

KÅPAN PENSIONER

GOVERNMENT EMPLOYEES PENSION FUND

2019

SUSTAINABILITY REPORT



Kåpan Pensioner försäkringsförening (Kåpan Pensioner) manages collectively agreed occupational pensions for people who are or have been government employees. The purpose of the business is to manage members' pension assets in an efficient, long-term and responsible manner.

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Sustainability report

The society offers traditional pension insurance with guaranteed interest and stable returns over time at the lowest possible cost. In addition, investments must be based on ethical standards and principles which are strongly rooted in Swedish society based on decisions made by the Swedish parliament and government.

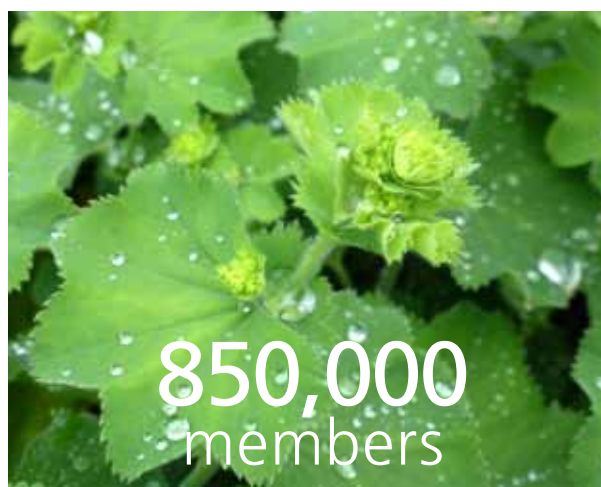
Kåpan Pensioner is a benevolent society which means that the society's members own the business together. The society acts based on its statutes and in the best interests of all its members. During the year the society has continued to work on adapting operations to the new regulations for occupational pension companies with the aim of submitting an application for transition to an occupational pension society by 30 April 2020 at the latest. The transition is planned to take effect on 1 January 2021.

Sustainability for Kåpan Pensioner

Kåpan Pensioner's sustainability work is split into three areas: investment, insurance and organisation. This means that we must make responsible and sustainable investments, deliver secure and traditional insurance, and safeguard internal sustainability work. These three areas also provide the structure for this sustainability report.

Our assignment

The society has been tasked by the parties to collective agreements in the government agreement sector (the Swedish Agency for Government Employers, the Public Employees' Negotiation Council, the Swedish Confederation of Professional Associations, and the Swedish Union for Service and Communications Employees) with managing the compulsory components of the occupational pensions and functioning as the default supplier for the part of the pension where there is a choice. The assignment from the parties is to deliver stable, good pensions to the society's more than 850,000 members. The society was



formed in 1992 with the task of managing the supplementary occupational pension based on the pension agreement PA-91. Since then new pension agreements have been negotiated and on 1 January 2016 the most recent agreement, PA 16, came into effect. The agreement means that the society's continued operations are secured in the long term and work on offering members sustainable and well-balanced pension insurance can continue. Kåpan Pensioner works with sustainability as an integrated part of day-to-day operations. Sustainability work is based on the society's assignment from its members, via decisions of the Council of Administration, the society's statutes and the Board's decisions and policy documents.

Investment

Investments are made based on achieving a good return with reasonable risk and low costs. Sustainability is an integrated part of management.

Insurance

Kåpan Pensioner offers resource-efficient and simple insurance solutions with a good balance between promises made and the risks in obligations issued.

Organisation

Sustainable resource management – thrifty use of resources and consideration for the environment must permeate the entire business.

Basis of sustainability work

Kåpan Pensioner works continuously to improve and develop its own sustainability work. The foundation is the investment policy which defines the ethical frameworks for asset management. These, in turn, are based on ethical standards and principles which are strongly rooted in Swedish society based on decisions made by the Swedish parliament and government. Investments are guided by the principles in the international conventions:

- UN Global Compact
- OECD's guidelines for multinational companies
- Oslo and Ottawa Conventions
- UN Principles for Responsible Investment (UN PRI)
- UN Sustainable Development Goals
– 2030 Agenda for Sustainable development

An in-depth description of international principles and conventions can be found on page 18.

Kåpan Pensioner's sustainability work in 2019 – in brief

- We invested over SEK 260m in M&G Global High Yield ESG Bond Fund. The fund has a high ESG profile where all three sustainability factors (environment, social responsibility and corporate governance) are integrated in the investment process through a three-step filter.
- Our investment Sveafastigheter Hemvist took possession of the completed rental property project Tryffelvägen in Norby, Uppsala, and stage 1 of Älvdansen in Enköping. Both projects are constructed in accordance with the definition Environmental Building, Silver level, with a focus on both social and environmental sustainability. These projects are part of our investment of over SEK 500m in Sveafastigheter Hemvist.
- Within Swedish fixed-income management, we continued to increase investments in green bonds and during the year more than doubled our holding from a market value of SEK 800m to approximately SEK 1,800m. Currently green bonds account for just over 4% of the total market value of the Swedish fixed-income portfolio.
- We have carried out lobbying dialogues with 149 companies with the help of our external supplier ISS ESG.

What ESG stands for:

ESG (Environmental, Social, Governance) is a common term for sustainability criteria in investments and stands for criteria relating to the environment, social conditions and corporate governance.

Sustainability targets met in 2019

| Kåpan Pensioner's target within responsible investment | | Result 2019 | Result 2018 | Comments | |
|---|-------------------------|--------------------------|-------------|--|--|
| The aggregate ESG rating for holdings in listed equities shall exceed the ranking for MSCI ACWI ESG Universal Index ^{*)} . | Kåpan Pensioner | 6.7 | 6.6 | The aggregate ESG rating rose in 2019 and exceeded the result for our benchmark index. | |
| | MSCI ACWI ESG Universal | 6.6 | 6.5 | | |
| | MSCI ACWI | 5.8 | 5.7 | | |
| The carbon footprint for listed holdings shall fall over time measured in tonnes CO2e/SEKm in revenues ^{**)} | Kåpan Pensioner | Metric 1 ^{***)} | 16.3 | 16.3 | Compared with MSCI ACWI our listed holdings have a lower carbon footprint of 33.4% using metric 1 and 38.8% using metric 2. The carbon footprint fell during the year by just over 16% measured in SEK using metric 2. Using measure 1, the carbon footprint measured in SEK was unchanged. |
| | | Metric 2 | 12.2 | 14.6 | |
| | MSCI ACWI | Metric 1 | 24.4 | 25.3 | |
| | | Metric 2 | 19.9 | 24.7 | |

^{*)} See page 8 for an explanation of ESG rating and index.

^{**)} See page 12 for an explanation of the measurement method.

^{***)} See page 13 for an explanation of metric 1 and 2.

Sustainability – Investment

Responsible asset management

Kåpan Pensioner's members must always feel confident that we manage and invest their pension capital responsibly. Sustainability is an integrated part of investment operations. We work continually to improve our sustainability work and in 2019 we adopted several measures for further improvement.

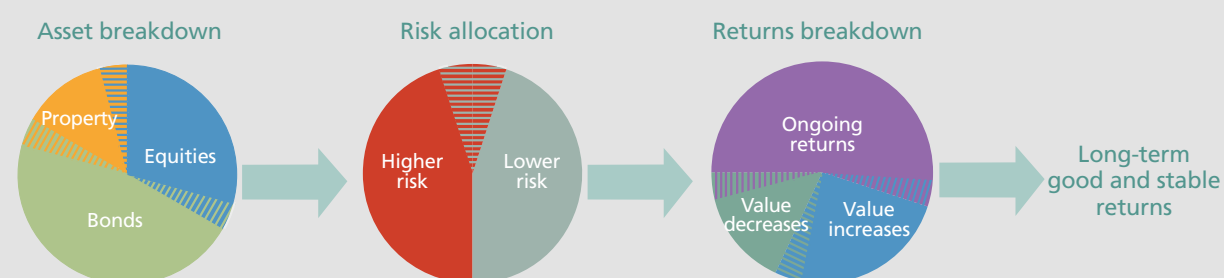
Kåpan Pensioner's managed assets at year-end amounted to SEK105 billion. Investments are made based on the investment policy decided by the Board. The overall goal for investment operations is to achieve a long-term sustainable balance between return and risk in a cost-effective manner. Further, the society's investments must be made based on a number of overall ethical standards and principles.

Management is focused on investments in equities, fixed-income securities and property. Investments in equities are primarily listed holdings but also to some extent unlisted minority holdings in various types of venture capital funds. Fixed-income securities are mainly Swedish bonds with a high level of security but also include some foreign interest-

bearing instruments through various fixed-income funds. Our property-related investments are unlisted holdings in commercial properties, forest and land and also infrastructure investments through different funds.

The current investment strategy means that almost half the capital is placed in fixed-income securities, just over one-third of the capital is placed in equities and the remainder of the society's capital is invested in property and other types of assets to complement the risks inherent in fixed-income and equities. Overall the investment strategy means that about half the assets are invested with low risk and the other half with higher risk.

The society's asset management model



Process for sustainability work in investment operations

The companies in which we invest must satisfy basic principles and the foundation for our sustainability work is a number of leading standards and principles widely rooted in Swedish society based on decisions made by the Swedish parliament and government.

- UN Global Compact
- OECD's guidelines for multinational companies
- Oslo and Ottawa Conventions
- UN Sustainable development Goals – 2030 Agenda for Sustainable development
- UN principles for responsible investment (UN PRI)

We try to ensure that our external funds and managers have signed or agreed to follow UN PRI.

An in-depth description of international principles and conventions will be found on page 18.

Kåpan's process for sustainability work in investment operations



Our management includes sustainability as an integrated part of the investment process and to achieve sustainable management in accordance with these guidelines we work with both norm-based screening and positive screening of our existing listed holdings and new investments. Further, we work with dialogue and lobbying with the aim of influencing companies in the right direction and improving their sustainability work. Our Sustainability Committee regularly reviews the results of screening and lobbying and decides if we need to take any action from a sustainability perspective. The basic premise is that as investors we can be more useful investing in companies and thus being involved and exerting influence than abstaining or excluding and not having any influence or improvement contribution.

Norm-based screening

Process for directly owned listed equities and bonds

Twice a year we carry out an in-depth screening of our investments in listed equities and bonds to ensure that the investments comply with global standards relating to the environment, human rights, working conditions and anti-corruption as well as not being involved in the manufacture or distribution of controversial weapons.

This in-depth screening is carried out with the help of ISS ESG and covers 78% of Kåpan Pension's total managed assets.

In addition to in-depth screening we use norm-based screening to continually evaluate our holdings from a sustainability perspective. The result of screening or the ongoing follow-up can raise issues which lead initially to discussing the companies in our Sustainability Committee. If a company is judged to have deviated from one or more global standards, the next step is a lobbying dialogue with the company (see page 9). In most cases the dialogue is carried out in collaboration with ISS ESG but sometimes we carry out the dialogue ourselves. If lobbying dialogues do not give results we can, as a last resort, choose to divest the company (see page 11).

For new investments, norm-based screening is an important part of our investment process and analysis. In those cases where screening raises issues of standard deviation, we do not invest in the company. In our Sustainability Committee we have ongoing discussions about potential new investments from a sustainability perspective which do not necessarily reveal standard deviation but might be discussions about the company's business, management, etc., which can be dubious based on our sustainability criteria. As an example fixed-income management had a Swedish

ISS ESG norm-based screening

| Assessment signal | Score | Description |
|-------------------|-------|---|
| | 10. | Verified failure to respect established norms |
| | 9. | Imminent failure to respect established norms |
| | 8. | Alleged failure to respect established norms |
| | 7. | Verified failure to respect established norms, undergoing remediation |
| | 6. | Fragmentary information |
| | 5. | Under observation |
| | 4. | Undergoing remediation |
| | 3. | Involvement beyond scope |
| | 2. | Past involvement |
| | 1. | No allegation |

We use ISS ESG as an external supplier for our norm-based screening and for screening for controversial weapons. Using their analysis tool we can follow up our holdings from a norm-based perspective. ISS ESG has a database with over 35,000 listed companies and uses a traffic-light model as well as a rating scale from 1-10 in its analysis and screening process.

energy company up for discussion which we decided not to invest in due to their investment in a coal-fired power plant in Russia.

