

# Andra AP-fonden's (AP2) Human Rights Policy Statement

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## Introduction

AP2's core values are based on the international conventions to which Sweden is a signatory. Democracy, fundamental freedoms and human rights, the recognition that all are equal and respect for individual freedom and dignity, form central elements of the Swedish Constitution.

AP2 supports the principles contained within the Universal Declaration for Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the eight fundamental ILO conventions.

## How AP2 interprets its responsibility

AP2 commits to respect internationally recognized human rights standards, which means that as a minimum it will adhere to the Universal Declaration for Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the ILO Core Conventions. AP2 shall implement the UN Guiding Principles on Business and Human Rights. This means that AP2 should act to prevent infringements of the human rights of others. It also means that AP2 should have processes in place to be able to identify and manage any negative impacts on human rights of the Fund's activities.

AP2 is committed to remedy situations where its business activities have caused or contributed to adverse human rights impacts. If adverse human rights impacts are caused by third parties which are directly linked to AP2, the Fund shall strive to use its influence, by themselves or together with other stakeholders, to ensure that adverse impacts are remedied, and future negative consequences are prevented.

AP2 shall also disseminate information on the implementation of this policy and be an active player within human rights in the finance sector.

### **AP2's expectations**

AP2 expects all its employees to be informed regarding this policy and to work in line with the policy. The Fund management have an extra responsibility to make sure employees have received and understood the information in this policy. AP2 also expects its suppliers, business partners and portfolio companies to respect human rights in their business operations.

As a global investor, AP2 operates in markets with many different local laws and regulations. When these are not compatible with internationally recognized human rights, AP2 seeks to find ways to be able to respect human rights also when they are not fully supported by these laws or regulations.

### **How AP2 implements the policy**

The CEO of AP2 is responsible for the Fund's work with human rights. The work is supervised by a steering group that comprises AP2's Head of Quantitative Strategies, General Counsel and the Head of Communication. This group is responsible for determining the strategic priorities to be addressed, defining goals, producing action plans and monitoring progress on an ongoing basis. Reports on the activities of the group are submitted to the Fund's executive management team. The Board of AP2 continuously receives information on the Fund's human rights work as part of the sustainability and governance report.

To implement this policy, the Fund builds upon processes and policies that the Fund already has in place. Since the Fund's core business is asset management, AP2 adheres to the PRI principles (Principles for Responsible Investment). Human rights are also addressed in the Fund's Corporate Governance Policy, which describes AP2's expectations of its business activities and of the portfolio companies that the Fund invests in. The Fund continuously carries out in-house training regarding human rights to make sure all employees understand the policy. The policy is publicly available on the Fund's website.

AP2 intends to continue to improve its ability to identify and address both actual and potential adverse impacts on human rights in which the Fund may be involved, directly or indirectly. AP2 has started to identify and assess the Fund's risks of negative impacts on human rights. Based on the findings from the risk assessments, the Fund will be able to continue to develop processes for managing these risks. The Fund also intend to integrate a human rights due diligence process into its internal systems, so that the work on human rights becomes an ongoing process.

AP2 will continue to increase its efforts to improve its work with human rights and will do this by reviewing and evaluating its approach and by having an ongoing dialogue with employees and other stakeholders. As the Fund's human right impacts change over time and as the Fund gains experience of working with human rights, the Fund will update the policy accordingly.