



CLIMATE TRANSPARENCY REPORT 2020

AP4

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-3287C955-95A7-45EB-A909-BBBA2CF5338C/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	AP4
Signatory Category	Reserve - sovereign or government controlled fund
Signatory Type	Asset Owner
Size	US\$ 30 - 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2007
Region	Europe
Country	Sweden
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

AP4

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
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SG 01.6	Additional information [Optional].
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Sustainability is a so-called investment belief for AP4. The pension system's needs and the investment rules that govern the AP Funds create unique opportunities to act long-term in the asset management. By integrating sustainability aspects in asset management, sustainability risks can be reduced and sustainability opportunities can be taken advantage of. This enables a better risk-adjusted return over time. Ahead of 2019, new sustainability goals were added to the AP Funds Act, which stipulate that asset management shall be conducted in an exemplary way through responsible investments and responsible ownership. In the asset management activities, particular importance shall be attached to how sustainability development can be promoted without compromising on the overarching objective to generate a long-term high return. AP4 welcomes this higher level of ambition regarding sustainability and believes that an integrated sustainability perspective in investments is a precondition for successful and long-term asset management. AP4 works with two focus areas in its sustainability work – Climate & Environment and Corporate Governance. These are in line with the Fund's mission, framework and core values. They have been chosen because they have significant financial impact on AP4's investments and affect its opportunities to generate favourable returns over time. They are also relevant and possible to implement in the portfolio. A first joint step in integrating sustainability in portfolio management consists of the values-based decisions on which assets AP4 chooses not to invest in. In this assessment AP4 makes an interpretation of the AP Funds Act's requirement for exemplary management and the Swedish state's core values concretised through the international conventions that Sweden has ratified and the international agreements that Sweden has backed. AP4 integrates sustainability in the investment processes based on the specific conditions that apply for the respective asset classes and how management of these asset classes is conducted. The conditions for integration of sustainability vary, depending on whether AP4 owns stocks or fixed income instruments, whether the investments are made in Sweden or globally, whether the asset management is conducted internally or by external asset managers, and whether the investments are in listed or unlisted assets. Please see annual report page 25 for details of integration of sustainability per asset class.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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AP4 conducted a climate scenario analysis in 2018 which was further developed in 2019, when the analysis was integrated in the medium-term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. The starting premise for AP4's climate scenario analysis is achievement of the Paris Agreement's goals, which entails a comparatively rapid and proactive climate transition. This transition can take place in several different ways. AP4's overarching scenario analysis evaluates the transition's potential impact on supply and demand, and by extension, also on anticipated growth and inflation.

In the base scenario, the climate transition is expected to accelerate over the coming ten years through a gradual sharpening of climate policies. In part this will entail more and stricter climate laws and in part a higher and more widespread CO2 price along with new technology that promotes the transition.

In the alternative scenarios, a faster and slower climate transition is modelled as well as the degree of political and technological drivers. An important conclusion is that a slower initial transition should not be

interpreted to mean that it will not take place, but rather that it will be more intense once it takes place. Fossil assets and the value chains that deliver into fossil energy production will be affected first and foremost. The transition will also entail extensive shifts in value within all sectors that are large energy consumers through production processes, in transportation, steel and metal production, agriculture and food, and construction and real estate. AP4 believes that the climate transition on the whole constitutes an asymmetric force that will have a varying impact between and within various sectors. Some existing companies within a given sector will be negatively affected while others may be part of the solution at the same time that new companies and technologies will take market shares. AP4 is therefore working actively with a combination of quantitative and fundamental analyses at the portfolio and sector levels to identify potential winners and losers.

AP4's conclusion is that the risks of being late in the transition are assumed to outweigh the risks of being too early. The upside for resource-intensive assets is limited by the emergence of climate-friendlier alternatives - which are gradually winning support through technology, policies and reputation - at the same time that the risk in these investments is great, as assets could become stranded due to regulatory and technical risks combined with market and reputation risks. Short-term market movements, such as changes in oil prices, can hit in both directions, but over time the market is expected to move in this direction given the strong focus on sustainability.

AP4 has reported in line with the TCFD framework since 2017. For 2017, AP4 published a separate TCFD Climate Report. For the years 2018 and 2019, the TCFD climate reporting has been integrated into the Annual Report in accordance with TCFD recommendations.