By limiting the number of companies in which we invest we increase the possibilities to influence the holdings

At the end of 2018 we carried out a major restructuring of management of global equities. From previously investing the main part of our listed global equities exposure in passive index funds where we as owner of these funds were indirectly invested in a large number of equities, we moved to actively managing the main part of our global equity mandate in a self-managed index-linked base portfolio of 300 companies. Limiting the number of companies we invest in improves the possibility to influence the holding since we can choose to invest or divest companies from a sustainability perspective. Norm-based screening is then used not only for evaluation but also proactively in the process of choosing the 300 companies.

The realignment of our equity portfolio to direct ownership only applies to equity investments in OECD countries. We continue to own a small share in active funds and index-like instruments which we consider complement our base portfolio. The realignment covers approximately 70% of our equity investments in OECD countries. Our equity exposure

in emerging markets continues to be managed in its entirety by external fund managers.

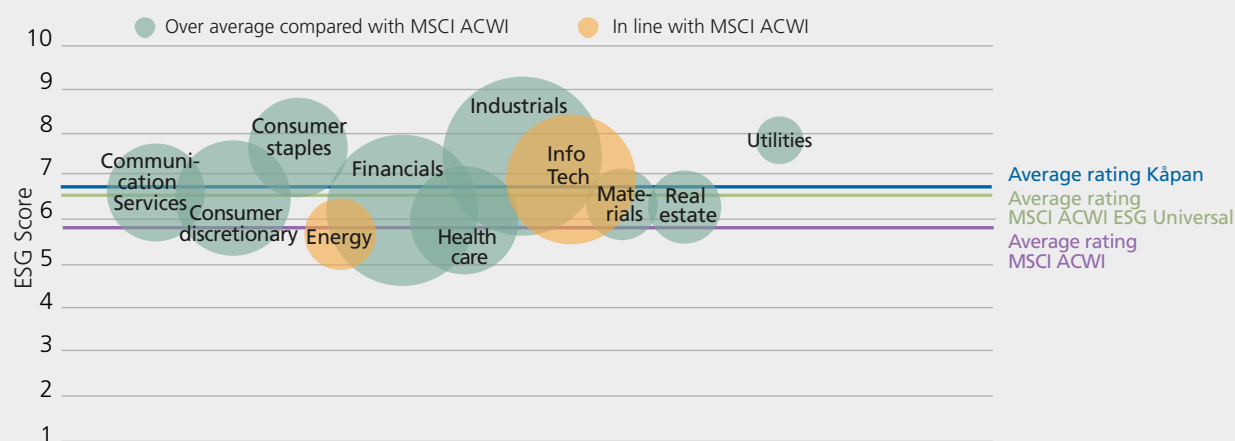
Process for equity funds (listed)

Those funds that we still have in OECD and emerging markets are part of our process for norm-based screening described above with two deeper screenings annually and ongoing monitoring of the funds' holdings from a sustainability perspective. Despite all our equity funds currently being ESG compliant, there are holdings that raise issues in our norm-based screening. It is not always obvious what has caused non-compliance and assessments vary widely between analyst companies. We collaborate closely with the fund managers and engage in dialogue with them when there are issues with companies.

Positive screening – rating model

In addition to norm-based screening, we also work with a process for positive screening. The aim of positive screening is to give all companies in the same sector a ranking based on a number of sustainability criteria. On the environment side, there are underlying considerations within, for example, climate change, carbon dioxide emissions, water stress, toxic emissions and waste. In the social category, assessments are made in areas such as labour management, health and safety, product safety and quality. Under governance, analyses and assessments are made of the composition of the board, remuneration, owner structure, accounting and business ethics. We strive to invest in companies with a high ESG rating in each sector which is done by rejecting companies with the lowest ESG rating but also choosing companies with high ESG ratings in each sector.

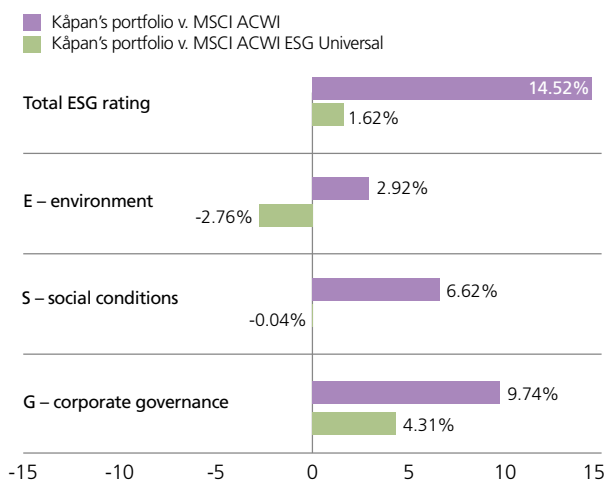
Assessment of the society's holdings based on ESG criteria within each sector and their relative weights



The size of the circles reflects the relative weight in the portfolio.

Source: MSCI ESG Research, ESG Portfolio Analytics

Kâpan's ESG rating 2019



Source: MSCI ESG Research, ESG Portfolio Analytics

deeper screening we continually monitor our holdings. For our base portfolio we receive updates every time a sustainability ranking or rating changes and for funds we follow up positive screening. For new investments, we check the company's sustainability rating and ranking as part of our investment process.

Our aim is that the sustainability rating of companies which the society is directly or indirectly exposed to should improve over time from current levels. The long-term aim is that the society's investments should have a weighted average sustainability rating over the weighted average for those companies that are included in MSCI All countries world index ESG Universal (MSCI ACWI ESG Universal).

When screening the society's entire holdings in 2019, the ESG rating improved to 6.7 compared with the previous year when it was 6.6. At the same time our portfolio had a higher ranking than both MSCI ACWI ESG Universal which was 6.6 and MSCI ACWI which was 5.8.

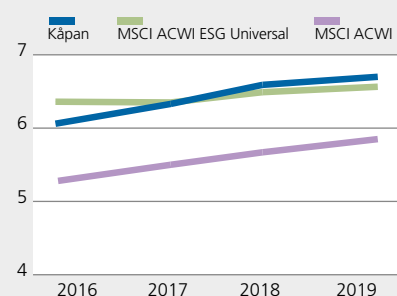
During the year we have taken several actions with the aim of improving our sustainability work and achieving a better weighted sustainability rating for our listed equities and funds. One of the aims of restructuring the global equities portfolio was to be able to influence our sustainability rating ourselves. Those equity funds that we retain are ESG conformant.

Process for listed equities

Once a year we carry out a more in-depth screening of our listed holdings, both directly owned and in funds. This screening gives us both a sustainability ranking and a sustainability rating for all listed equity holdings and a weighted sustainability ranking for the entire portfolio. We get help with the screening from MSCI. In addition to the

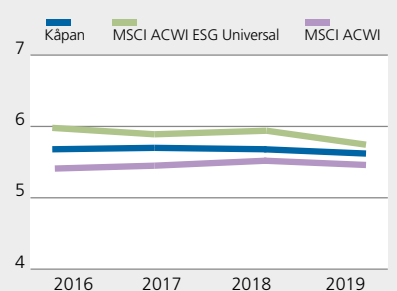
Development of ESG rating

Total ESG rating

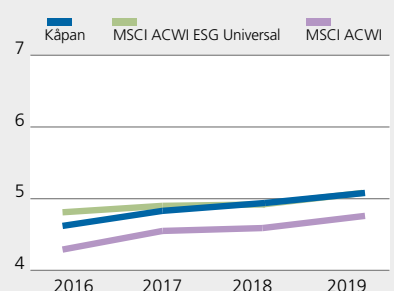


MSCI is one of the world's leading index providers and works with the analysis and evaluation of environmental and sustainability assessments at corporate level. The agreement with MSCI gives the society access to the entire sustainability assessments carried out by MSCI. MSCI's analyses today cover over 8,300 companies on the equity side where a sector-based assessment is made and a ranking given of different sustainability and ESG criteria (Environmental, Social, Governance).

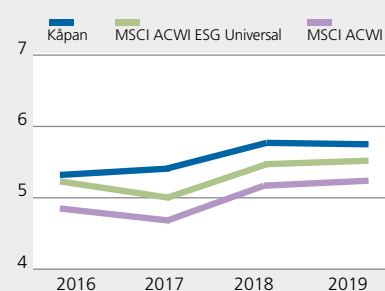
E – environment



S – social conditions



G – corporate governance



Source: MSCI ESG Research, ESG Portfolio Analytics

Sustainability process for unlisted holdings and external funds

In addition to investments in listed equities and bonds, we have investments in unlisted equity holdings in various types of venture capital funds and global fixed-income funds. In property we invest in unlisted companies in commercial properties, forest and land, and infrastructure through various funds. Our internal managers have close regular contact with the managers of these holdings and funds and a focus on sustainability is now part of the investment process for these investments. To ensure as far as possible conformance with basic sustainability criteria even in these unlisted holdings, sustainability issues are handled using a questionnaire which aims to identify the funds' sustainability processes (degree of sustainability, sustainability work and focus). We would like sustainability to be a central part of the company's strategy and that there is a long-term attitude to these issues. We continuously monitor the fund's agenda for improving and developing efforts with and responsibility for sustainability issues.

Lobbying and shareholder engagement

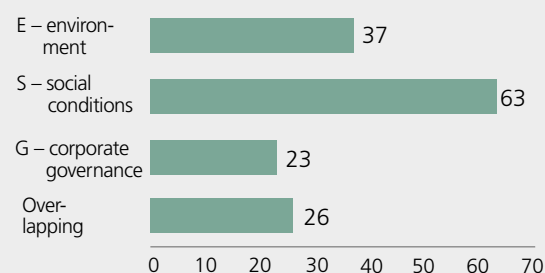
The aim of Kåpan Pensioner's work as an investor is to deliver a good long-term stable return for members within the framework of insurance commitments made. Investment management invests in a number of different businesses in order to be diversified and thus reduce the risk in investment. The large spread of investments means that the society as a rule is a small investor in each individual business. Our lobbying and shareholder engagement vary depending on the investment and its size and work includes lobbying dialogues, voting at annual meetings, membership of nomination committees, board assignments and active participation in advisory committees.

Lobbying

Our lobbying work is mainly done through lobbying dialogues with companies and managers. Lobbying dialogues are an important part of our owner involvement and the greater part of our dialogues are reactive, often initiated by allegations of or verified failure to respect international norms and conventions. We collaborate with ISS ESG to hold these dialogues with listed companies and the aim is to ensure that the companies remedy failures and take action so that similar incidents do not recur. In 2019 ISS ESG held lobbying dialogues with 149 companies and we have invested in 66 of these. In certain cases we hold lobbying dialogues ourselves and during the year we have had dialogues with two Nordic banks, among others.

Kåpan Pension's lobbying in 2019 through ISS ESG

Dialogues held with 149 companies, split across:



Source: ISS ESG

For several years we have collaborated with State Street Global Advisers (SSGA) which manages some of our funds. SSGA is a major player within among other things index management and has a significant owner involvement in its management. In index management it is not possible to sell an individual holding as with active management so SSGA carries out comprehensive lobbying through dialogues with companies covering issues that are significant for the companies' ability to generate long-term value, where topics concerning corporate governance, environment and social responsibility carry great weight.

Examples of our lobbying during the year

- Our managers for alternative investments have encouraged a fund that makes sustainable investments to prepare a sustainability policy.
- Swedbank: we have held discussions with representatives of the bank regarding actions and possible consequences for the bank resulting from money-laundering accusations related to the bank's Baltic operations. Our understanding is that the bank has taken action but we continue to monitor developments to ensure that the bank continues working to restore confidence.
- In collaboration with ISS ESG we have held 149 lobbying dialogues of which these are examples:
 - Facebook: a dialogue has been held to ensure that the company strengthens processes, policies and internal controls for correct handling of information security and customer security.
 - Amazon: ensure that actions are taken to improve terms of employment for employees and that trade union rights are not undermined.

In our unlisted holdings, which mainly consist of various funds, our internal managers have regular contact with the managers of these external funds. If it appears that something negative has occurred from a sustainability perspective in a company or that the fund is invested in a company which does not meet our sustainability criteria, we hold a dialogue with the manager about this holding.

Shareholder engagement

Being an active owner and voting at annual meetings and membership of nomination committees is also an important method for us as investors to influence companies in a sustainable direction. Up to now the society's limited ownership and need for efficient management has meant that we have not actively participated in annual meetings, primarily of listed public companies. Our active ownership in listed companies increased significantly in 2018 when

Starting this year, we will participate in annual meetings of all Swedish listed companies

The ownership policy decided by the Board states that Kåpan Pensioner intends to exercise its owner influence in listed companies as follows:

- that an employee always participates in annual meetings where ownership exceeds 1% of the votes in the company and there exercise the voting rights attached to the society's shares,
- that an employee or proxy always participates in annual meetings where ownership exceeds 0.1% of the votes in the company and there exercise the voting rights attached to the society's shares,
- to carefully prepare and establish the society's position at the annual meeting,
- to participate in the work of the nomination committee in those companies where the society is among the larger owners.

