

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Product name: Avtalspension SAF-LO

Legal entity identifier: 5493003EZ3QLZ84GKV06, VFF Pension Tjänstepensionsförening

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes **No**

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

The financial product's environmental and/or social characteristics consist of the companies in which the funds invest must have a high level in Environmental, Social and Corporate Governance factors (ESG) and must, if possible, strive to be in line with the Paris Agreement and/or the UN's global sustainability goals . In this way, the product contributes to responsibility for labor law and society as well as limiting climate change and adaptation to climate change.

No reference value has been chosen in order to achieve the promotion of the environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Compliance with the international standard UN's Global Compact
- Compliance with the international standard OECD guidelines for multinational companies.
- Adherence to the international standard the UN's 31 guiding principles on business and human rights.
- Compliance with the international standard ILO Tripartite declaration of principles concerning multinational Enterprises and social Policy.
- Involvement in controversial weapons such as anti-personnel mines, cluster munitions, chemical weapons, biological weapons or nuclear weapons.
- Companies whose turnover to 5% or more can be derived from the production of tobacco and pornography.
- Companies whose revenues to 5% or more can be derived from fossil fuels.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product promotes environmental or social characteristics, but does not aim for sustainable investment.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product promotes environmental or social characteristics, but does not aim for sustainable investment.

— — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The financial product promotes environmental or social characteristics, but does not aim for sustainable investment.

— — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The financial product promotes environmental or social characteristics, but does not aim for sustainable investment.



Does this financial product consider principal adverse impacts on sustainability factors?

No

Yes

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

VFF Pension takes into account the main negative consequences for the integration of sustainability risks by focusing on ESG risks that are considered financially material and which can therefore affect an investment risk and return both positively and negatively. We do this by;

Opting out of investments that invest in companies that do not comply with international standards for environmental protection, human rights, labor law or anti-corruption. Expressed in,

- The UN's Global Compact
- OECD guidelines for multinational companies
- The UN's 31 guiding principles on business and human rights
- ILO Tripartite declaration of principles concerning multinational enterprises and social policy

Aiming not to invest in funds that invest in companies involved in controversial weapons and companies whose turnover can be traced to pornography or tobacco to 5% or more.

Strive not to invest in funds that invest in companies whose revenue can be derived to 5% or more from fossil fuels including coal.

Continuously follow up and evaluate the asset managers' sustainability work.

Work actively with influence dialogue with the asset managers who do not meet the above-mentioned criteria for sustainability.

Information on main negative consequences for sustainability factors will be found in the appendix to the annual report.



What investment strategy does this financial product follow?

The financial product's investment strategy is based on continuing to integrate sustainable investments into management that strives to be in line with the Paris Agreement and the UN's global sustainability goals. This means that;

We make an assessment of whether the asset managers' handling of sustainability issues is in line with our sustainability policy and investment guidelines before investment takes place.

We select funds that have a high ESG level and that aim at the Paris Agreement and/or the UN's global sustainability goals.

We consider main negative consequences for the integration of sustainability risks by focusing on ESG risks that are considered financially material and which can thus affect an investment risk and return both positively and negatively. We do this by opting out of fund investments that invest in companies that do not comply with international standards for environmental protection, human rights, labor law or anti-corruption.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

We aim not to invest in funds that invest in companies involved in controversial weapons and companies whose turnover can be derived to pornography or tobacco to 5% or more.

We aim not to make investments in funds that invest in companies whose income can be derived to 5% or more from fossil fuels including coal.

We continuously monitor and evaluate the asset managers' sustainability work.

We work actively with influence dialogue with the asset managers who do not meet the above-mentioned criteria for sustainability.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The product promotes environmental or social characteristics, but does not aim for sustainable investment. This means that we have no binding elements in the investment strategy for choosing investments, but work according to our investment strategy.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy***

The product promotes environmental or social characteristics, but does not aim for sustainable investment. There is no minimum share of commitment to reduce the size of the investments considered before the investment strategy was applied.

- ***What is the policy to assess good governance practices of the investee companies?***

VFF Pension integrates sustainability into the investment process by including sustainability criteria that need to be met in VFF Pension's due diligence process.

The practice of good governance for the insurance product is covered by the fact that the companies VFF Pension invests in must comply with international standards for environmental protection, human rights, labor law or anti-corruption. Expressed in,

- The UN's Global Compact
- OECD guidelines for multinational companies
- The UN's 31 guiding principles on business and human rights.
- ILO Tripartite declaration of principles concerning multinational enterprises and social policy

Good governance
practices include
sound management
structures,
employee relations,
remuneration of
staff and tax
compliance.