No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

	Describe the associated timescales linked to these risks and opportunities.
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The climate scenario analysis as presented above is done with a 5-15 year time perspective that corresponds to our macro economic modelling and portfolio construction. This work is conducted yearly and results in a benchmark portfolio set by the board (the Dynamic Normal Portfolio - DNP). Every three years, AP4 conducts an ALM analysis with a 40 year time perspective that will incorporate demographic as well as long-term asset return assumptions. In this ALM analysis, which will be updated in 2020, AP4 will look to address climate change risk and opportunities from a longer time perspective where physical risks will be more relevant. These risks are deemed to be important while at the same time very difficult to assess.

No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

	Describe
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Climate & Environment is a focus area for AP4's asset management. For a long-term investor such as AP4, climate change is one of the largest systemic risks. Reducing climate impact is a prerequisite for stable economic development and thereby for our opportunities to perform our mission over time. AP4 works actively on reducing climate risk in the portfolio. AP4 makes sustainability investments that contribute to and benefit from the ongoing climate transition, by reducing climate risk exposure across the portfolio, by engaging our portfolio companies in an active dialogue to promote transparent reporting, and by setting goals in line with the Paris Agreement, and by transparent reporting of climate-related risks and opportunities. AP4 therefore supports TCFD and has reported in accordance with the TCFD since the framework was established in 2017.

AP4 conducted its first climate scenario analysis in 2018, and summarized results of the analysis were presented in the 2018 Annual Report. Work with the climate scenario analysis was further developed in 2019, and the analysis was integrated in the medium-term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. Based on the climate scenario analysis, AP4 has identified a number of themes that are essential for the climate transition. These are considered to be investable and have impact on the portfolio today. Among these themes are the energy shift including mobility, resource efficiency and renewable energy. AP4 searches for, evaluates and makes thematic, proactive investments in specific sustainability areas. Examples of such investments are green bonds, alternative investment funds with a pronounced sustainability focus, and directly owned companies with a distinct sustainability focus as part of their business strategies, such as in real estate and infrastructure.

No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Board members or trustees
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Corporate Governance professionals

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (2)

Senior Sustainability Manager

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6
CC**

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

AP4's operations are governed by the AP Funds Act. In this act and its drafting work it is stipulated that asset management shall be conducted in an exemplary manner through responsible investments and responsible ownership, and that particular emphasis shall be given to how sustainable development can be promoted without compromising on the overarching risk and return targets. AP4's board of directors has adopted a Sustainability Policy that describes the work on integrating sustainability in asset management, where Climate & Environment is one of AP4's two focus areas. Sustainability is a key investment belief in AP4's investment philosophy.

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Board has assigned the CEO with the task of continuously assessing and addressing climate-related issues in the asset management. The CEO, the heads of the respective asset management units and the head of Strategy & Sustainability are responsible for ensuring that sustainability is integrated in all of AP4's investment processes.

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

AP4 conducted its first climate scenario analysis in 2018, and the analysis was further developed in 2019, was integrated in the medium-term scenarios for the economic macro analysis.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

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

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

Allocation to low-carbon strategies and thematic sustainability investments and allocation to sustainable alternative investments.

- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

AP4 conducted a climate scenario analysis in 2018 (Please see annual report 2018 pages 28-29) which was further developed in 2019 (Please see annual report 2019 pages 29-31), when the analysis was integrated in the medium-term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. The starting premise for AP4's climate scenario analysis is achievement of the Paris Agreement's goals, which entails a comparatively rapid and proactive climate transition. This transition can take place in several different ways. AP4's overarching scenario analysis evaluates the transition's potential impact on supply and demand, and by extension, also on anticipated growth and inflation. In the base scenario, the climate transition is expected to accelerate over the coming ten years through a gradual sharpening of climate policies. In part this will entail more and stricter climate laws and in part a higher and more widespread CO2 price along with new technology that promotes the transition. In the alternative scenarios, a faster and slower climate transition is modelled as well as the degree of political and technological drivers.