Assignments within the society 2019

| Active influence | | | | | |
|--------------------|--------------------------------|-----------------------|------------------|---------------------------|-----------------|
| Dialogues | | Owner governance | | | |
| Targeted dialogues | Dialogues with other investors | Nomination committees | Board assignment | Voting at annual meetings | Advisory boards |
| 2 | 149 | 2 ²⁾ | 4 ¹⁾ | 9 ³⁾ | 11 |

¹⁾ No listed companies.
²⁾ Of which one listed company
³⁾ Of which five listed companies.

we restructured our management of global equities and even though we continue to have a limited share in each company, it is of increased importance that we exercise our shareholder responsibility. We have therefore updated our ownership policy to include active shareholder engagement. Starting this year, we will participate in annual meetings of all Swedish listed companies, ourselves or through a proxy, depending on the size of our shareholding and how appropriate we consider it is to be there and influence a given company. For the global listed equities, we will participate through a proxy in the annual meetings of the 100 largest holdings.

In some of our unlisted holdings within venture capital and property we take an important owner responsibility through membership of the funds' advisory boards. We work in these boards with supporting knowledge and as an advisory discussion partner for issues related to the funds' operations. In the event of conflicts of interest, the advisory board is required to make a decision through a voting procedure.

During 2019 the society participated in one annual meeting of a company where we are a large owner and our holding exceeds 1% of the votes. In addition we participated in eight annual meetings in companies where we considered it especially important to participate and exercise our voting rights.

The society participated in two nomination committees, four boards and eleven advisory boards.



Exclusion of companies

The overall strategy is not to invest in companies which violate international norms for the environment, human rights, labour law and corruption, nor do we invest in companies involved in the manufacture or distribution of controversial weapons. We regularly screen our holdings of listed equities and fixed-income assets and twice a year with the help of ISS ESG we carry out an in-depth assessment of the holdings based on the criteria listed above. If a company is, or is suspected to be, non-compliant with our sustainability criteria, we hold in collaboration with ISS ESG, a dialogue with the company or the manager if the company is included in a fund. If the company cannot present an action plan to rectify the problems or if the dialogue does not give a result, we choose to sell the holding.

Different analysis companies make different assessments of companies' compliance with international norms and we have in some cases held dialogues with fund managers concerning companies that have screening issues or are non-compliant according to our sustainability criteria but have been approved by another analysis company. We have regularly followed up these investments with the fund managers and we discuss these holdings in our Sustainability Committee. During 2019 a number of companies have been discussed. We have chosen to retain funds where the dialogue with the managers has shown that the companies are taking action in the right direction. However, we have a number of managers under observation and one manager was disinvested against a background of ethical aspects among other things.

At the end of 2018 we changed to actively managing a large part of our global equity mandate. For the base portfolio, which consists of about 300 companies and accounts for 44% of our total equity placement, we exclude, in addition to the criteria stated above, companies according to the following criteria:



Thermal coal

- Extraction of thermal coal
- Electricity production from thermal coal exceeds 20% of the company's revenues



Nuclear weapons

- Production of nuclear weapons within the non-proliferation treaty, i.e. the UN Treaty on the Prohibition of Nuclear Weapons (July 2017).



Tobacco

- Production of tobacco
- Distribution of tobacco exceeds 5% of the company's revenues



Paris Agreement

- Companies that according to Kåpan Pensioners' analysis do not act in line with the Paris Agreement.

Analysis of the climate impact of holdings

Kåpan Pensioner's strategy is that the aggregate holdings over time shall be climate neutral. As part of this work the society has over the past ten years made ongoing investments in forestry and land and has today a significant holding with an estimated positive climate impact which compensates for the holdings which can be assessed as less positive from a climate perspective.

The society measures the carbon footprint for our listed equities which corresponds to 92% of the total equity portfolio. The carbon footprint is a way of expressing the amount of greenhouse gas emissions contributed by the companies in which we have invested. The analysis of the climate impact of our equity holdings is carried out by MSCI.

For several years we have followed the recommendation of the Swedish Insurance Federation (Metric 1) for reporting carbon footprint and this year we have chosen to complement this measure with the recommendation of the Swedish Investment Fund Association (Metric 2). Both metrics measure carbon footprint in relation to the portfolio companies' revenues and cover emission scope 1 and 2 according to the GHG protocol.

There are, however, limitations in the usability of the information, among other things the carbon footprint shows a historic moment for how the emissions from the holding were at a given time and the values will vary in step with the companies' changes in emissions and also with changes in the composition of the portfolio. Changes in exchange rates also affect the measurement.

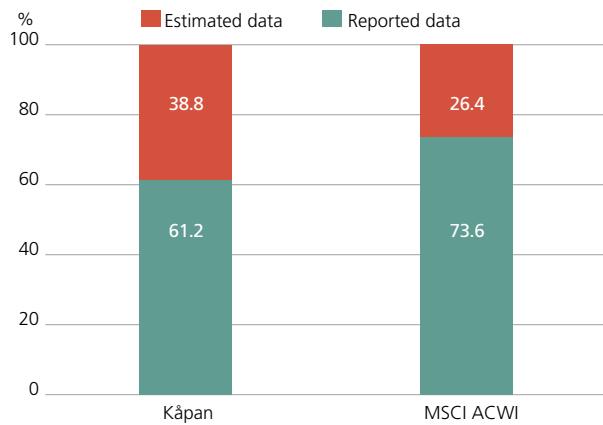
Measurement method for Metric 1 and 2

- Calculations should be made using data on emissions of greenhouse gases which satisfy a global accepted model such as the GHG protocol.
- The data must include scope 1 (a company's direct emissions) and scope 2 (a company's indirect emissions from use of electricity, heating or steam).
- Emissions should be expressed in carbon dioxide equivalent (CO₂e).

GHG protocol (Greenhouse Gas Protocol Corporate Accounting and Reporting Standard) is the most common reporting standard for calculating emissions of greenhouse gases. The GHG protocol covers seven greenhouse gases – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Carbon dioxide equivalent (CO₂e) is a unit which enables the measurement of different greenhouse gases in the same way. Expressing the emission of a given greenhouse gas in CO₂e states the quantity of carbon dioxide that would be needed to have the same climate impact.

Contribution to carbon footprint by source



Source: MSCI ESG Research, Carbon Portfolio Analytics

It is also important to note that the carbon footprint does not show the total environmental impact of the holdings for reasons including:

- Only some emissions are included. Indirect emissions from suppliers are not always included in the calculations nor the normally significant emissions which can be caused by use of a company's products.
- Emission data from companies is probably not complete.
- Only some asset classes are measured.
- Savings in emissions through products and services are not counted.
- Information on fossil reserves is not included.
- The metric does not reflect how well a portfolio is positioned towards, or its contribution to, a transition to a low-carbon society.

This means that many aspects of reporting must be complemented with various assumptions or estimates since they are not consistent.

Metric 1

The reported key indicator measures the equity portfolio's carbon dioxide intensity in relation to the portfolio companies' revenues (net sales). It can be seen as a measure of how carbon dioxide efficient the companies in our equity portfolio are, when the result is subsequently weighted with our ownership share of the company.

On 31 December 2019, **Metric 1** showed a 33.4% lower carbon dioxide intensity than our benchmark index MSCI ACWI on the same date. Compared with the previous year, both the index and our portfolio had a somewhat higher carbon dioxide intensity. Our portfolio had just over 3% higher carbon dioxide intensity at the annual measurement measured in dollars.

Measured in kronor, the portfolio's carbon dioxide intensity on 31 December 2019 was 16.3 tonnes CO₂ equivalent per million kronor in revenues (net sales), which is unchanged from the previous year. The krona weakened against the dollar during 2019 by about 4% which contributed to the unchanged result measured in kronor.

Metric 2

There are different methods for reporting carbon footprint and during 2019 the Swedish Investment Fund Association published a standard for calculating carbon footprint adapted to the changes that have taken place in recent years. These include the fact that the EU Non-Financial Reporting Directive is used in the Swedish Annual Accounts Act, that several new investor-led climate initiatives have been launched, and that the EU has presented its plans for a sustainable financial market. In addition, the Task Force for Climate-related Financial Disclosure (TCFD) presented recommendations for climate-related financial information and the initiative's framework has in a short time started to be used by most climate initiatives, reporting frameworks and the EU Commission. In this metric the recommendation is that an intensity measurement is used which shows the portfolio's exposure (not ownership as in Metric 1) to carbon dioxide intensive companies. The carbon dioxide intensity is measured as a portfolio company's carbon dioxide equivalent in relation to the portfolio company's revenues and then the carbon dioxide intensity is calculated as the weighted average of carbon dioxide intensities for individual companies in the portfolio.

On 31 December 2019, **Metric 2** showed a 38.2% lower weighted average carbon dioxide intensity than our benchmark index MSCI ACWI at the same time. Compared with the previous year, our portfolio has a 12.9% lower weighted average carbon dioxide intensity measured in dollars.

Measured in kronor, the portfolio's weighted carbon dioxide intensity on 31 December 2019 was 12.2 tonnes CO₂ equivalent per million kronor in revenues (net sales), which is an improvement of 16.7% compared with the previous year. The krona weakened against the dollar during 2019 by about 4% which contributed to the higher result measured in kronor.

Put simply this means that with Metric 1 we calculate how much of the company we own and take this in relation to emissions while Metric 2 calculates what weight the company has in the portfolio. That means that if we own a large share of a company with a lot of emissions we get a high intensity in Metric 1 but exactly the same share of the company with the holding having little weight in the total portfolio gives a lower intensity with Metric 2.

Climate risks

Working with sustainability issues in the investment operations is not just about analysing a investment's environmental impact. In recent years it has become clearer that climate-related risks will lead to increased financial consequences for the business environment and in our investments. These climate risks affect our decisions and are something we must take into account in our investments in order to achieve our aim of delivering a secure and sustainable return to our members.

This, and the fact that there are new recommendations and that we will be subject to new regulations from 2021, means that during 2019 we started work within the framework of Kåpan Pension's own risk and solvency analysis (ORSA) to be able to assess the climate risks in our investments.

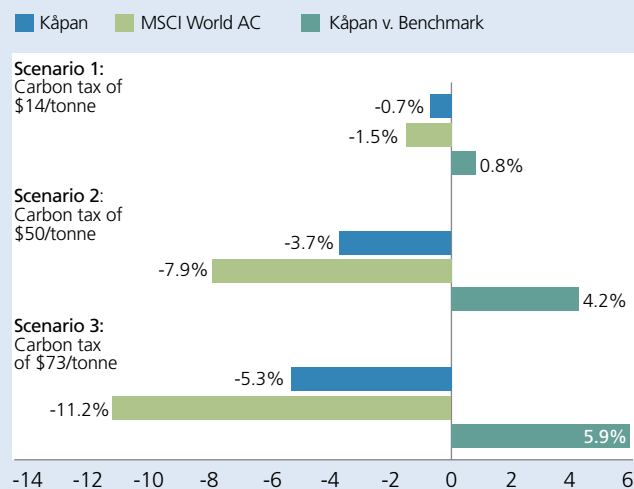
The financial impact from climate risks is normally divided into two categories

- **Adjustment risk** – the risk of a lower market value in the investments caused by environmental legislation, new technology which replaces products, or that consumers make more environmentally-aware choices.
- **Physical risk** – the risk of a lower market value caused by damage to property or businesses as a result of climate-related events such as floods, fires or shortage of water.

Our investments are affected by both these categories but in this first stage we have limited the assessment of our climate risks to adjustment risk and then restricted the calculations to our equity investments based on different scenarios. We have had help with the calculations from SEB.

The calculations focus on quantifying potential climate risks in the society's investments. One example we used in the assessment of adjustment risk is a scenario analysis based on how a carbon tax would affect returns.

Estimated effect on returns at different levels of carbon tax



Source: SEB ALM analysis

Our equity portfolio performs better than the equity index in that there is a lower effect on returns in all three scenarios. This is because our holdings have a lower carbon dioxide impact than the chosen equity index, which among other things is caused by an active sustainability decision that when restructuring to our global base portfolio we decided not to invest in companies extracting thermal coal or companies where generating electricity from thermal coal accounts for more than 20% of sales.

