

## The AP Funds' common core values for managing fund assets

The operations of the First, Second, Third, and Fourth AP Funds are regulated in the National Pension Insurance Funds Act (2000:192), the AP Funds Act. The AP Funds Act also stipulates which provisions in the Mutual Funds Act (2004:46) are to be applied for the assets managed by the Seventh AP Fund. The operations of the Sixth AP Fund are regulated in the Sixth AP Fund Act (2000:193).

All AP Funds are to manage fund assets in an exemplary way through responsible investments and responsible conduct. When managing assets, special emphasis will be placed on how sustainable development can be promoted without compromising on the overall objective regarding return and risk (National Pension Insurance Funds Act, Chapter 4, Sections 1, 1a and 1b, and the Sixth AP Fund Act, Chapter 3, Section 1a). In formal terms, the Sixth AP Fund is only subject to the requirement for collaboration regarding common guidelines for reporting on how the objective has been attained.

### Exemplary asset management

The AP Funds will manage fund assets in an exemplary way by:

- Conducting responsible asset management with the aim of achieving a high long-term return at the risk level chosen for the different AP Funds.
- Managing the assets and otherwise acting in a way that maintains public confidence in the AP Funds and their operations. This means that asset management must be efficient, results-oriented, and characterised by openness. Special importance is placed on how sustainable development can be promoted without compromising on the target regarding returns. This will also help to maintain a high level of confidence in the national public pension system as a whole.
- Integrating sustainability factors, such as environmental, social, and corporate governance aspects, as well as business ethics aspects, into the operations, both in the Funds' own organisations and in their asset management. The Global Compact, the UN's Sustainable Development Goals, the UN's Guiding Principles on Business and Human Rights, and the Swedish Riksdag's generational goal are examples of goals and principles observed.
- Being engaged and responsible investors and owners, conducting dialogue with companies in the asset holdings, other owners, and other stakeholders, and participating in various national and international initiatives and contexts that promote good corporate governance and sustainable development.
- Striving for a facts- and knowledge-based approach, based on scientific grounds.
- Being guided by common core values, which are based on the core values of the Swedish state.

## Common core values

The AP Funds have common core values, which guide their respective operations. The core values are based on the core values of the Swedish state and its six basic principles, all of which to varying degrees are significant for the AP Funds' operations. The AP Funds have defined the meanings of these general principles with the aim of clarifying the relevance of the core values to their operations.

- **Democracy:** The AP Funds' mandate serves the public good and is decided by Swedish Parliament with broad consensus. It is therefore important that the AP Funds' conduct helps to build and maintain confidence in their operations.
- **Legality:** The AP Funds' operations will be supported in Swedish legislation and also comply with the national laws and ordinances applicable in the countries where the AP Funds invest. The AP Funds will observe the international conventions ratified by Sweden and the international agreements supported by Sweden. The AP Funds will not have objectives relating to business policy or economic policy.
- **Objectivity:** The AP Funds will manage conflicts of interest systematically and transparently. The AP Funds have a special responsibility to promote a culture that opposes corruption. The AP Funds will also work to apply a scientific approach in their operations.
- **Transparency:** The AP Funds' operations will be characterised by openness, and the Funds will provide factual and relevant information to the public. Employees of the AP Funds are subject to the principle of freedom to supply information. Everyone is entitled to form their own well-informed opinion of the AP Funds' operations and conduct.
- **Respect:** The AP Funds treat everyone with respect. This means, for example, that the AP Funds will not discriminate against anyone on the basis of gender, transgender identity or expression, ethnic origin, religion or other beliefs, disability, sexual orientation, or age, with regard to employees, business relationships, or the general public. The AP Funds' conduct will be exemplary in contacts with the public, counterparts, and employees.
- **Efficiency and service:** The AP Funds will run their operations in a cost-effective way, with the aim of fulfilling the mandate in an exemplary manner. The mandate includes providing the public, media, and others with services and information.