

December 2024

The AP Funds' common guidelines for reporting on how the objective has been achieved

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).

Openness and transparency

The AP Funds attach great importance to open and transparent reporting of their operations and their sustainability work. The AP Funds will manage the assets and otherwise act 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.

AP Funds' reporting of their operations

Each AP Fund publishes annual reports and other financial reports. The AP Funds are not subject to the Swedish Annual Accounts Act, but strive to ensure that annual reports comply with the Annual Accounts Act as much as possible.

The AP Funds also publish annual sustainability reports, either as part of their annual reporting or as a separate report. These reports also strive to comply with the Annual Accounts Act as amended by SFS 2016:947 (which includes the directive on non-financial disclosures).

The AP Funds continuously report on operational activities via their respective websites.

The AP Funds are working to develop standardised reporting relevant to the AP Funds, both financial reporting and sustainability reporting.

Financial reporting

The annual reports of the AP Funds are prepared in accordance with generally accepted accounting principles. The annual report comprises a balance sheet, income statement, notes, and a directors' report. The financial reporting observes accepted standards. The AP Funds collaborate on financial reporting, with the aim of making the Funds' reporting as comparable



as possible, given the provisions in the regulatory framework. For AP6, which only invests in private equity, the collaboration concerns those parts deemed applicable.

Sustainability reporting

The AP Funds' sustainability reporting describes the work on integrating sustainability in asset management, the goals of the Funds and the extent to which the goals have been attained, and how the sustainability work is otherwise conducted. The AP Funds' sustainability reporting observes accepted international reporting standards. Every year, the AP Funds will discuss which standards are appropriate to observe, with the aim of making the Funds' reporting as comparable as possible.

The AP Funds' operational work on sustainability and responsible conduct is based on the Funds' respective policy documents, which are adopted annually by each AP Fund's management or board of directors.

In addition to observing accepted reporting standards, the AP Funds also report on:

- The carbon footprint of the investments in accordance with the framework jointly drawn up by the AP Funds.
- The AP Funds that have holdings in listed equity (AP1, AP2, AP3, AP4, and AP7) report on how they voted at the general meetings. The voting data is published on the respective websites of the AP Funds.
- Within the Council on Ethics, AP1, AP2, AP3, and AP4 collaborate on sustainability-related impact of listed, foreign companies. The work and the results of this collaboration are published each year in a separate annual report.