Examples of our sustainability initiatives in 2019

We work continually to improve our sustainability efforts. We want our members and other stakeholders to be able to easily follow and update themselves about the work we are doing within sustainability. We regularly publish on our website, kapan.se, the activities that we, our partners or our managers are carrying out in order to improve our sustainability work. In this section we discuss a couple of activities that took place during the year.



Stenvalvet's housing for the elderly in Farsta Strand

Sustainable property development

Our largest active investment in property is **Stenvalvet**, a Swedish company which owns, actively manages and develops buildings for community services. Stenvalvet has recently completed the construction of a retirement and assisted living facility for Ersta Diakoni in Farsta Strand. The facility is built over a Coop store and Farsta Strand underground station. The building is constructed of wood which contributes to reduced climate impact and adds architectural values to the location. The building is designed to meet the requirements for an Environmental Building, Silver level. However, Stenvalvet has chosen not to certify the building since the existing Coop store restricts what is environmentally possible to do with the building. As well as being built of wood, the building also contributes to reduced climate impact of transport. The site is well placed for access to public transport – direct access to the under-

ground and close to a commuter train station. This provides conditions for both personnel and visitors to easily travel there on public transport. The attractive location and high building quality meant that many health care companies were interested in renting premises for their business. Stenvalvet selected Ersta Diakoni due to their values and comprehensive social activities.

Another of our larger active investments in property is **Sveafastigheter Hemvist**. They have received many awards and nominations for their sustainable homes in recent years. In 2019 our investment Sveafastigheter Hemvist took possession of the completed rental property project Tryffelvägen in Norby, Uppsala, and stage 1 of Älvdansen in Enköping. Both projects are constructed in accordance with the definition Environmental Building, Silver level, with a focus on both social and environmental



Sveafastigheter – Hydran sheltered housing in Västerås

sustainability. The facades are built to merge with nature with parts in wood and the roofs are partly sedum covered. The yards are designed to encourage socialising with meeting areas focused on greenery and nature.

Building is in progress of **Sveafastigheter's** other positive energy building, Hydran sheltered housing in Västerås. This is Sweden's first sheltered housing to be built as a positive energy building according to the new definition, with

district heating instead of geothermal heating. The sheltered housing, where one person in a household must be over 65, is designed with good architecture and sustainability in focus. The building has a wooden facade and the roof is covered with solar panels. The accommodation is designed with an easy-strolling natural yard with its own plantings and a park-like environment.

Sustainable fixed-income fund

We have invested just over SEK 260m in M&G Global High Yield ESG Bond Fund. The fund invests at least 80% of its assets in global high-return bonds with the aim of achieving a diversified portfolio of issuers, geographies and sectors. The fund has a high ESG focus where all three sustainability factors (environment, social responsibility and corporate governance) are integrated in the investment process through a three-stage filter. The first filter excludes companies that violate the principles in the UN Global Compact. The second filter excludes companies whose revenues come from specific sectors: tobacco, alcohol, adult entertainment, gambling, thermal coal, defence and weapons. The third filter excludes companies with low ESG ratings from MSCI in each sector.



Green bonds doubled

During the year in our Swedish fixed income management we have continued to increase investments in green bonds and have more than doubled our holding from a market value of SEK 800m to approximately SEK 1,800m. Today these green bonds account for just over 4% of the total market value of the Swedish fixed-income portfolio. The increase in investments in green bonds has been in Fabege, Klöver, Stora Enso, Wilhem and Sveaskog.

“we have more than doubled our holding in green bonds”



GRESB (Global Real Estate Sustainability Benchmark) is an international benchmark which every year measures and assesses sustainability work in the property sector from an investor perspective. The ranking assesses sustainability work from three perspectives: environmental issues, social issues and governance.

In September 2019, Fabege achieved a top ranking in GRESB's (Global Real Estate Sustainability Benchmark) assessment and is now ranked highest in the office category in northern Europe. The assessment covers a broad spectrum such as environmental aspects, social sustainability, governance and monitoring. Fabege has strengthened its position in recent years through improvements in among other things risk management, environmentally certified buildings and reduced climate impact.

One of our global equity managers certified

For many years within global equity we have invested in two of Montanaro Asset Management's funds. During 2019, B lab certified Montanaro Asset Management as a B Corporation.

Certified B Corps are companies that work for reduced inequality, lower poverty levels, a healthier environment, stronger society and the creation of more high-quality jobs. Profit and aims are balanced to create an inclusive and sustainable economy.

Charles Montanaro, Chairman of Montanaro Asset Management said: "This is an important milestone in Montanaro's history. Through active ownership and engagement we get involved in encouraging smaller companies around the world to embrace the sustainability revolution."

There are currently 199 certified B Corps in Great Britain and over 2,800 worldwide.



Summary of sustainability work in investment operations

The method chosen by the society, combining both positive and negative selection, achieves the aim of a good ethical level in investments based on decisions made by government authorities and the organisation's resources.

The method stimulates a process of continuous improvement which can be maintained within the framework of the overall aim of a good return at low cost for investment operations as a whole.

IN DEPTH

International principles and conventions

Kåpan Pensioner's investment management is based on the investment policy which regulates the ethical frameworks for investment management and is based on ethical norms and principles that are widely supported in Swedish society.

Investment management is guided by the principles in international conventions. These principles have in recent years acquired increasing significance due to a greater focus on sustainability throughout society as well as among players in the financial market.

The UN has played a leading role in many of the basic principles drawn up as a starting point for companies and society. The UN Global Compact for companies was formed in 1999. Today more than 13,000 companies are members of the UN Global Compact. A corresponding stakeholder group was founded on the initiative of the UN in 2005 for

financial market players, the UN PRI, which stands for the UN's Principles for Responsible Investment. Today more than 2,300 financial players from more than 50 countries are affiliated to UN PRI.

An increased focus on sustainability has also been brought to the fore with the UN's 17 global sustainable development goals which were adopted by world leaders in 2015, the 2030 Agenda. The overall goals are to eradicate extreme poverty, reduce inequalities and injustice in the world and solve the climate crisis.

UN Global Compact:

Contains principles for human rights, rights at work, environment and corruption aimed at companies. The ten principles have been drawn up based on the UN Declaration of Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption.

UN Principles for Responsible Investment (UN PRI):

The six principles promote responsible investment. The intention is to increase responsible activities within ethics and the environment among companies and players.

Global Compact's 10 principles

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery

PRI's six principles for responsible investment

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

UN's Sustainable Development Goals – 2030 Agenda

With the 2030 Agenda, the member states of the UN have committed to 17 global goals to:

1. eradicate extreme poverty
2. reduce inequalities
3. solve the climate crisis
4. promote peace and justice

The 17 global goals with their 169 sub-goals are the most ambitious agenda for sustainable development that has been adopted and give a clear expectation that nations, the public sector and business will contribute to solutions to the common challenges.

UN global goals



Controversial weapons:

- **Cluster munitions** – the Convention on Cluster munitions (CCM) forbids the use, production, stockpiling and transfer of cluster munitions.
- **Chemical weapons** – the Chemical Weapons Convention (CWC) outlaws the development, production, stockpiling and use of chemical weapons.
- **Biological weapons** – the Biological and Toxin Weapons Convention (BTWC) is intended to prevent the development, production and stockpiling of biological weapons.

OECD Guidelines for Multinational Enterprises

Joint recommendations for enterprises from 40 governments. These recommendations partly overlap the UN Global Compact, but also include aspects on how companies should handle the provision of information, consumer interest, science and technology, competition and taxation.

Oslo and Ottawa Conventions:

Totally prohibit the use, stockpiling, production and transfer of anti-personnel mines (AP-mines). They also contain rules on the destruction of landmines, mine clearance and assistance to victims of landmines.

Additional conventions that Sweden supports include controversial weapons.



Sustainability – Insurance

Sustainable traditional insurance

For Kåpan Pensioner, taking responsibility on behalf of our members is part of sustainability work. This applies to the various insurances we offer, guarantees and interest as well as surplus and generation savings. We are a default alternative and are therefore extra careful to guarantee confidence and security for our members who did not make an active choice themselves.

Kåpan Pensioner works solely in the government agreement sector and does not offer insurances in other agreement sectors. Nor does the society offer any unit-linked insurance. The strategic focus means that marketing efforts and dedicated resources to build value in a brand can be restricted. From a sustainability perspective this means that mailshots and other types of promotion can be avoided which leads, among other things, to reduced environmental impact and the society's low level of costs. The society also minimises resource requirements by refraining from cooperation with various types of insurance agents in distribution of its insurances. The society does not, therefore, pay any commission or other form of sales-stimulating remuneration to external players.

The National Government Employee Pensions Board (SPV) in Sundsvall is engaged to administer parts of the insurance administration operations. This assignment includes maintenance of the society's insurance administration system, checking premium payments, issuing annual and pension statements, providing a smooth-running customer service unit and handling pension payments. The society is, however, confronted with the fact that, above all, upcoming regulations require updates and changes to operations.

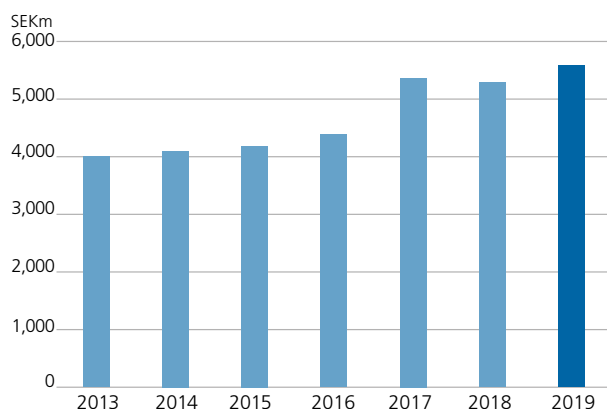
Against this background, the Board decided during the year to reorganise the insurance administration operations by creating an own management and procurement organisation and sign a new renegotiated agreement with SPV covering various parts of the insurance administration operations. The aim is to meet the demands of the new regulatory structure which the society will need to follow when it transitions to an occupational pension society on 1 January 2021.

Secure insurance

Kåpan Pensioner's principal business is the compulsory and default components of occupational pensions in the government collective agreement sector. Members who do not make an active choice of pension manager within the agreement sector will have their premiums paid into Kåpan Pensioner. During the year paid-in premiums totalled SEK 5,585m.

During the year paid-in
premiums totalled SEK 5,585m.

Paid-in premiums



Kåpan Pensioner's traditional insurance is designed to suit those who do not want to make an active choice or put time or effort into their pension savings. The aim of the design of the insurances is to give members a return which reflects the risk assessed as reasonable in relation to the long-term stability which is expected from traditional pension insurance. Kåpan Pensioner has a high proportion of members who have not made an active choice of occupational pension manager and who probably also have limited interest in pension management. For the component of pension premiums where there is a choice, the society receives the bulk of premiums and the proportion has risen in recent years. Kåpan Pensioner therefore has a responsibility for the design of the guarantees and commitments found in the insurance terms.

Saving in traditional insurance is a trade-off between the security provided by the commitments made by the society in every insurance and the possibility of taking a risk in investments which can give a higher anticipated return. The commitments in the insurances are:

- protection of paid-in capital through a guaranteed interest on paid-in premiums,
- protection against high charges through a specified maximum charge until the pension is paid out,
- protection in the long term through a commitment to pay the pension for life.

A high level for the various components of the commitment means fewer opportunities to take risks. It is up to the society to strike a balance and continually adjust operations to changes in the business environment in order to meet commitments in a long-term sustainable manner.

Guaranteed interest and protection of paid-in capital

Each insurance premium has a premium guarantee in the form of interest on the paid-in capital until it is paid out as a pension. The interest applies unchanged for each indi-

vidual premium paid in. In other words, the paid-in capital is secured against reduction in size.

The interest guaranteed by the society has changed over time and been adjusted to developments in the capital market. In step with the fall in market interest rates, the guaranteed interest has also decreased. Since 1992 the society has received premiums on which it has paid guaranteed interest. The return on the society's investments must exceed the guaranteed level in order to be sustainable in the long term.

In recent years, asset management has delivered a significant surplus which provides a buffer for the future. This buffer can be calculated in different ways but the method which is currently used in Sweden and by the society is based on guidelines decided by the Swedish Financial Supervisory Authority.

The value of the society's outstanding commitments at year-end 2019 amounted to almost SEK 60 billion which can be compared with the society's total assets of just over SEK 105 billion. The society's solvency ratio at year-end was 175% which exceeds the statutory limit of 104% by a wide margin.

