



Sustainability with regards to investments

In its investment operations, AMF shall consider the opportunities and risks arising from companies' handling of the sustainability challenges that the world is facing.

All assets, both ownership and lending, shall comply with the Board's rules on responsibility and sustainability regarding the investment portfolio.

If it is determined that a company in which AMF has invested has violated fundamental principles of sustainable business or international conventions on controversial weapons, AMF shall assess relevant actions and, as a general rule, initiate a dialogue with the company to investigate what has happened and what the company is doing to address the situation. If it is deemed that the dialogue or the company's actions will not yield the desired results, the holding shall be divested. AMF shall document the assessment of the issue and the dialogue, as well as the divestment decision. Any divestment shall take place in responsible and orderly manners, taking into account the returns for AMF's customers. Normally, AMF shall not engage in dialogue with states or supranational issuers.

In the investment operations, internal rules and work processes shall be established for integrating sustainability risks and opportunities, as well as negative consequences on sustainability factors, into investment decisions throughout the asset's lifespan.

In addition, the investment operations shall consider the following requirements.

- AMF shall consider the carbon footprint of portfolio companies in all investment decisions and have a plan for reducing emissions in the investment portfolio over time.
- When investing in sectors with a high carbon footprint (energy, utilities, and basic materials), AMF shall strive to invest in companies that, compared to other actors in the same sector, have a low carbon footprint or are assessed to have good potential for achieving a low carbon footprint.
- AMF shall completely refrain from investing in companies where coal extraction exceeds five percent of the company's revenue.

AMF shall primarily achieve a reduction in the carbon footprint by owning companies that decrease their emissions over time. Through active dialogue with portfolio companies, AMF shall work to reduce the companies' carbon footprint in line with the Paris Agreement.

The investment operations shall develop a model and criteria for identifying investments that are considered sustainable investments according to the definition in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. The proportion of sustainable investments shall not dictate the investment operations. The investment operations shall measure and report on the proportion of sustainable investments in the traditional life portfolio at least annually. The model shall be evaluated annually or as needed. Significant changes shall be communicated to the Board.

Based on the rules in Section 14 of the Board's regulations regarding ownership matters for listed companies, AMF shall conduct structured influence work regarding responsibility and sustainability and strive for gender diversity in boards. The work can be conducted through dialogues, joint initiatives, or when feasible, through ownership directives.

Certain references to internal rules have been omitted for readability.