completing physical paper forms. AMF also endeavours to refer customers to its website as far as possible in order to minimise physical mailshotting.

AMF's long-term target is to introduce a digitalised customer meeting in 2017, which means customers will receive all information automatically and digitally. Customers that still want information by mail will still be able to do so. The realignment to digital customer

meetings is continuing through means including customers receiving secure emails or mobile communication, and amending legal obstacles to insurance information being digitalised.

In 2016, AMF will keep working on increasing the degree of self-service and automation. However, requirements mean that customers need to be informed of AMF's harmonisation of insurance term by mail (more information on page 10), which will result in extensive volumes of physical mailshotting in 2016.

The growing number of pensioners also means that the number of mailshots will increase (higher share of letters and forms for designating choices before retirement). More customers than previously are dividing pensions between different periods, generating mailshots of the forms and confirmations.

In 2015, AMF sent out 32 (44) tons of paper in its basic communication, which includes various forms of mailshot regarding account balances, welcome letters and statements of earnings and tax deductions. The figure was significantly below target, which is due to not marketing to potential customers, for example. Paper consumption for communication with customers relating to the harmonisation of terms and conditions was also below target. This is due to customer communication being divided into two mailshots, one in 2015 and one in 2016, after a target for 2015 was set.

26 (27) kilograms of paper per workstation were consumed in AMF's offices, equating to a total of 12 (12) tons.

Monitoring suppliers

AMF bears a responsibility for placing the same fundamental requirements on its suppliers as on its own operations. The right to collective bargaining and reasonable working conditions are critical. AMF's Code of Conduct for suppliers is based on the fundamental principles of UN Global Compact, which covers human rights, labour, the environment and anticorruption. Conduct according to these principles has implications including respecting the UN Declaration on Human Rights, the UN Convention on the Rights of the Child and ILO Labour Standards. AMF's Code of Conduct was approved by the CEO in 2014. The Code of Conduct is group-wide, and is available at amf.se.

AMF's suppliers

Purchasing, AMF and AMF Fonder

- Purchasing is primarily of IT and telephony services, marketing, pension administration, as well as IT operations, and IT consultants.
- Approx. 600 suppliers (of which 314 invoiced over SEK 50,000). The 10 largest represented 47% (48) of purchasing volumes.
- Most suppliers are Swedish.
- 31% of invoicing is from suppliers in mission-critical parts of operations. This also includes activities that are licensable.

Purchasing, AMF Fastigheter

- Purchasing is primary consulting services, construction and management services, as well as within energy and heating.
- Approx. 1,200 suppliers (of which 620 invoiced over SEK 50,000) the 10 largest represented 64% (38) of purchasing volumes.
- Most suppliers are Swedish.

Targets and monitoring: Monitoring suppliers

		Target 2015	Results 2015	Target 2016	Long-term ambition
AMF parent company and AMF Fonder	All new suppliers accept AMF's Code of Conduct ¹ .	100%	86%	100%	100%
AMF parent company and AMF Fonder	All existing suppliers to AMF's mission-critical operations are encouraged to accept AMF's Code of Conduct ² .	100%	100%	100%	100%
AMF Fastigheter	All new and current supplier should accept AMF's code of conduct ³ .	100% (new suppliers)	100% (new suppliers)	100%	100%

¹ Applies to new suppliers that have invoiced over SEK 50,000. Also applies to suppliers that have not accepted AMF's Code of Conduct but have made corresponding undertakings.

² In 2015, AMF applied the internal classification of mission-critical and licensable. Effective 2016, AMF will classify both categories as mission-critical.

³ Applies to new suppliers that have invoiced over SEK 50,000.

AMF will continuously monitor suppliers and compliance with the Code of Conduct. Monitoring is based on available external information. Non-compliance will result in a discussion with the supplier regarding measures to satisfy the principles of the Code of Conduct. New suppliers that do not accept the Code of Conduct, or do not utilise measures to satisfy the principles of the Global Compact will be deselected. Non-compliance may occur in exceptional cases.

AMF and AMF Fonder

In 2015, AMF also worked on changing the methods governing management and monitoring suppliers. As part of this process, the parent company and AMF Fonder worked on centralising administration and monitoring contract management. This work is continuing in 2016 to create a long-term positive starting point for work with suppliers.

Responsibility for the purchasing process, as well as responsibility for evaluation and monitoring, rests with business managers supported by a central unit. The purchasing process encompasses the rules, instructions and templates for procurement and supplier monitoring. Business managers are responsible for ensuring that all new suppliers accept AMF's Code of Conduct, and for encouraging existing suppliers to do the same. AMF holds regular strategic meetings with major suppliers, where sustainability is also discussed.