The society has a
very good solvency ratio of
175%

It should be noted, however, that several times in recent years the Financial Supervisory Authority has changed the calculation method which affects the value of the outstanding commitments. There are also restrictions in the Swedish bond market which make it difficult when it is necessary to secure outstanding commitments with matching investments in a sustainable manner.

Low charges

In the same way that the society guarantees the capital from paid-in premiums, protection against high charges is included. The statutes state that the cost of administering the insurance shall not exceed 0.2% of the capital per year.

Charges for traditional insurance for government employees

| Insurance provider | Annual fixed charge, SEK | Variable charge as % of pension capital |
|--------------------|--------------------------|---|
| Kåpan Pensioner | 6 | 0.11 |
| Alecta | 75 | 0.20 |
| AMF | 75 | 0.18 |

Source: valcentralen.se

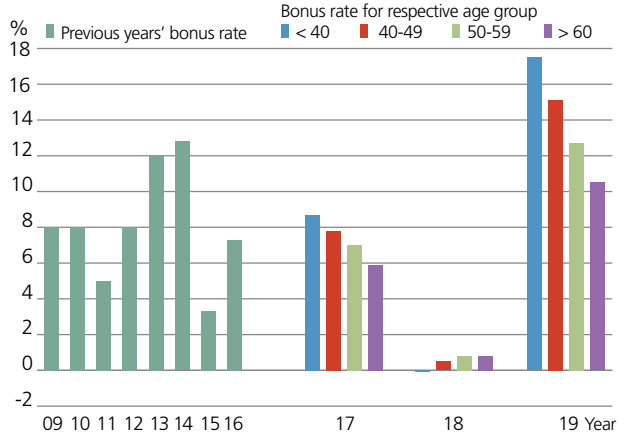
Administrative expenses have fallen over time and amounted to 0.06% of the insurance capital in 2019.

The society continues to try to reduce costs and thus provide a higher paid-out pension. The fixed charge per insurance is SEK 6. The variable administration charge in 2019 was 0.06% of the pension capital. The cost of investment management was 0.05% of the pension capital. Altogether the costs that the society charges to members' insurances are at a significantly lower level than other players registered with Valcentralen (Choice Centre) for the government agreement sector.

Fair distribution of capital and costs

Kåpan Pensioner operates on the basis of two overall principles for the insurance business. The first is the precautionary principle. This means finding a reasonable balance between an assessment of the expected outcome for different assumptions and the risk level of these assumptions. The second is the contribution principle which means that each insurance should bear the returns, risks and costs which the insurance is assessed to contribute to or cost the business. To ensure that the principles are followed, the responsible actuary prepares a technical provisions report for the Board and the Swedish Financial Supervisory Authority.

Annual bonus rate



To ensure fairness between members, Kåpan Pensioner uses monthly bonus interest to distribute the society's surplus or deficit across all insurances. This means that the surplus is continually allocated across the insurances and that no surplus or deficit is retained undistributed at a collective level. The bonus interest rate can therefore be both positive and negative.

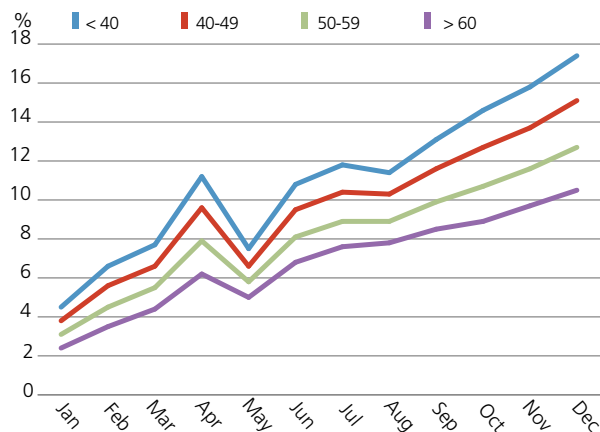
Generation savings for fair distribution

Fairness between members is further improved by the society's use of so-called generation savings. This means that we split the membership into four generation groups where the youngest group has a greater proportion of high-risk assets in their portfolio. The proportion of equities is successively reduced with age. The four different groups thus have different amounts of high-risk assets and therefore different bonus interest rates.

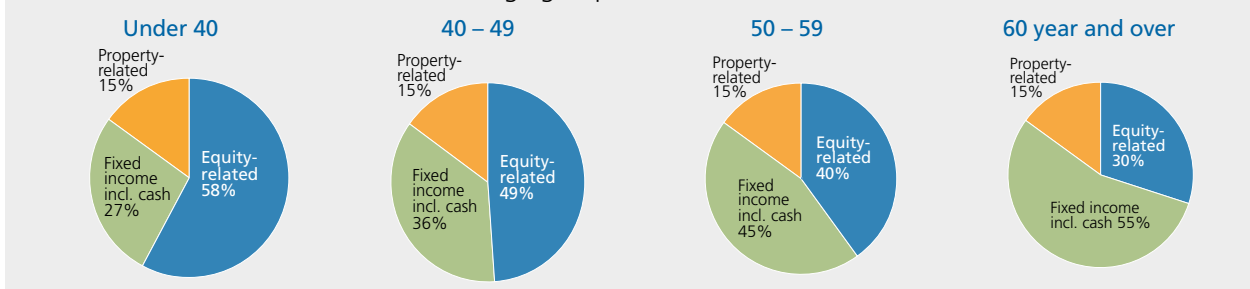
Commitment to pay pension for life

In the pension agreement PA 16 which has applied since 1 January 2016 and primarily for people born in 1988 or later, the dominant part of premiums is in the basic configuration paid out for life. In previous pension agreements a large part of premiums went into an insurance

Monthly bonus rate 2019



Distribution of investments for each age group across the three asset classes



with temporary payment in its basic configuration (Kåpan Tjänste). Before payment of the pension starts, members can choose the desired payment period. This applies to all the society's insurances. In the members' insurance there is also a lifelong guarantee associated with each premium payment in the same way as the guaranteed interest. The lifelong guarantee means that even if future assumptions about life expectancy change, the assumptions which are guaranteed at the time of payment will not worsen.

The life expectancy assumptions used by the society determine the size of the monthly pension payment. A lifetime pension is paid out for life and the members' different life spans are balanced within the framework of the insurance operations as a whole. The society uses gender-neutral life expectancy assumptions. This means that when the pension is calculated based on available pension capital, the amount of the pension payment will be the same regardless of gender. The society's actuary continually follows up the sustainability of the assumptions used to calculate outstanding insurance commitments and life expectancy.

Repayment cover means a lower pension

Members can choose whether or not to have repayment cover for all their premiums and in the event of changed family circumstances change this for their entire pension capital. Repayment cover means lower expected pension payments (3%–10%) in exchange for the existing pension capital being paid out to designated survivors. The parties in the government sector have chosen in the new pension agreement PA 16 to assume insurance without repayment cover for all premium payments.

Within the framework of the government collective agreements there is relatively good cover for survivors other than through repayment cover. A defined contribution based pension insurance has its maximum capital when pension payments start. The insurance cover provided by repayment cover is relatively limited for younger members which means that a separate life insurance is normally a better choice if the cover in the collective agreement needs to be reinforced.

Repayment cover means you receive a lower pension

| Age | Payment | |
|-----|-------------|------------------------|
| | For 5 years | For life ¹⁾ |
| 25 | - 6% | - 10% |
| 55 | - 3% | - 7% |

¹⁾ The figures are based on a new employee continuing to work until age 65.

Members' integrity

Kåpan Pensioner is responsible for sensitive personal data and other member information. It is therefore essential that this personal data is protected by the greatest possible security. The information is primarily stored by the National Government Employee Pensions Board (SPV), which administers the insurances. They work among other things with training employees to ensure competence in the General Data Protection Regulation (GDPR*) covering protection of integrity, data security, data storage and confidentiality. Kåpan Pensioner and the National Government Employee Pensions Board have a personal data representative who is the contact with the authorities and responsible among other things for helping the business interpret and apply current regulations for personal data processing.

The Occupational Pension Fund Association

Kåpan Pensioner is a member of the Occupational Pension Fund Association and also participates as an expert when new regulations for the pension system are being developed for example by participating in studies or responding to consultations. This means that members' interests are also taken into account at higher levels.

* The General data Protection Regulation (GDPR) includes rules for how personal data may be processed. GDPR applies throughout the EU and aims to create a uniform and consistent level of protection of personal data.

Summary of sustainability work in insurance operations

Kåpan Pensioner conducts its business in order to provide members with a long-term sustainable pension insurance. The society acts on the basis of what is best for all members as a whole within the framework of balanced risk and efficient operations. The commitments that the society makes by providing insurances to members are handled on the basis of fundamental insurance principles. Outstanding commitments are assessed to be able to be met in the long term through fair distribution and cautious buffers in the commitments made. The aim is to continue to conduct the business in a balanced and sustainable way at the lowest possible cost.



Sustainability – Organisation

Sustainability initiatives in ongoing operations

Kåpan Pensioner has over 850,000 members and therefore a major responsibility to communicate and provide information on the pension and pension savings that members have in the society.

To enhance among other things communication with members, Kåpan Pensioner and National Government Employee Pensions Board (SPV) have collaborated since the formation of the society. This collaboration means that members turn to the joint customer service which SPV operates, where they can obtain information and take care of their insurance issues within all areas of their government occupational pension. During the year the Board decided to reorganise the insurance administration to better meet the requirements of the current and upcoming regulatory structures which the society is required to follow by creating an own management and procurement organisation and sign a new renegotiated agreement with the National Government Employee Pensions Board covering various parts of the insurance administration operations.

To simplify the overview for members of their entire pension savings, Kåpan Pensioner cooperates with the organisation Min Pension (my Pension) where an individual's total pension savings are reported regardless of whether they are state pension, occupational pension or private pension savings

Information to and contact with members

Pension savings in Kåpan Pensioner is a compulsory component of the pension agreement in the government agreement sector. Experience shows that many members have a low interest in their pension savings until it is time to retire which makes special demands on information and objectivity. This means that the society cannot rely solely on members actively seeking information. The focus is

therefore to provide complete information via the website, customer service, and targeted mailshots once a year to members who have not actively chosen a digital alternative for information. The long-term goal is to reduce the number of mail items and increase the use of digital channels for information and services. In 2019 the number of mailshots was approximately 1,190,000 of which 31% were sent digitally. The service Mina sidor (my pages), launched in autumn 2018, had just over 102,000 visits during the year. In December 2019 Mina utbetalningar (my pension payments) was launched on kapan.se and before year-end the service had some 550 logged-in visits.

Follow-up of information to members and customer satisfaction

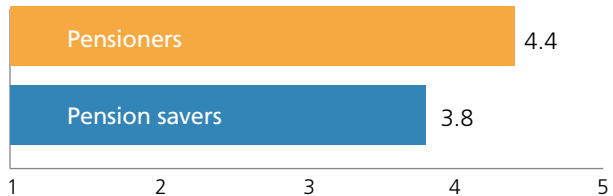
As part of the collaboration with SPV, regular surveys are carried out designed to improve service and information. Based on members' contacts with customer service, different issues are evaluated and the need for improved information identified. The surveys are carried out from the coordinated customer service function and provide a basis for both SPV's and the society's ongoing improvement work. In previous years we have used a customer satisfaction index 1–100 to monitor and measure how satisfied members are with the service and information offered. During the year we changed our metric for customer satisfaction to a satisfaction value rating 1–5 which means that we cannot compare the result with 2018.

We constantly evaluate our members' satisfaction

Customer service handles a large number of questions. It is therefore important to know how well our service and information is perceived. We are in contact with pension savers, pensioners and previous employees through several different channels. Personal contact can be via telephone or mail. Other contacts can be through a visit to the website or a mailshot of pension information.

In order to monitor the experience we have during the year carried out surveys among those who contact us through our various channels. We ask among other things how satisfied they are with each channel as a whole using a scale of 1–5, where five is very satisfied. The results for the different channels are then aggregated to an overall satisfaction value. By continuously measuring satisfaction we obtain significantly more answers as a basis for our assessment which also means that we can take action

Customer satisfaction 2019



during the year to correct any problems. This is an improvement compared with previously when we only made an annual measurement.

Those who contact us or use our services are on the whole satisfied. This is especially true for pensioners who have a satisfaction value for the year of 4.4. Pension savers are also satisfied with a satisfaction value of 3.8.

