

Alecta Sustainability Policy

Approved by: The Board of Directors, 4 June 2019

Concerned: Employees and other individuals representing Alecta,
regardless of role or function

Background and purpose

The aim of this policy is to clarify Alecta's view on sustainability, and to highlight those areas in which we can have an impact and make a difference from a sustainability perspective.

Alecta provides security and flexibility during people's work life and beyond. Our business model is based on the insight that when trust is shared, it grows. Alecta was founded as early as in 1917, through an agreement between Swedish employers and their employees. We are an occupational pension provider offering collectively agreed occupational pension schemes, disability insurance and survivor's pension payments.

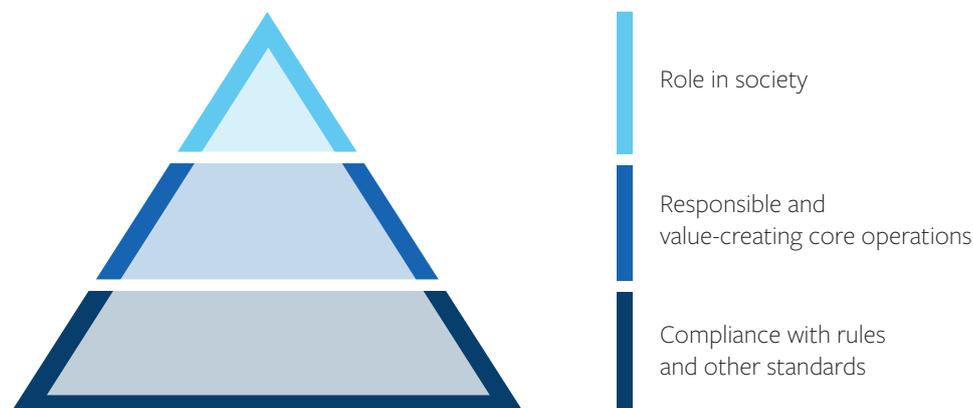
The starting point for Alecta's sustainability work is our stakeholders – and our key stakeholders are our corporate and private customers, who are also our owners. Our mission is to maximise the value of the collectively agreed occupational pensions. Our sustainability work should support this mission, as well as the three overall objectives: secure and satisfied customers, low costs and high effectiveness, a robust return and strong financial position. Integration of material sustainability considerations in Alecta's investment analyses does not mean that we refrain from returns, on the contrary, it means that we want to enable higher returns.

Alecta's core values – simplicity, customer benefit and responsibility – are the foundation for our actions and how we want to be perceived.

Alecta is a signatory to the UN Global Compact and supports the Compact's ten principles on environment, human rights, labour rights and anti-corruption.

Sustainability at Alecta

We should always act in a way that supports a sustainable pension system, which is financially stable over time while, at the same time providing good pensions and security for the future, for our corporate and private customers. This we will do by conducting our business in a cost-effective, long-term and forward-looking way, and by being a committed and responsible actor in society.



Role in society

We want to share our knowledge of occupational pensions in order to empower our corporate and private customers, and to provide them and many others with the key to understanding and being well-prepared for their retirement.

In order to further strengthen the confidence in the pension system, we take an active part in the public debate and the knowledge sharing regarding occupational pensions and Sweden's social security system. We also contribute to the development of regulations relevant for our business.

Responsible and value-creating core operations

At the core of our operations, we create value for our stakeholders by acting with responsibility and care for resources in the following areas:

Customer-focused and effective business

A high level of customer service, transparent information and a cost-effective administration result in good pensions, contribute to a financially robust system and create value for the collectively agreed occupational pension, at the same time as the trust in the pension system is strengthened.

Responsible investment

An active ownership and a long-term perspective involve the integration of environmental aspects, social responsibility and sound corporate governance in order to protect the value of and create returns in our investments. This means that we are engaged in and influence the sustainability work in the companies in which we invest, and actively take sustainability into account in our other asset classes.

Long-term employer

Alecta's employees are the most important representatives of our values, contributing to a good working environment and taking responsibility for the development of Alecta's operations. Alecta should be an attractive employer, embrace diversity and provide the prerequisites for the skills development of our employees. At Alecta, discrimination is not accepted in any form, and we act promptly to address health issues.

Compliance with rules and other standards

The basis of being a sound company with a good judgement is to respect and meet the rules and standards that govern our business. In Appendix ¹, you will

¹ The appendix that is referred to is available to Alecta employees via the corporate intranet and contains a number of internal guidelines, i.e. for investment, information security, purchasing and procurement, health and safety, diversity.

find examples of the governing documents that provide guidance in areas covered by Alecta's Sustainability Policy.

Alecta should, in all aspects of its operations, act in order to respect and protect customer integrity and maintain a high level of information security.

Alecta's own environmental work is characterised by using resources with care, sound environmental choices and a focus on recycling. As regards procurement and in our relations with suppliers, we have requirements on high environmental and working conditions standards. When possible, we always choose actors with a collective agreement. We act with a high level of ethics and we work against corruption in all forms.

Control and reporting

Alecta's CEO sets more detailed guidelines for governing documents, routines and working methods regarding the Company's sustainability work. Alecta should have long-term and measurable goals that are presented in the Annual and Sustainability Report. This work should be continuously monitored in the operations and reported by using KPIs or description of activities. Goals and KPIs should be presented to Alecta's Board and management on a regular basis.

Alecta should be open and transparent, engage in dialogue with our stakeholders, and present the sustainability work and outcome at least annually. This Sustainability Policy should be communicated to our partners and should be reflected in agreements governing the terms and conditions of such partnerships.

At Alecta, there is an incident reporting system and a whistle-blower function, to which Alecta's employees can report breaches of rules or internal policies and guidelines. Alecta's employees can report breaches of rules or internal policies and guidelines.

This policy substitutes the policy approved on June 4, 2018.

References to policy owner and internal coordination process for policy review are removed in this public version.