Anomalies relating to the Code of Conduct were identified in three existing suppliers during the year. In all cases, AMF maintained a dialogue with the suppliers to prepare action plans. In 2015, 86% (28) of all new suppliers (54 of a total of 63) confirmed that they had accepted the anomalies or made corresponding undertakings. All existing, mission-critical suppliers have been encouraged to accept AMF's Code of Conduct, and all of them complied (19).

AMF Fastigheter

In 2015, AMF worked on encouraging existing and new suppliers to accept AMF's Code of Conduct

In 2015, all new suppliers (129) and all existing suppliers accepted the Code of Conduct or make corresponding undertakings. In the longer term, AMF is endeavouring to hold regular strategic meetings with major suppliers, where sustainability issues are also discussed. In time, supplier compliance with the Code of Conduct will also be monitored regularly.

Airborne emissions/energy

AMF promotes the long-term sustainable use of natural resources and assumes responsibility for maintaining a viable natural environment for future generations. As a service provider, AMF has limited direct environmental impact. Regardless of this, AMF assumes responsibility on climate issues and endeavours to reduce its energy consumption and CO₂ emissions and also in operations owned by its investment activities. The management of CO₂ emissions in companies that AMF invests in are dealt with in the section on Active ownership on page 14.

Direct and indirect emissions

As a service provider, AMF has no substantial direct emissions. Emissions that may arise are sourced from the cooling plant and heat pumps present in some 25% of properties. If there are leaks, coolants are released. AMF manages the risk of leaks through regular maintenance and monitoring. In 2015, as in 2014, there were no emissions of freons¹⁾.

AMF purchases only so called green electricity, i.e. electricity with environmental accreditation. At present, the greatest source of emissions is district heating. Accordingly, AMF signed agreements requiring that any district heating purchased should be fully climate neutral. 86% of the district heating in Stockholm is based on renewable energy sources. At present, there are no alternative suppliers or composite district heating fuels in AMF's property portfolio.

Energy

AMF actively pursues measures to save energy. The group's greatest energy consumption is within AMF Fastigheter's operations. The base of sustainability work in AMF Fastigheter is called its Sustainability Platform, a system structured according to ISO 14001 (the international standard for environmental management systems), and consists of a policy with targets and processes

that direct daily work. The Sustainability Platform also includes an energy management system, which is structured, but not accredited, according to ISO 50001 (the international standard for energy management systems) which is the foundation of work on more efficient energy consumption. The energy management system defines decision-making processes, areas of responsibility and action plans, as well as dealing with legal requirements governing energy and environmental issues. The Sustainability Policy, adopted by AMF Fastigheter's management, directs AMF Fastigheter's sustainability work.

Energy targets for 2015–2019

AMF's overall energy target for its wholly owned property portfolios is to realise an energy performance target of 95 kWh/m² by 2019, equating to a 19% reduction on 2014²⁾.

In 2015, the target was to reduce energy consumption by 3%, to an energy performance of 114 kWh/m² in the existing portfolio (including property development projects). In 2015, energy consumption was reduced mainly through systematic work on properties involving clear targets and action plans. The previous target, a 25% reduction of energy consumption between 2009–2014 was exceeded, with a reduction of almost 35%. AMF Fastigheter received the E-prize award for its work on energy efficiency at Swedish publication business weekly *Veckans Affärer's* 2015 Sustainability Day event.

Emissions from business trips

There were 269 (208) tons of CO₂ emissions from AMF's business trips. The overwhelming majority, 97% (96), were sourced from air travel. AMF acquired a number of associated companies in Norway and Finland in the year. The increase in CO₂ emissions is mainly due to more air travel relating to these acquisitions, and associated work on the Boards of Directors.

Generally, business trips mainly arise as a result of participation

Indirect CO₂ emissions*

	2015	2014
CO ₂ emissions in total, tons CO ₂	2 478	2 401
CO ₂ emissions in total, kg CO ₂ /m ²	3,1	3,0

*Indirect CO₂ emissions are mainly sourced from that portion of district heating consumption based on fossil fuels. Indirect CO₂ emissions are fully climate compensated.

Energy performance

Specific energy consumption, kWh/m ²	2015	2014
AMF's property portfolio		
Property electricity	40	41
District heating*	48	52
District cooling**	20	21
Total energy consumption	108	114

The properties Ångtvätten 22 and Marievik 24 are not included in reporting because their tenants are responsible for energy consumption themselves. The property portfolio is defined excluding property development projects. These projects include the conversions of Trollhättan 29–33 (Urban Escape) and Grävlingen 12. In 2015, the property Marievik 15, which was sold in 2015, is also excluded from the property portfolio.

* District heating has been adjusted for the normal year.

** District cooling also includes process cooling.

¹⁾ The gases AMF includes in its calculations are the following freons: R134a, R417a and R404a. The GWP values are from the IPCC.