In those channels where pension savers and pensioners have personal contact with us, the satisfaction value is higher than in those channels where we primarily publish information. The satisfaction value for pension savers is affected above all by the result in those channels where we have contact with a large number of people. Many contacts are in connection with the annual mailshot of pension information and through visits to the Mina sidor service. These two channels are also the ones with a slightly lower overall satisfaction value. We think that initiatives in these areas can contribute to raising the satisfaction value.

Pension savers are offered several more channels for contact and they often have more and more complex questions than pensioners. Among the pension savers who have been in contact with us during the year many need help to understand how much they can expect to be paid from their occupational pension and how the occupational pension works. Pensioners often have questions about their pension payments.

To know more about what affects overall satisfaction, we also ask more specifically how they experience our service and information. Among other things we ask how they experience our attitude, if we are able to help them or if they receive the information they need to be able to solve their

Kåpan's member contact

| Year | Voice | Mail |
|------|--------|-------|
| 2019 | 16,436 | 8,943 |
| 2018 | 13,129 | 7,275 |

problem. We can see that pension savers and pensioners are very satisfied with our service and information.

Emissions from business travel

As a small service company with few employees, Kåpan Pensioner has no direct emissions of any significance. The society's largest climate-related emissions occur with business travel. Kåpan Pensioner's travel policy governs travel for the staff. A business trip, choice of route and means of transport must be based on a trade-off between cost-efficiency and the environmental impact of the journey. Rail journeys are preferred to flights since they are a more climate-efficient means of travel, especially for trips under four hours. Flights should be made in economy class, unless there are special circumstances, since this gives better use of resources. This also applies to flights outside Europe. The policy for the society's company cars is that these should be zero emission or meet the requirements for super ultra-low emissions vehicles. A condition, however, is that the necessary infrastructure is in place and available to individual employees.

Skills development and equal opportunities

The society has few employees. This means that committed and skilled staff are decisive for Kåpan Pensioner to be able to run its business. Equal opportunity is an obvious and basic requirement. At the same time it is important that all assessments are made on objective grounds and in the first instance within a framework of skills and suitability. Recruitment and skills development are carried out based on prioritising equal opportunity and treatment as fundamental values.

The society has an even gender distribution in the Board and in the organisation. Within the different areas of competence in the organisation, gender distribution is also even. The society's Council of Administration is appointed by the parties to the government agreement sector.

The strategy is that Kåpan Pensioner should be a society entirely without discrimination and which strives to give all employees equal rights and development opportunities. We work actively with the internal culture to take advantage of differences and their positive effects. The organisation's limited size means that comprehensive reporting according to the Global Reporting Initiative (GRI) is judged to create integrity problems which means that only limited reporting is made of equal opportunity in the organisation.

Suppliers

The society's main supplier, SPV, is an authority which operates under rules decided by the Swedish parliament and government. Kåpan Pensioner strives to have the authority

SWESIF

Kåpan Pensioner is a member of SWESIF, Sweden's forum for sustainable investment. This is a way to learn more and monitor development with sustainability initiatives in the industry as well as to become involved in lobbying centred on sustainability issues. We have taken part in several seminars where sustainability has been discussed

make optimal use of its resources within the limits of current regulation.

Suppliers of IT services to the business are responsible for ensuring that operations and maintenance are resource-efficient and that redundant hardware is recycled in accordance with current regulations and contracts.

The society rents office premises in Stockholm. The landlord's responsibility is to take long-term responsibility environmentally and socially as well as for economic development. Sustainability work is also about providing flexible and good working environments, continual monitoring of existing climate systems, changing over to low-energy lighting, choosing green electricity, providing space for waste sorting, installing chargers for electric cars in the garage and offering tenants a bicycle garage. The society participates in the landlord's sustainability initiatives by monitoring and taking part in activities offered by the landlord and active influence through its own suggestions for improvements.

Summary of sustainability work in ongoing operations

The society's own organisation is small which means limited direct impact in a holistic sustainability perspective. The greatest impact is from the society's need of information on operations and individual savings. A large part of the membership does not actively seek information on their pension. The aim is that those members who have not chosen a digital alternative for information shall get good and concise written information about their pension savings once a year. Overall the society is assessed as running its ongoing operations in a resource-efficient manner and the aim is to try to find a long-term balance between the need for good information and the environmental impact that distribution of paper always involves.

Regulations and governance – basis of the business’s sustainability work

Kåpan Pensioner’s sustainability work is based on the society’s statutes and the strategic direction decided by the Board. The focus that applies to the society is stipulated in investment guidelines, actuarial guidelines and rules for risk management decided by the Board. The President has operational responsibility for sustainability work being carried out in practice and covering the entire operation.

Sustainability work is an integrated part of the organisation

Kåpan Pensioner’s most important contribution to a sustainable society is the provision of a secure pension at the lowest possible cost. The society belongs to its members and all surplus is returned to them in the form of a higher pension. Kåpan Pensioner’s Board has ultimate responsibility for the society’s activities where sustainability initiatives form an integrated part.

The President is responsible for operational implementation of the strategic plan and the targets set by the Board. Sustainability work is governed by adopted strategies and goals as well as the rules that apply to the business. All employees are responsible for ensuring that sustainability is an integrated part of day-to-day operations and is present in all decisions made. It is of utmost importance that the business is run in such a manner that members’ confidence in Kåpan Pensioner is maintained and the operations are regarded as healthy and responsible.

Sustainability work
is carried out as
an integrated part of
day-to-day operations

The society complies with applicable laws and regulations regarding money laundering and also has internal rules that clarify efforts to prevent the operations from being used for money laundering and financing of terrorism.

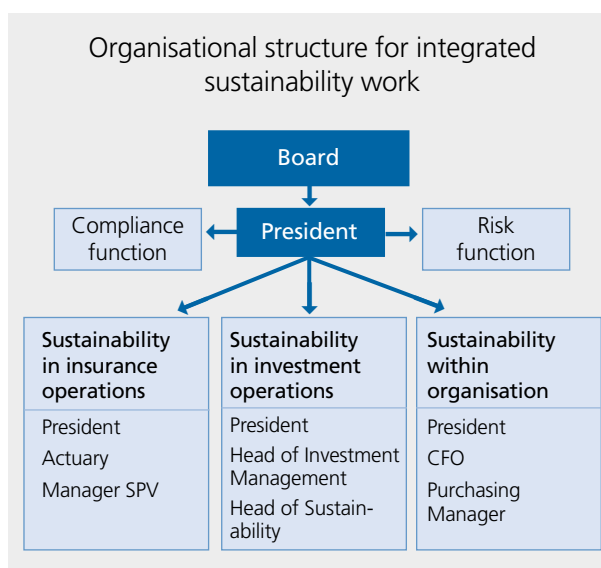
Council of Administration

The society’s highest decision-making body is the Council of Administration. The Council has thirty members and the same number of personal deputies. The members are appointed by the parties in the government sector with half being appointed by the Swedish Agency for Government Employers and half by the trade unions.

This means that the Council of Administration represents employers and trade union members equally. Members of the Council of Administration must be members of the society

Board

The Council of Administration appoints Kåpan Pensioner’s Board which manages operations. The Board consists of six members and the same number of personal deputies. Here, too, half of the members are appointed by the employee side and half by the Swedish Agency for Government Employers. The same person cannot be a member of both the Council of Administration and the Board. For both boards, the mandate period is one year with the possibility of re-election.



Laws and regulations

Kåpan Pensioner is an independent legal entity in the form of a mutual insurance society which is a specific form of an economic association. The business is regulated by a number of laws enacted by Parliament, including the Friendly Societies Act.

During 2019 new regulations came into force for occupational pension companies and in 2020, the society will apply to transition to an occupational pension society in accordance with the Swedish Occupational Pension Companies Act (2019:742). The application must be submitted to the Swedish Financial Supervisory Authority by 30 April and the transition to an occupational pension society is expected to be carried out on 1 January 2021. The society will continue to work on improving the efficiency of operations and preparing the organisation ahead of the transition. There are also continual changes in external regulations which affect the society's operations and require updates to and changes in working processes and policies.

Kåpan Pensioner has a responsibility to follow current regulations towards its members, authorities and employees as well as other stakeholders. Deviation from or breaches of current regulations must generate an incident report and an assessment of risk and compliance with the regulations regularly reported to the Board.

The society's business is governed by statutes decided by the society's Council of Administration. The statutes provide the basic conditions for operations and the limitations that apply.

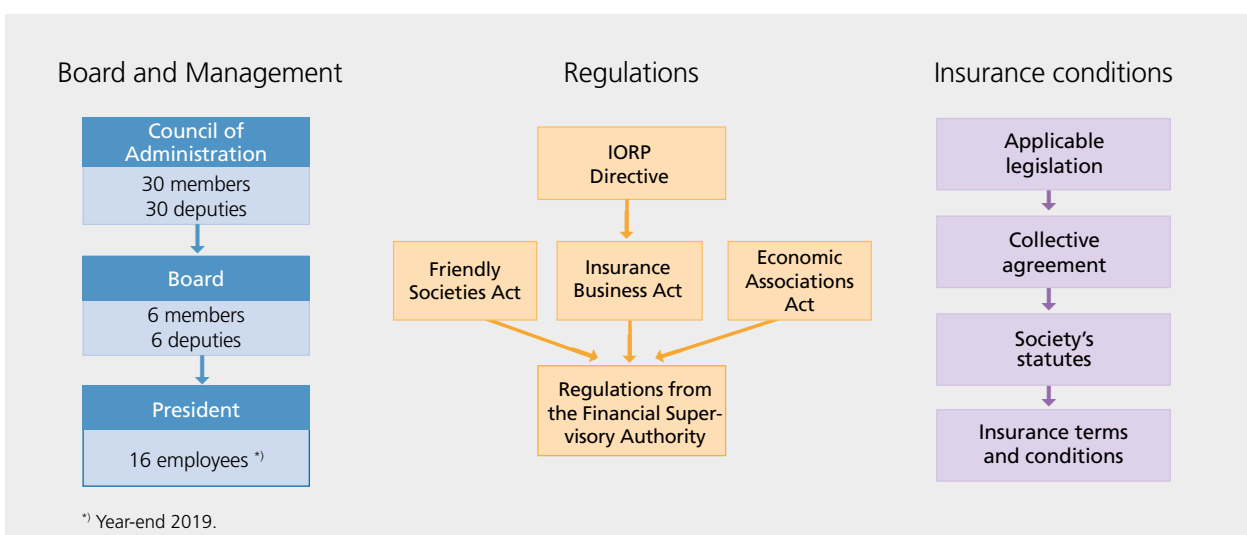
Insurance conditions are determined by the current collective agreement and the society's statutes. The statutes are available on the society's website and information on applicable pension agreements will be found on arbetsgivarverket.se or on one of the trade unions' websites.

To ensure that we get calculations right and the conditions of all insurances are followed correctly, the society uses an actuary. The actuary is independently responsible to the Board and the Financial Supervisory Authority and is responsible among other things for calculating the value of the pension capital and the pension paid out. The actuary's work is based on the society's actuarial guidelines adopted by the Board.

The society's operations are continuously reviewed through internal controls which make risk assessments and specific analyses which are presented to the Board. Additionally, the Council of Administration appoints external auditors who review investment management and ensure compliance with applicable accounting regulations. The auditors present the result of their review to the Council of Administration each year. The Financial Supervisory Authority exercises oversight of the business.

Stakeholders

Kåpan Pensioner's most important stakeholders are the society's members and the parties to the collective agreements in the government sector, primarily the founders of Kåpan Pensioner, the Swedish Agency for Government Employers (Arbetsgivarverket), the Public Employees' Negotiation Council (OFR/S,P,O), the Swedish Confederation of Professional Associations (Saco-S) and the Service and Communication Union (Seko).



Kåpan Pensioner's statutes govern operations and the constitution of the Board. Individual members who wish to influence the society's operations and direction can make their views known to a local trade union representative, the trade union main office or one of the members of the Council of Administration. Employers in the government agreement sector can also influence operations by contacting their representatives on the Council of Administration.

Employees are another stakeholder group which together with suppliers contribute to development of operations. Regular refinement and improvements are a pre-condition for a positive development of the business over time.

Kåpan Pensioner is under the oversight of the Financial Supervisory Authority and among other things pays tax on returns to the Swedish Tax Agency. This makes these authorities and agencies that decide on regulations significant stakeholders.

Taken as a whole, the stakeholder dialogue provides a good basis for the Board's work with making strategic decisions.