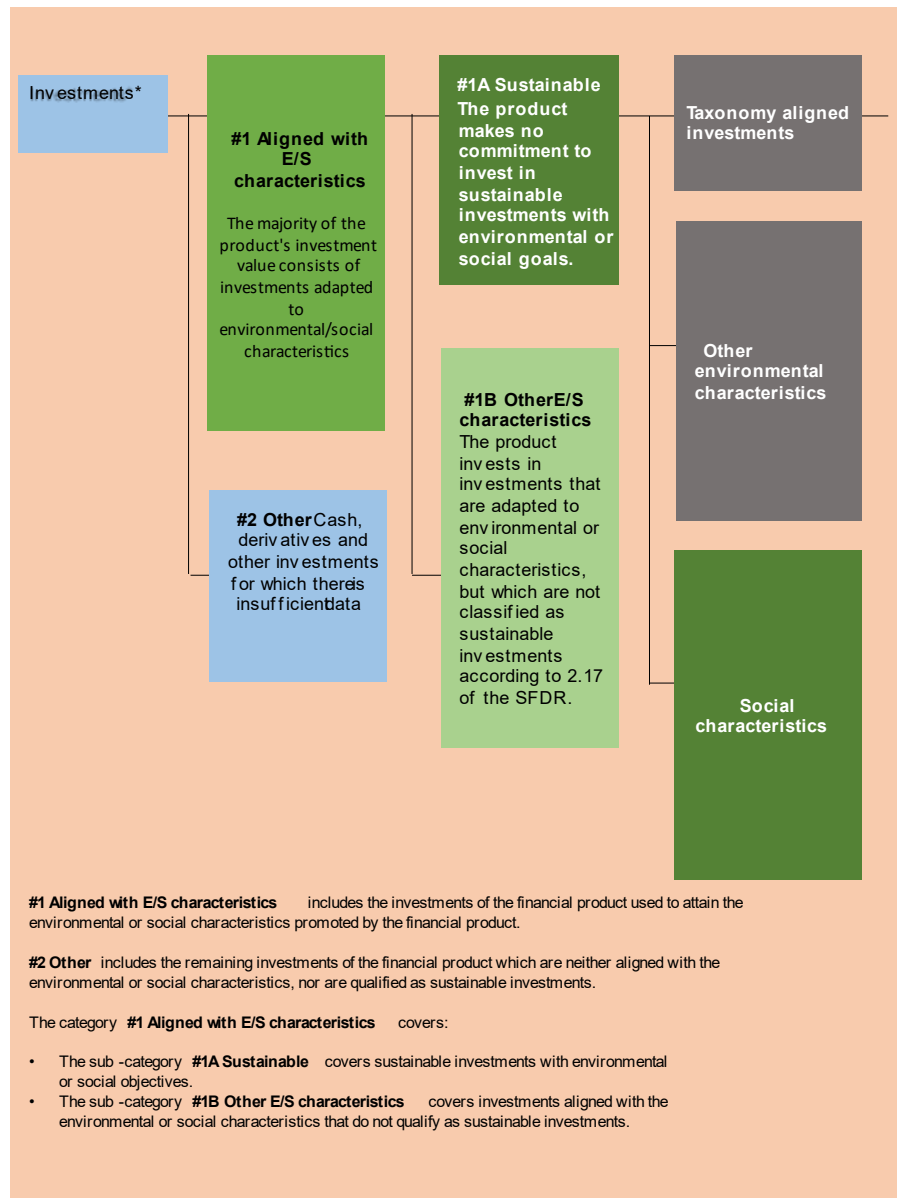


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



A sustainable investment is, as defined in the Disclosure Regulation, an investment in economic activity that contributes to an environmental or social goal, provided that the investment does not cause significant damage to any other environmental or social goal and that the investment objects follow good governance practices.

*VFF Pension's insurance products contain sustainable investments, but the insurance products have no commitment to a minimum proportion of sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

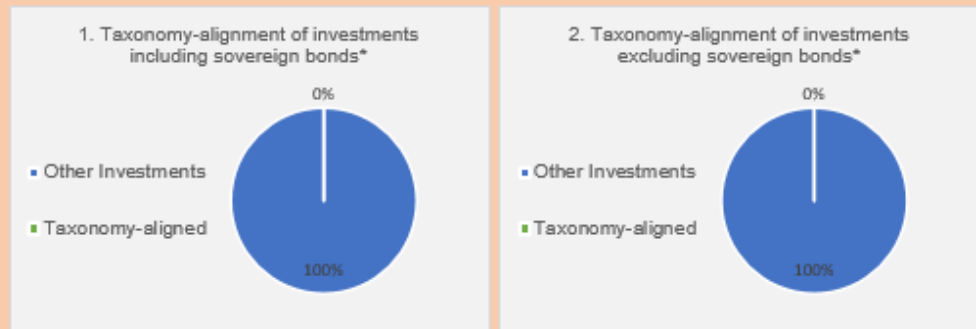
Derivatives are not currently used to achieve environmental or social properties.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The product promotes environmental or social characteristics, but does not aim for sustainable investment. There is no commitment to a minimum share of sustainable investments for the product.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*In these graphs "sovereign bonds" refer to all exposures in sovereign securities

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● What is the minimum share of investments in transitional and enabling activities?

The product promotes environmental or social characteristics, but does not aim for sustainable investment.

There is currently no specific commitment regarding a minimum proportion of investments in transitional and enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The product promotes environmental or social properties, but does not have sustainable investment as its goal.

There is no specific commitment regarding a minimum share of sustainable investments that are not compatible with the EU taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The product promotes environmental or social characteristics, but does not aim for sustainable investment.

There is no specific commitment regarding a minimum share for socially sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Liquid assets can be held as a supplement or for risk balancing. Via the funds, VFF Pension can use derivatives and other techniques for specific purposes such as risk management. This category may also include securities, such as unlisted assets, for which relevant data is missing. There are no minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This financial product does not have a specific index as a reference value for compliance with the environmental and/or social characteristics that the product promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.vffpension.se/hallbarhetsrelaterade-upplysningar/>