²⁾ Energy performance is the total energy consumption of the property portfolio divided by total area, Atemp. Atemp corresponds to internal areas of floors, attics and cellars heated to 10°C. AMF's energy target is measured against the reference year, which is April, rolling 12 months, 2014.

in international conferences and seminars, and when meeting financial analysts and managements of the companies that AMF has an investment interest in. Company visits are also an important component of AMF's influencing work.

Business trips may be to various destinations in Europe, and less frequently, to the rest of the world. The location of AMF's office in central Stockholm means that much necessary business travel can be on foot, or by using AMF's company bicycles or public transport.

The work on reducing AMF's direct environmental impact by business trips focuses on measuring the company's CO₂ emissions, and all employees complying with AMF's travel policy. This has the following implications:

- Routes and modes of transport should be based on a consideration between cost-efficiency and the environmental impact of travel.
- Taxis with collective agreements should be used and environmental vehicles selected as far as possible.
- Indirect flights should be avoided because most fuel consumption is on take-off. Rail is preferable to air transport.
- Rail is preferable to air transport.

AMF assumes responsibility for the emissions that its business trips give rise to through climate compensation

Targets and monitoring: Airborne emissions/energy

		Target 2015	Results 2015	Target 2016	Long-term ambition
AMF Fastigheter	Property portfolio, energy performance	Reduction (2014:113 kWh/m ²)	108	Reduction to 106 kWh/m ²	Reduction to 95 kWh/m ² by 2019
AMF Fastigheter	Office premises, energy performance	Reduction (2014:106 kWh/m ²)	100		

Energy consumption

Specific energy consumption, kWh/m ²	2015	2014
Non-renewable	4 729	4 487
Renewable	72 470	77 651
Total*	77 199	82 138
AMF's property portfolio		
Property electricity	29 371	29 470
District heating **	37 086	38 422
District cooling***	15 599	18 053
Total energy consumption	82 056	85 945
AMF group own consumption	256	248

Total energy consumption reduced between 2014 and 2015 due to energy rationalisation (and projects being conducted in six large properties). Renewables constitute 94% of AMF's total energy consumption. AMF only includes energy consumption from entities that it has operational control over. Accordingly, the properties Ångtvätten 22 and Marievik 24, where tenants are responsible for controlling energy consumption themselves, are not included in reporting.

* Energy consumption is based on actual energy usage.

** District heating has been adjusted for the normal year, corresponding to actual district heating usage of 32,229 MWh.

*** District cooling also includes process cooling.

Active ownership

AMF manages over SEK 500 billion, with management focused on investments in equities, fixed-income securities and property. AMF's long-term management philosophy implies proprietary management, concentrated portfolios, and a majority of liquid assets.

Active ownership and responsible investing

The purpose of AMF's ownership work is to generate long-term stable and high returns for its customers. It is also important that customers feel secure that its investment do not indirectly contribute to breaches of labour law or working conditions, human rights, corruption and environmental disruption, but rather, help create a more sustainable society for the longer term.

AMF conducts influencing work in different ways depending on the scale of its participating interest in companies. In its Swedish holdings, AMF often maintains large shareholdings, and accordingly, can make an active contribution to shareholders' meetings and nomination committees. In its foreign companies, AMF often maintains smaller holdings. AMF attempts to influence its holdings on various issues either itself or through various forms of collaboration, by encouraging companies to measure and report their CO₂ emissions, for example. Regardless of the size of the holdings, sustainability is part of the monitoring and dialogue process with companies.

Windpower investments

In the year, AMF invested a total of approximately SEK 6.5 billion in wind power projects. Infrastructure investments in wind power, for example, are long-term investments and accordingly, are a good fit with AMF's investment portfolio. In October, AMF invested some SEK 3.5 billion in UK wind power through the government-owned offshore wind fund GIBFS. At the end of the year, AMF also acquired 49% in the Ormonde offshore wind farm in the UK from Vattenfall. The purchase price corresponded to about SEK 3 billion.

Asset management (the parent company and AMF Fonder) have decided to collaborate on corporate governance issues to enhance the potential of influence. Rather than serve as principal owners, AMF's ambition is to be an active owner where this is possible and where it can make a difference. Accordingly, AMF exercises its ownership through direct dialogue with companies. In the Swedish holdings, there is an extensive process ahead of shareholders' meetings, within and outside the companies' nomination committees. In 2015, AMF was a member of 23 (21) nomination committees and attended 37 (41) shareholders' meetings. The holdings in property company Rikshem Intressenter AB, in which AMF has a 50% holding, are managed through AMF's membership of the company's Board of Directors. Rikshem's management was altered in the year, and operations were scrutinised after information indicating departure from the company's internal Code of Conduct.

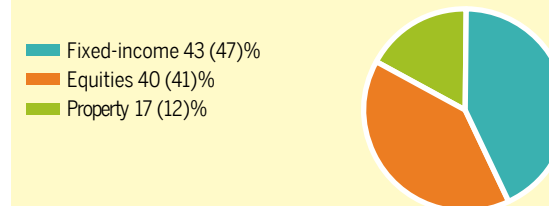
In 2015, AMF purchased shares in two Finnish, and one Norwegian, property company, where AMF also influences these companies' operations through Board representation.