The society's total long-term value creation

The value creation the society contributes is a long-term positive return on the society's investments combined with a falling level of costs due to high operational efficiency. The biggest actual costs that affect pension payments are the tax on returns and costs of investment and insurance management. Unlike many other players in the pensions sector, the society has marginal costs for marketing.

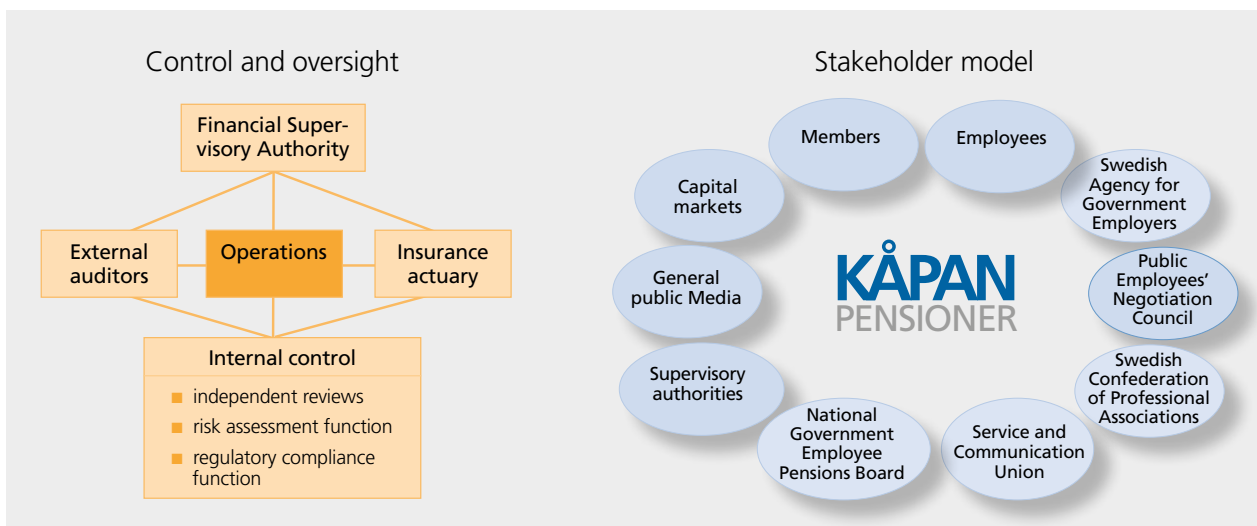
The business has no other purpose than to create value for its members. Costs that do not make a positive contribution to that goal should be avoided even if they can contribute to job-creation and welfare in other parts of society, but it lies outside the remit which is to carry out the assignment as well as possible in relation to the members.

About the sustainability report

This report covers all operations within the society. This year's report has not been subject to an external audit.

This sustainability report summarises the society's sustainability work. The society's operations are limited and relate to a restricted group of members and only one insurance product. The development of rules, guidelines, instructions and other governance documents is often suited to regulation of operations in extensive global and commercial businesses and the proportionality principle is often difficult to apply to the society's stakeholders.

This sustainability report has been approved by the Board of Kåpan Pensioner





LIST OF HOLDINGS

at 31 December 2019

Bonds and other fixed-income securities

Green bonds

| | Assessed value, SEKm |
|-----------------------------|----------------------|
| Vasakronan 2024-03-01 | 251 |
| Fabege 2023-08-30 | 189 |
| Sveaskog 2024-10-16 | 181 |
| Fortum Värme 2022-05-18 | 176 |
| Vasakronan 2024-02-26 | 157 |
| Willhem 2023-09-03 | 152 |
| Atrium Ljungberg 2024-08-21 | 132 |
| Fabege 2024-06-22 | 127 |
| Willhem 2024-01-16 | 102 |
| Atrium Ljungberg 2024-04-02 | 102 |
| Stora Enso 2024-02-20 | 81 |
| Fabege 2023-02-28 | 71 |
| Fabege 2023-02-28 | 51 |
| Summa | 1,772 |

| | Assessed value, SEKm |
|-----------------------------|----------------------|
| SEB Bolån 2023-12-20 | 3,016 |
| Stadshypotek 2023-06-01 | 2,659 |
| Nordea Hypotek 2024-09-18 | 2,457 |
| Nordea Hypotek 2023-09-23 | 2,214 |
| Swedbank Hypotek 2023-12-20 | 2,055 |
| Swedbank Hypotek 2024-09-18 | 1,760 |
| Stadshypotek 2024-03-01 | 1,688 |
| Swedbank Hypotek 2023-03-15 | 1,352 |
| SEB Bolån 2024-12-18 | 1,347 |
| Landshypotek 2025-03-17 | 518 |
| Nordea 2022-09-09 | 514 |
| DNB Bank 2025-05-28 | 440 |
| SBAB 2023-06-21 | 435 |
| Vasakronan 2021-12-15 | 424 |
| Hufvudstaden 2024-10-04 | 404 |
| Volvo 2023-09-13 | 325 |
| Skandiabanken 2023-03-15 | 307 |
| Telenor 2024-03-19 | 305 |
| Akademiska hus 2024-10-02 | 294 |
| General Electric 2021-02-01 | 292 |
| Skandiabanken 2024-02-22 | 290 |
| Swedish Match 2023-02-27 | 289 |
| Fortum Värme 2025-02-24 | 272 |
| Landshypotek 2024-02-05 | 258 |
| Rikshem 2023-12-13 | 254 |
| SBAB 2024-09-24 | 251 |
| BMW 2023-06-19 | 250 |
| Arla Foods 2024-04-03 | 245 |
| Ellevio 2025-02-12 | 243 |
| Danske Bank 2029-11-14 | 230 |
| Vattenfall 2022-11-01 | 227 |

| | Assessed value, SEKm |
|---|----------------------|
| Teliasonera 2023-11-08 | 226 |
| Danske Bank 2023-12-08 | 221 |
| SBAB 2022-06-08 | 217 |
| Hemsö 2022-10-26 | 209 |
| Länsförsäkringar Bank 2023-05-17 | 205 |
| Billerud 2023-03-20 | 205 |
| TVO 2024-02-15 | 203 |
| Scania 2025-04-08 | 203 |
| Nordea 2020-09-17 | 202 |
| Nibe 2024-06-30 | 201 |
| Scania 2023-03-03 | 201 |
| Santander Consumer Bank 2025-01-15 | 201 |
| Willhem 2024-09-12 | 200 |
| Santander Consumer Bank 2023-08-14 | 200 |
| Svensk Hypotekspension 2024-01-22 | 200 |
| Leaseplan 2023-05-05 | 199 |
| Länsförsäkringar Bank 2024-09-13 | 196 |
| Swedbank 2028-05-08 | 195 |
| Leaseplan 2022-01-26 | 195 |
| Loomis 2023-09-18 | 194 |
| Danske Bank A/S 2023-01-25 | 186 |
| Epiroc 2023-12-06 | 179 |
| Balder 2024-01-15 | 175 |
| Saab 2022-09-28 | 175 |
| Willhem 2022-08-26 | 170 |
| Sveaskog Förv. AB 2021-07-12, 129 3,60% | 160 |
| Hexagon 2020-09-17 | 159 |
| Hexagon 2024-11-26 | 158 |
| Tele2 2023-02-24 | 158 |
| Husqvarna 2021-05-03 | 154 |
| Stena Metall 2020-11-27 | 153 |
| Rikshem 2022-01-12 | 151 |
| Nordea 2023-06-27 | 151 |
| Nordea 2028-09-26 | 149 |
| SBAB 2024-10-23 | 149 |
| Holmen 2024-10-29 | 148 |
| Sparbanken Rekarne 2022-04-04 | 146 |
| Akelius 2023-10-03 | 144 |
| Volvo 2023-12-13 | 143 |
| Wallenstam 2020-11-23 | 140 |
| Sparbanken Skåne 2021-06-10 | 137 |
| Jyske Bank 2023-09-07 | 136 |
| Jyske Bank 2026-05-19 | 133 |
| Husqvarna 2024-12-04 | 127 |
| SBAB datum 2020-03-16 | 127 |
| Heimstaden 2022-09-07 | 124 |
| Saab 2023-03-27 | 124 |
| Nibe 2023-09-04 | 122 |
| Länsförsäkringar Bank 2021-04-26 | 117 |
| Castellum 2022-04-14 | 112 |

| | Assessed value, SEKm |
|---|----------------------|
| Länsförsäkringar Hypotek 2024-07-10 | 110 |
| Volvo Hybrid 2020-06-10 | 109 |
| Billerudkorsnäs 2022-02-21 | 108 |
| Landshypotek 2025-12-09 | 108 |
| Castellum 2024-09-20 | 104 |
| Hufvudstaden 2022-08-24 | 104 |
| Castellum 2022-09-01 | 104 |
| Länsförsäkringar Hypotek 2025-09-17 | 104 |
| Kungsleden 2023-03-07 | 103 |
| TVO 2023-01-13 | 103 |
| Arla 2021-05-31 | 103 |
| Hufvudstaden 2023-01-23 | 103 |
| Hemsö 2023-02-08 | 102 |
| Jernhusen 2023-09-19 | 102 |
| Arla Foods 2023-07-03 | 102 |
| Vasakronan 2021-11-15 | 102 |
| Kungsleden 2021-01-18 | 102 |
| RIKSHM 1.16 10/19/22 #MTN Corp 1.16% 221019 | 101 |
| Volvofinans 2022-09-27 | 101 |
| SBAB 2025-11-10 | 101 |
| Volvofinans 2022-11-09 | 101 |
| Hemsö 2022-01-24 | 101 |
| Balder 2023-01-19 | 101 |
| Swedish Match 2022-05-30 | 101 |
| Volvofinans 2023-04-27 | 101 |
| Atrium Ljungberg 2022-11-21 | 101 |
| Länsförsäkringar Bank 2024-03-15 | 100 |
| Postnord 2022-03-14 | 100 |
| Saab 2025-04-09 | 95 |
| Jyske Bank 2021-05-19 | 94 |
| Indutrade 2023-02-23 | 93 |
| Billerudkorsnäs 2022-02-21 | 87 |
| Tele2 2022-03-16 | 87 |
| Akelius 2021-10-04 | 87 |
| Balder 2020-11-20 | 86 |
| Ellevio 2024-02-28 | 85 |
| Sparbanken Rekarne 2023-06-05 | 80 |
| Municipality Finance 2022-04-01 | 76 |
| Volvofinans 2021-10-25 | 76 |
| Sampo 2022-05-23 | 76 |
| Husqvarna 2022-03-01 | 75 |
| Landshypotek 2023-05-25 | 71 |
| TVO 2022-02-15 | 71 |
| Heimstaden Bostad 2021-12-07 | 70 |
| Länsförsäkringar Bank 2024-09-13 | 70 |
| Hufvudstaden 2022-02-21 | 66 |
| Hemsö 2022-05-11 | 64 |
| Sveaskog 2023-10-30 | 64 |
| Sveaskog 2024-03-06 | 59 |
| SBAB 2023-05-15 | 56 |

| | Assessed value, SEKm |
|----------------------------------|----------------------|
| Kungsleden 2022-03-21 | 55 |
| SBAB 2025-11-10 | 54 |
| Ellevio 2024-02-28 | 53 |
| Klövern 2022-04-04 | 52 |
| Castellum 2026-05-06 | 52 |
| Ellevio 2024-02-28 | 51 |
| Nacka Kommun 2023-03-13 | 51 |
| Länsförsäkringar Bank 2028-03-01 | 51 |
| Hexagon 2022-03-10 | 51 |
| Nibe 2021-06-21 | 50 |
| Sampo 2022-05-23 | 50 |
| Hexagon 2023-04-04 | 50 |
| Swedavia datum 2024-11-26 | 50 |
| Balder 2021-07-02 | 50 |
| Electrolux 2023-03-27 | 48 |
| TVO 2020-03-17 | 48 |
| Volvo 2022-11-04 | 45 |
| Swedish Match 2021-09-06 | 42 |
| Volvofinans 2023-03-28 | 41 |
| Nordea | 40 |
| Scania 2022-08-22 | 37 |
| Castellum 2024-05-21 | 36 |
| Rikshem 2023-02-13 | 34 |
| Klövern 2020-06-01 | 33 |
| Saab 2023-03-27 | 32 |
| Volvo 2022-11-04 | 32 |
| Castellum 2025-11-27 | 30 |
| Nibe 2022-04-11 | 26 |
| TVO 2022-02-15 | 25 |
| Husqvarna 2023-02-14 | 23 |
| Billerudkorsnäs 2022-02-21 | 20 |
| Sparbanken Rekarne 2021-05-03 | 20 |

Holdings below an assessed value of SEK 10m and holdings marked for sale or liquidation are excluded.