- Incorporation into investment analysis

Describe

An important conclusion of climate scenario analysis is that a slower initial transition should not be interpreted to mean that it will not take place, but rather that it will be more intense once it takes place. Fossil assets and the value chains that deliver into fossil energy production will be affected first and foremost. The transition will also entail extensive shifts in value within all sectors that are large energy consumers through production processes, in transportation, steel and metal production, agriculture and food, and construction and real estate. AP4 believes that the climate transition on the whole constitutes an asymmetric force that will have a varying impact between and within various sectors. Some existing companies within a given sector will be negatively affected while others may be part of the solution at the same time that new companies and technologies will take market shares. AP4 is therefore working actively with a combination of quantitative and fundamental analyses at the portfolio and sector levels to identify potential winners and losers.

AP4's conclusion is that the risks of being late in the transition are assumed to outweigh the risks of being too early. The upside for resource-intensive assets is limited by the emergence of climate-friendlier alternatives - which are gradually winning support through technology, policies and reputation - at the same time that the risk in these investments is great, as assets could become stranded due to regulatory and technical risks combined with market and reputation risks. Short-term market movements, such as changes in oil prices, can hit in both directions, but over time the market is expected to move in this direction given the strong focus on sustainability

Inform active ownership

Other

SG 13.5
CC

Indicate who uses this analysis.

Board members, trustees, C-level roles, Investment Committee

Portfolio managers

Dedicated responsible investment staff

External managers

Investment consultants/actuaries

Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

No

Please explain the rationale

Investment horizon is long, up to 40 years. It is not possible to make predictions beyond that time horizon.

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

Analysis based on a 2°C or lower scenario

Analysis based on an abrupt transition, consistent with the Inevitable Policy Response

Analysis based on a 4°C or higher scenario

No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input checked="" type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		57	505	000	000
Currency	SEK				
Assets in USD		6	008	747	729

Specify the framework or taxonomy used.

Internal models, low carbon strategies are managed as an active position based on internally developed investment strategies.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC	Voluntary	Public		General
SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To be aligned with the Paris agreement and Swedish climate goals	Relative emissions, change in emissions, share of portfolio	Relative emissions and change of emissions based on total emissions and TCFD intensity. Share of portfolio based on market values.
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e/MSEK	Please see common AP Funds reporting standard.
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	We measure and report Scope 1+2 emissions from listed equities portfolio as well as unlisted real estate portfolio.	Million ton CO2e	Please see common AP Funds reporting standard.
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e	Please see common AP Funds reporting standard.
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e	Please see common AP Funds reporting standard.
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure climate risk of portfolio	Million ton CO2e/MSEK	Please see common AP Funds reporting standard.
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Other emissions metrics	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

**SG 14.7
CC**

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Continuously		Decrease emissions and increase share of investments that lower climate risk in the asset portfolio.	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Continuously		Decrease emissions and increase share of investments that lower climate risk in the asset portfolio.	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

AP4 conducted its first climate scenario analysis in 2018, and summarized results of the analysis were presented in the 2018 Annual Report. Work with the climate scenario analysis was further developed in 2019, and the analysis was integrated in the medium-term scenarios for the economic macro analysis, which is then used as a basis for decisions on overarching portfolio allocation, among other things. Based on the climate scenario analysis, AP4 has identified a number of themes that are essential for the climate transition. These are considered to be investable and have impact on the portfolio today. Among these themes are the energy shift including mobility, resource efficiency and renewable energy. AP4 searches for, evaluates and makes thematic, proactive investments in specific sustainability areas. Examples of such investments are green bonds, alternative investment funds with a pronounced sustainability focus, and directly owned companies with a distinct sustainability focus as part of their business strategies, such as in real estate and infrastructure.

**SG 14.9
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

In cooperation with other institutional investors through for exmple the Climate Action 100+ initiative as well as in dialogues with Swedish companies and with our external managers.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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50

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Specific mandates to reduce the carbon footprint. Specific green bond investments. Specialized ESG managers.

	Asset class invested
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Listed equity

	Percentage of AUM (+/-5%) per asset class invested in the area
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35

- Fixed income - SSA
- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

1

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

44

- Fund of hedge funds
- Cash

Brief description and measures of investment

AP4 invests in low-carbon equity strategies and in green bonds if there is a real strategy for the use of the bond funding, and if the bonds are competitively priced. AP4 also invests in infrastructure companies and entities focusing on sustainable infrastructure. We also invest in corporate entities that focus on sustainable real estate, however we are not able to report on the proportion of the underlying assets that are defined as sustainable.

No