AMF's actions in active ownership and responsible investment proceed from the regulations that each of the Boards of Directors of AMF and AMF Fonder adopt yearly. These regulations state the standpoints on nomination committees, Boards of Directors, auditors, ethics and sustainability, as well as compensation issues. The regulations also stipulate compliance with the principles of UN Global Compact, OECD Guidelines for Multinational Enterprises, the Ottawa Convention and the UN's PRI. AMF will not invest in companies that breach these principles. AMF's ownership policy is available at www.amf.se.

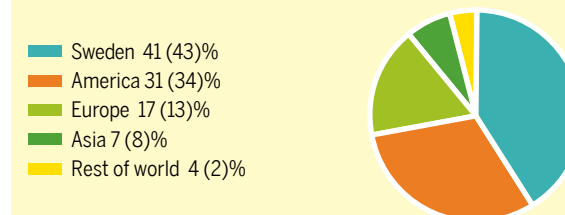
Positive screening of foreign equity investments

In 2015, AMF began to apply positive screening of foreign equity investments. This means AMF actively searches for profitable investments in the most sustainable companies in each sector. In early 2015, AMF also implemented a sustainability benchmark index (MSCI ESG ACWI) for its foreign equity portfolios. This index covers the top 50% of companies in each sector whose sustainability work

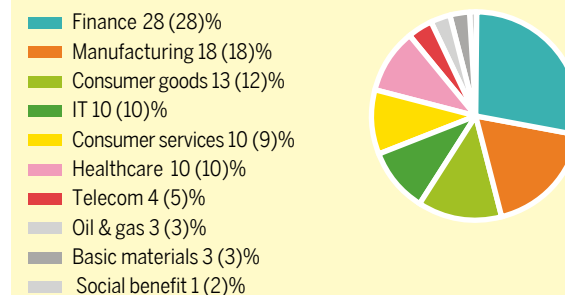
ASSET ALLOCATION, 31 DECEMBER 2015



EQUITY PORTFOLIO REGIONAL ALLOCATION, 31 DECEMBER 2015



EQUITY PORTFOLIO SECTOR ALLOCATION, 31 DECEMBER 2015



Companies where AMF is a member of the nomination committee				
	Net change		Female board members ¹⁾	
	Men	Women	No.	Share of women
AarhusKarlshamn			3	50%
Alfa Laval	-1	1	3	33%
ASSA ABLOY	-1	1	3	43%
BillerudKorsnäs		1	3	38%
Boliden	-1	1	3	43%
Cloetta	1	-1	2	33%
Dedicare			3	60%
Elekta	-1	1	3	38%
H & M			3	38%
Hexagon			3	50%
Indutrade	-1	1	2	25%
Intrum Justitia	-1	1	3	43%
Investor	-3	1	4	40%
JM			3	38%
Millicom	1	-1	2	25%
SEB			4	36%
Securitas			3	50%
Sensys Traffic	-1		2	33%
SOBI			2	38%
Swedbank			4	44%
Thule			2	29%
Trelleborg		1	4	38%
Wallenstam			2	40%
Total	-8	7		37%

¹⁾ As of year-end 2015.

has made most progress. Holdings outside these indexes are permitted only if they are documented pursuant to a dedicated process with a plan of influence. AMF Fonder started applying the same methodology to its unit trusts effective as of 1 January 2016.

More even gender distribution on listed companies' Boards of Directors

AMF's top priority is to deliver the right competence to Boards,

Carbon footprint AMF (parent company)	Tons of CO ₂
Swedish equities	439 000
Foreign equities	1 477 000
Total	1 916 000

based on each company's specific requirements. To support this, AMF's objective is always to have at least one woman as a candidate if a nomination committee intends to propose a change to its Board of Directors. Ultimately, its target is to achieve even gender distribution in companies where AMF serves on nomination committees.

The share of women on company Boards where AMF was a member of the nomination committees ahead of the 2015 AGM rose from 33% to 37%, against the average of the Stockholm Stock Exchange, which increased from 25% to 29%. On those Boards where AMF was a member of the nomination committee, 10 of 13 new Board members were women. Disregarding the CEOs of each Board, the corresponding figure is 39% women.

Carbon footprint

AMF conducted its first measure of the carbon footprint of all its listed shareholdings in September 2015, in order to increase the pressure on companies to reduce their emissions. Over 90% of the companies in AMF's equity portfolio reported their CO₂ emissions for 2014. However, some 40 companies did not report any figures. AMF called on these companies to start measuring and reporting their emissions.

The carbon footprint of the equity portfolio based on emission figures for 2014 and the portfolio composition as of 31 December 2015 was 2.1 kg of CO₂ equivalents/SEK 100 sales (Swedish companies had a footprint of 1.3 of CO₂ equivalents/SEK 100 sales, and foreign companies 2.8 kg). This can be set against the global index of 4.2 kg of CO₂ equivalents/SEK 100 sales. In 2015, AMF Fonder also started to measure the carbon footprint of all its unit trusts' equity holdings. Apart from one, all funds had a lower carbon footprint than their respective benchmark indexes.

	kg of CO ₂ e/SEK 100 market value	Index
Swedish equities	0,7	
Foreign equities	1,7	
Total	1,3	2,9

	kg of CO ₂ e/SEK 100 sales	Index
Swedish equities	1,3	
Foreign equities	2,8	
Total	2,1	4,2

Carbon footprint of AMF Fonder

	Market value as of 31 December 2015 (SEK m)	kg of CO ₂ e/SEK 100 sales	Index ¹⁾
Equity Fund Asia-Pacific	1 319	3,8	4,2
Equity Fund Europe	4 157	2,2	2,7
Equity Fund Global	2 508	3,3	3,5
Equity Fund Mix	5 720	2,8	3,0
Equity Fund North America	1 267	4,2	3,4
Equity Fund Small Caps ²⁾	5 666	3,3	4,1
Equity Fund Sweden	26 528	1,2	1,6
Equity Fund World	29 411	2,0	2,3
Balanced Fund (equity share)	12 243	1,9	2,2

CO₂ equivalents (CO₂e) are a measure that enables a comparison of the climate impact of different greenhouse gases. AMF uses the emission data from environmental data analysis firm Trucost to compute and monitor greenhouse gas emissions. The computations are based on companies' reporting of greenhouse gases, as well as estimates in those cases where companies do not report themselves. The calculations cover 90% of the parent company's Swedish and foreign shareholdings. Calculations cover companies' direct and indirect CO₂ emissions, defined as scope 1 and 2. AMF Fonder reports its carbon footprint according to the same methodology as AMF (parent company). The full CO₂ reporting of AMF Fonder is reported on AMF's website.

¹⁾ MSCI ACWI ESG has been used for foreign equities. All unit trusts with foreign equities have been tracking this index since year-end.

²⁾ Only 60% of the fund (remaining participations are not monitored).

AMF will continue its work on gathering information on the CO₂ emissions of its equity and property portfolios. AMF identifies means of control (such as divestments or work on influence) to manage the CO₂ emissions of its equity holdings. The jointly held property companies and their work to reduce climate impact is managed through work on Boards of Directors.

In autumn 2015, AMF affiliated to the CDP, Carbon Disclosure Project and the Montréal Pledge, which pursue companies measuring and reporting their CO₂ emissions. AMF also participated in several debates and dialogues on CO₂ reporting.

Norm-based screening

AMF and AMF Fonder utilise an external provider to verify that the companies that AMF has invested in comply with the conventions AMF supports. All Swedish and foreign equity and fixed-income holdings are reviewed twice yearly. If there are any incidents or doubts from a sustainability perspective, companies are scrutinised individually. Screening may also be conducted prior to investment decisions. If anything is discovered from this screening, in the first instance, AMF seeks to secure a dialogue with the Board and management of the affected company, to investigate what is happening and what the company is doing to rectify potential problems. The pre-requisite is that AMF sees the potential to influence, and that this is economically justifiable in terms of returns. Otherwise, the holding is divested.

In 2015, the following companies were divested as a result of norm-based screening: Siam Commercial Bank, Kasikorn Bank and Fluor Corporation.

Monitoring active ownership

The Board of Directors monitors ongoing ownership work, and AMF endeavours to secure the greatest possible transparency towards customers and the public. A Corporate Governance Report is published yearly at amf.se, where AMF also reports activities and standpoints during the past AGM round. AMF also publishes an ownership policy and regular information on its website.

Targets and monitoring: Active ownership

		Target 2015	Results 2015	Target 2016	Long-term ambition
AMF parent company and AMF Fonder	The share of female board members should increase in companies where AMF is a member of the nomination committee	Increase	Increased from 33% to 37%	Increase	Even gender distribution on Boards of Directors.
AMF parent company	Positive screening of foreign equity portfolio	100% ¹⁾	100%	100%	100%
AMF Fonder	Positive screening of foreign holdings			90%	
AMF parent company and AMF Fonder	CO ₂ emissions				AMF will monitor the CO ₂ volumes that its equity and property portfolios give rise to.
AMF parent company	CO ₂ emissions				AMF will identify means of control to manage CO ₂ emissions from its equity portfolio.

¹⁾ Holdings outside the index are permitted if they comply with a dedicated process. At year-end, three holdings outside the MSCI ESG ACWI had been approved.

Conventions, principles and initiatives that AMF supports:

- UN PRI (UN Principles for Responsible Investment) since 2009.
- UN Global Compact since 2013.
- OECD Guidelines for Multinational Enterprises.
- The Convention on Cluster Munitions (CCM).
- The Chemical Weapons Convention (CWC).
- The Biological & Toxin Weapons Convention (BTWC).
- The Treaty on the Non-proliferation of Nuclear Weapons (NPT).
- The Carbon Disclosure Project (CDP).
- The Montréal Pledge.

Read more about AMF's ownership work at amf.se:

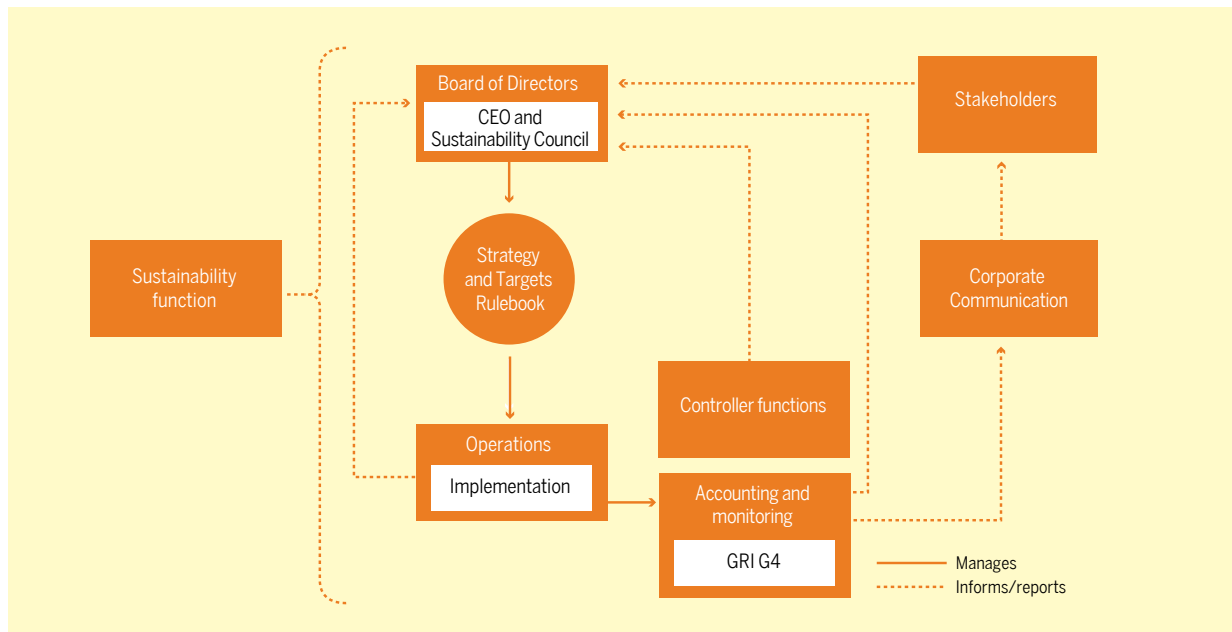
- Ownership Policy.
- Process of norm-based screening of AMF's holdings.
- Corporate Governance Report 2015.

Management of AMF's sustainability work

AMF's Board of Directors bears ultimate responsibility for the company's sustainability work. This work proceeds from AMF's mission and the Board of Directors' regulations governing ethics and sustainability. The values and orientation expressed there are reflected in AMF's strategy, regulations for its offering, investment guidelines, actuarial guidelines and regulations on risk management, all of which are approved by the Board of Directors. The Board of Directors also resolves on the orientation of sustainability work and overall sustainability targets. The Board of Directors follows up on sustainability work quarterly.

AMF's sustainability work in 2015

- AMF affiliated to the CDP and Montréal Pledge. Both initiatives are intended to make companies report their carbon footprint.
- AMF started to report the carbon footprint of its listed Swedish and foreign shareholdings. AMF Fonder reported the CO₂ intensity of all its equity funds in accordance with the same methodology.
- At the beginning of the year, AMF implemented positive screening of its foreign equity portfolio. This means that AMF's foreign investments will be in companies and sectors where sustainability work has made the most progress.
- In November 2015, AMF's asset management secured the highest rating in two surveys on the sustainability of pension managers, conducted by Max Matthiessen and Söderberg & Partners.
- In March 2015, AMF published its first sustainability report in accordance with GRI G4 principles.
- AMF implemented new recruitment processes for teams with an imbalance between the genders.



The CEO bears operational responsibility for sustainability work being executed in the group, and takes decisions on the operational sustainability targets of the group, or delegates this responsibility to each subsidiary where appropriate. AMF's Sustainability Council plays an advisory role for the CEO on sustainability issues. The Sustainability Council's members are the CEO (Chairman), unit and central staff managers, Presidents or executive vice presidents of subsidiaries and the group's Sustainability Manager. The Sustainability Council should meet at least four times per year. The Sustainability Council held five meetings in 2015.

Business managers are responsible for sustainability work being implemented in daily operations and the satisfaction of sustainability targets. The group's sustainability function is responsible for supporting and coordinating AMF's sustainability work, and for consulting on matters with the Sustainability Council.

Sustainability work is monitored through quarterly reporting of sustainability targets to the Board of Directors, CEO and management.

Relevant issues are considered by management regularly. Annual reporting of sustainability is according to GRI G4 principles and reviewed by external auditors. The compliance function and internal audit functions verify that sustainability work is executed in accordance with the Board of Directors' and CEO's guidelines and regulations.

AMF supports the precautionary principle, which means working preventatively and to minimise risk relating to environmental issues throughout operations. AMF's Rulebook expresses how operations are to be conducted, and that the company is expected to be proactive to minimise risk. The Rulebook ensures that AMF takes a sensitive view of its responsibilities and the resources the company manages.

Enterprise management systems

AMF's enterprise management systems consist of risk management, internal control and sustainability management systems. Enterprise management systems should be structured so that the governance of AMF takes place on a sound and responsible

footing, and that AMF has an appropriate and understandable organisational structure with a clear division of responsibilities and duties, and an efficient system for transferring information within the company and externally

Rulebook

AMF's Rulebook contains the Board of Directors' rules and instructions for the CEO. These rules are approved annually by the Board of Directors, and encompass policies regulating issues including ethics and sustainability, investment guidelines, ownership policies and rules for risk management. Each year, the CEO takes decisions on instructions for AMF's work on ethics and sustainability, which are based on the Board of Directors' regulations.

The Board of Directors' rules on ethics and sustainability define the attitudes and values that AMF should observe. These rules constitute AMF's system for sustainability management.

Briefly, these rules imply that AMF's employees should conduct themselves responsibly and endeavour to contribute to sustainable development in all contexts. These rules are based on fundamental values such as honesty, responsibility, equal treatment and respect for people. They also stipulate that AMF has a responsibility to its customers, owners and other stakeholders. Non-compliance or breaches of ethical and sustainability rules should be reported according to incident reporting procedures. An evaluation of AMF's compliance and ethical risk is reported each year to the Board of Directors. AMF's overall ethical and sustainability rules are published on the company's website.

All employees are covered by AMF's Rulebook, and undertake to comply with its overall rules regarding ethics and sustainability when signing employment contracts. The subsidiaries' Rulebooks include additional rules and instructions. Staff are kept informed and undertake regular training relating to applicable rules governing ethics and sustainability.

Money laundering and funding terrorism

AMF complies with applicable laws and regulations on money laundering, and also has internal regulations clarifying its work on preventing its business being exploited for money laundering and funding terrorism. It provides dedicated training for staff that need knowledge in this area. Training is held continuously, although at least once every second year.

AMF is obliged to freeze assets relating to people suspected of involvement in terrorist activity. AMF conducts a risk assessment yearly. A specific audit should be conducted if crime is suspected. To ensure compliance with rules on money laundering and funding terrorism, AMF conducts regular inspection activities.

About this Sustainability Report

This Sustainability Report summarizes AMF's sustainability work in the calendar year 2015. The report is based on GRI G4 guidelines on the Core level.

AMF is a life insurance company active on the Swedish market, owned jointly and equally by LO and the Confederation of Swedish Enterprise. This Report covers all operations of parent company AMF Pensionsförsäkring AB and the subsidiaries AMF Fonder AB and AMF Fastigheter AB, as well as a number of wholly-owned property companies. AMF is a shareholder of a number of companies defined as joint ventures and associated companies. These holdings are reported under Active ownership.

No significant changes to the size, structure, ownership and supply chain of the organisation occurred in the reporting period. The Sustainability Report was reviewed by AMF's Board of Directors, and by AMF's auditors Ernst & Young AB (see p. 115 of the Swedish version). The Sustainability Report is produced yearly, and the previous issue was published in March 2015 for the calendar year 2014. Figures for 2014 have been included where comparable figures with 2015 are available.

Do you have any questions on our sustainability work? If so, please contact Anna Viefhues, Sustainability Manager, anna.viefhues@amf.se.

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Material aspects	Governance and indicators		Scope and other comments	Page	Audited
Finance					
Financial results	DMA	Governance of AMF's sustainability work.		9	X
	G4-EC1	Direct financial value created and delivered.		9	X
Environment					
Energy	DMA	Governance of AMF's sustainability work.		17-18	X
	G4-EN3	Energy consumption within the organisation.	Comparable figures for 2014 have been recalculated to exclude properties divested in 2015.	18	X
	G4-EN5	Energy intensity.		17	X
Emissions	DMA	Governance of AMF's sustainability work.		17-18	X
	G4-EN15	Direct greenhouse gas emissions.		17	X
	G4-EN16	Indirect greenhouse gas emissions.		17	X
Waste	DMA	Governance of AMF's sustainability work.		15	X
	G4-EN23	Total waste weight per type and disposal method.		15	X
Supplier assessment	DMA	Governance of AMF's sustainability work.	The supplier concept does not include the company's transaction costs in the form of brokerage/research. In 2016, AMF will evaluate whether these counterparties should be included in the definition.	16	X
	G4-EN32	Percentage share of new suppliers screened on the basis of environmental criteria.		16	X
Social					
Equal opportunities	DMA	Social Governance of AMF's sustainability work.		13-14	X
	G4-LA1	Total number of employees and share of new employees, as well as staff turnover by age, sex and region.		13	X
	G4-LA12	Composition of the Board and management and breakdown of other employees by staff category on the basis of gender, age minority group and other diversity indicators.	Minority groups and other diversity indicators are not reported because AMF has decided not to develop a reporting process for this.	13	X
	G4-LA13	Salary differences as a percentage of basic salary and other compensation between women and men divided between staff category, of significant operations.		13	X

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Material aspects	Governance and indicators	Scope and other comments	Page	Audited
Supplier assessment	DMA	Governance of AMF's sustainability work.	16	X
	G4-LA14	Percentage share of new suppliers screened on the basis of criteria on working conditions.	16	X
	G4-HR10	Percentage share of new suppliers screened on the basis of criteria on human rights.	16	X
	G4-S09	Percentage share of new suppliers screened on the basis of criteria on impact on wider society.	16	X
Accessibility and comprehensibility	DMA	Governance of AMF's sustainability work.	12	X
	G4-FS14	Initiatives conducted to increase the accessibility and comprehensibility of products and services.	12	X
Product information and content	DMA	Governance of AMF's sustainability work.	12	X
	G4-PR5	Results of customer satisfaction surveys.	12	X
Active ownership	DMA	Governance of AMF's sustainability work.	19-21	X
	G4-FS11	Percentage share of assets subject to positive and negative environmental and social screening.	21	X

Target overview

Target overview			Target 2016	Long-term ambition
Sustainable products and services				
Sustainable insurance and savings products	AMF (parent company)	Cost per core customer (customers with traditional insurance in the SAF-LO contractual segment).	–	Costs per core customer should be below SEK 100 by 2018.
	AMF Fonder	Returns and charges.	Returns on funds should outperform the average for AMF's competitors.	Fund charges should be gradually reduced. By 2020, they should have reached 0.25% (Equity and Mix Funds) and 0.1% (Fixed Income Funds) respectively.
Accessibility and comprehensibility	AMF (parent company) and AMF Fonder	Average customer satisfaction index, scale 1–5	>4	AMF should be viewed as the company with simple and secure occupational pensions.
	AMF (parent company) and AMF Fonder	LIX value for new text in mailshots and uploaded to amf.se.	Max. 50	AMF should be viewed as the company with simple and secure occupational pensions.
Sustainable resource management				
Equal opportunities	Group	The underrepresented sex should be in the three final candidates in external recruitment for job categories with an uneven gender distribution, %.	100%	Reduce the pay gap between women and men by 2018, compared to 2014.
Waste	AMF (parent company)	Paper waste relating to AMF's basic communication.	Less than 33 tons.	Digitalised customer meetings by 2017.
	AMF (parent company)	Mailshots relating to AMF's communication in connection with harmonization of insurance terms.	Less than 106 tons.	Digitalised customer meetings by 2017.
	Group	Recycling and reuse of leased equipment.	100%	100%
	AMF Fastigheter	Produce statistics for project waste.	100%	
Monitoring suppliers	AMF (parent company) and AMF Fonder	All new suppliers required to accept AMF's Code of Conduct.	100%	100%
	AMF (parent company) and AMF Fonder	All existing suppliers for AMF's business-critical systems urged to accept AMF's Code of Conduct.	100%	100%
	AMF Fastigheter	All new and existing suppliers required to accept AMF's Code of Conduct.	100%	100%
Airborne emissions/energy	AMF Fastigheter	Property holding, energy performance.	Reduction to 106 kWh/m ² .	Reduction to 95 kWh/m ² by 2019.
Responsible investing				
Active ownership	AMF (parent company) and AMF Fonder	The share of female Board members should increase in companies where AMF is represented on the nomination committee.	Increase (from 37%).	Even gender distribution on Boards of Directors.
	AMF (parent company)	Positive screening of foreign equity portfolio.	100%	100%
	AMF Fonder	Positive screening of foreign holdings.	90%	
	AMF (parent company) and AMF Fonder	CO ₂ emissions.	AMF should be aware of CO ₂ emissions generated by equity and property holdings.	
	AMF (parent company)		AMF to produce Governance measures to manage CO ₂ emissions from equity holdings.	