Fixed-income related funds

| | Assessed value, SEKm |
|--|----------------------|
| Aktia EMD Frontier Fund | 342 |
| ICG Total Credit Fund | 284 |
| M&G Global High Yield ESG Bond Fund | 273 |
| Napier Park European Credit Opportunities Fund | 256 |
| GAM EMD Bond Fund | 256 |
| M&G European Loan Fund | 239 |
| Global Evolution EMD Frontier Fund | 227 |
| Tetragon CLO Equity Fund II | 164 |
| Symphony US Loan Fund | 163 |
| Edelweiss Credit Fund II | 163 |
| Wellington EMD Fund | 161 |
| Nordea International High Yield Bond Fund | 159 |
| Tetragon CLO Equity Fund III | 148 |
| M&G Regulatory Capital Fund | 128 |
| Guggenheim US Loan Fund | 102 |
| Jyske Bank förlagslån | 53 |
| Highland Credit Opportunities Fund | 10 |

Holdings below an assessed value of SEK 10m and holdings marked for sale or liquidation are excluded.

Listed equities

Swedish equity portfolio

| | Assessed value, SEKm |
|---------------------------------|----------------------|
| Atlas Copco | 1,303 |
| Investor | 1,223 |
| Hennes & Mauritz | 849 |
| Volvo | 815 |
| Ericsson | 767 |
| Sandvik | 718 |
| Assa Abloy | 678 |
| Essity | 607 |
| Skandinaviska Enskilda Banken | 598 |
| Svenska Handelsbanken | 597 |
| Telia | 528 |
| Hexagon | 523 |
| Swedbank | 483 |
| Epiroc | 420 |
| Nordea | 409 |
| Astrazeneca | 407 |
| ABB | 391 |
| Alfa Laval | 327 |
| Lundin Petroleum | 287 |
| Ica Gruppen | 262 |
| Tele2 | 260 |
| Skanska | 254 |
| Swedish Match | 252 |
| Balder | 228 |
| Electrolux | 220 |
| SKF | 214 |
| Boliden | 205 |
| Securitas | 195 |
| Castellum | 183 |
| Millicom International Cellular | 171 |
| Kinnevik | 163 |
| SCA | 155 |
| Fabege | 153 |
| Trelleborg | 149 |
| Evolution Gaming | 141 |
| Swedish Orphan Biovitrum | 139 |
| Elekta | 137 |
| Getinge | 134 |
| Saab | 127 |
| Industrivärden | 124 |
| Intrum | 112 |
| Autoliv | 107 |
| Husqvarna | 105 |
| Axfood | 104 |
| SSAB | 97 |
| Hexpol | 90 |
| Dometic Group | 75 |
| Billerud Korsnäs | 65 |
| Kindred | 56 |
| Stora Enso | 46 |
| NCC | 38 |
| Veoneer | 33 |
| Arjo | 25 |
| Modern Times Group | 23 |
| Traton | 23 |
| Betsson | 14 |
| EQT | 11 |

Global equities – base portfolio

| | Assessed value, SEKm |
|------------------------------|----------------------|
| Apple | 531 |
| Microsoft | 437 |
| Alphabet | 314 |
| Amazon | 280 |
| Facebook | 194 |
| Jpmorgan Chase & Co | 167 |
| Bank Of America | 143 |
| Johnson & Johnson | 141 |
| Procter & Gamble | 139 |
| Visa | 138 |
| Walt Disney | 133 |
| Mastercard | 119 |
| At&T | 114 |
| Nestle | 114 |
| Intel | 113 |
| Home Depot | 112 |
| Unitedhealth Group | 111 |
| Verizon Communications | 98 |
| Merck & Co | 98 |
| Citigroup | 95 |
| Cisco Systems | 90 |
| Coca-Cola | 90 |
| Chevron | 88 |
| Pepsico | 86 |
| Adobe | 86 |
| Berkshire Hathaway | 84 |
| Bristol-Myers Squibb | 83 |
| Comcast | 83 |
| PNC Financial Services Group | 82 |
| Nextera Energy | 80 |
| Nike | 79 |
| Amgen | 78 |
| Roche Holding Ag-Genusschein | 77 |
| Costco Wholesale | 76 |
| Pfizer | 74 |
| Accenture | 73 |
| Salesforce | 70 |
| Thermo Fisher Scientific | 70 |
| Nvidia | 69 |
| Starbucks | 69 |
| Abbott Laboratories | 68 |
| Union Pacific | 67 |
| Transdigm Group | 67 |
| 3M | 67 |
| Mcdonald'S | 66 |
| Oracle | 66 |
| IBM | 66 |
| Texas Instruments | 66 |
| Paypal Holdings | 65 |
| Novartis | 65 |
| Toyota Motor | 65 |

| | Assessed value, SEKm |
|----------------------------------|----------------------|
| Aia Group | 65 |
| Medtronic | 64 |
| LVMH Moet Hennessy Louis Vuitton | 63 |
| Marsh & McLennan Companies | 62 |
| Netflix | 62 |
| Linde | 60 |
| Qualcomm | 60 |
| American Express | 60 |
| American Tower Corp | 59 |
| Caterpillar | 59 |
| Eli Lilly & Co | 58 |
| S&P Global | 58 |
| HSBC Holdings | 57 |
| Lowe'S Companies | 57 |
| ASML Holding Nv | 56 |
| Booking Holdings | 56 |
| Conocophillips | 56 |
| Eversource Energy | 56 |
| Goldman Sachs Group | 55 |
| Morgan Stanley | 55 |
| Kansas City Southern | 54 |
| Cigna | 54 |
| Diageo | 54 |
| Abbvie | 54 |
| SAP | 53 |
| Ingersoll-Rand | 53 |
| Intuit | 53 |
| Tjx Companies | 53 |
| Kimberly-Clark | 53 |
| Us Bancorp | 53 |
| Autodesk | 53 |
| Humana | 52 |
| Equinix | 52 |
| Kinder Morgan | 51 |
| Astrazeneca | 51 |
| Air Products & Chemicals | 50 |
| Applied Materials | 49 |
| Becton Dickinson And Company | 49 |
| Illinois Tool Works | 49 |
| Norfolk Southern | 49 |
| Total | 49 |
| BP | 49 |
| Colgate-Palmolive | 48 |
| Sumitomo Mitsui Financial Group | 48 |
| Hong Kong Exchanges & Clear | 48 |
| State Street | 48 |
| CSL | 48 |
| Wesfarmers | 48 |
| Te Connectivity | 48 |
| Servicenow | 48 |
| Regency Centers | 48 |

Global equities – base portfolio

| | Assessed value, SEKm |
|--|----------------------|
| Taylor Wimpey | 48 |
| Broadcom | 47 |
| Bank Of New York Mellon | 47 |
| Sysco | 47 |
| PPG Industries | 47 |
| Mondelez International | 46 |
| CSX | 46 |
| Gilead Sciences | 46 |
| Glaxosmithkline | 46 |
| Zoetis | 46 |
| CVS Health | 45 |
| Zurich Insurance Group | 45 |
| Camden Property Trust | 45 |
| Schneider Electric | 45 |
| First Republic Bank | 45 |
| Parker Hannifin | 45 |
| Estee Lauder | 45 |
| Mitsui & Co | 44 |
| Carlsberg | 44 |
| Chubb | 44 |
| Aon | 44 |
| Vertex Pharmaceuticals | 44 |
| Experian | 44 |
| Charter Communications | 43 |
| Eaton | 43 |
| United Parcel Service | 43 |
| Royal Bank Of Canada | 43 |
| Keyence | 42 |
| Schlumberger | 42 |
| Novo Nordisk | 42 |
| Danaher | 42 |
| Air Liquide | 42 |
| DSV Panalpina | 42 |
| Sanofi | 42 |
| IDEXX Laboratories | 42 |
| HCA Healthcare | 42 |
| Fortis | 41 |
| Hitachi | 41 |
| Axa | 41 |
| Mitsubishi Ufj Financial Group | 41 |
| Takeda Pharmaceutical | 41 |
| Allianz | 40 |
| Fiserv | 40 |
| Sherwin-Williams | 40 |
| Progressive | 40 |
| Johnson Controls International | 40 |
| CME Group | 40 |
| Sony | 40 |
| Siemens | 40 |
| Roper Technologies | 40 |
| Laboratory Corporation of America Holdings | 39 |

| | Assessed value, SEKm |
|-------------------------------|----------------------|
| Weyerhaeuser | 39 |
| CAE | 39 |
| Schindler Holding-Part Cert | 39 |
| Charles Schwab | 39 |
| Legrand | 39 |
| Rio Tinto | 39 |
| Ross Stores | 39 |
| Rockwell Automation | 39 |
| Tokio Marine Holdings | 39 |
| Toronto-Dominion Bank | 39 |
| Adidas | 39 |
| SSE | 39 |
| Enel | 39 |
| L'Oreal | 38 |
| National Retail Properties | 38 |
| Allergan | 38 |
| ABB | 38 |
| Manulife Financial | 38 |
| BASF | 38 |
| Koninklijke Philips | 38 |
| Micron Technology | 38 |
| Woolworths Group | 38 |
| Lloyds Banking Group | 38 |
| Deere & Co | 38 |
| Inter Pipeline | 37 |
| Honda Motor Co | 37 |
| Mizuho Financial Group | 37 |
| Ebay | 37 |
| Dominion Energy | 37 |
| Amphenol | 37 |
| O'Reilly Automotive | 37 |
| Biogen | 37 |
| Analog Devices | 37 |
| Welltower | 36 |
| Las Vegas Sands | 36 |
| Celanese | 36 |
| Sumitomo Realty & Development | 36 |
| Canadian National Railway | 36 |
| Metlife | 36 |
| Public Service Enterprise | 36 |
| BNP Paribas | 35 |
| Aviva | 35 |
| Verisk Analytics | 35 |
| Advanced Micro Devices | 35 |
| Suncor Energy | 35 |
| Anthem | 35 |
| Emerson Electric | 35 |
| Williams Companies | 35 |
| Prudential | 35 |
| National Grid | 35 |
| General Mills | 35 |

Global equities – base portfolio

| | Assessed value, SEKm | | Assessed value, SEKmr |
|---|----------------------|---------------------------------|-----------------------|
| UPM-Kymmene | 35 | Mitsubishi Electric | 28 |
| Valero Energy | 34 | Halliburton | 28 |
| Secom Co | 34 | CK Asset Holdings | 27 |
| Stryker | 34 | Heineken | 27 |
| Relx | 34 | Enagas | 27 |
| ING Groep | 34 | Nippon Steel & Sumitomo Metal | 27 |
| Bank Of Nova Scotia | 34 | HP | 27 |
| Activision Blizzard | 34 | Anheuser-Busch Inbev | 27 |
| CGI | 34 | Simon Property Group | 27 |
| Sumitomo Electric Industries | 34 | Canon | 27 |
| Banco Santander | 34 | Dupont de Nemours | 27 |
| Shin-Etsu Chemical | 33 | Daiwa House Industry | 26 |
| Sandvik | 33 | Woodside Petroleum | 26 |
| Baxter International | 32 | Nidec | 26 |
| Walgreens Boots Alliance | 32 | Banco Bilbao Vizcaya Argentaria | 25 |
| Vonovia | 32 | Volvo | 25 |
| Pernod Ricard | 32 | Unilever PLC | 25 |
| Illumina | 32 | Spark New Zealand | 25 |
| Unibail Rodamco Westfield | 32 | Glencore | 24 |
| National Australia Bank | 32 | Occidental Petroleum | 24 |
| Canadian Natural Resources | 31 | United Overseas Bank | 24 |
| Nordea Bank | 31 | Galaxy Entertainment Group | 24 |
| Devon Energy | 31 | Orsted | 24 |
| NTT Docomo | 31 | Shiseido | 24 |
| Air Water | 31 | Koninklijke Ahold Delhaize | 23 |
| Unilever NV | 31 | Henkel Ag & Co Kgaa | 22 |
| Church & Dwight | 30 | National Oilwell Varco | 22 |
| Deutsche Post | 30 | Digital Realty Trust | 22 |
| Westpac Banking | 30 | Unicredit | 22 |
| Kao | 30 | Industria De Diseno Textil | 22 |
| Softbank Group | 30 | Bayerische Motoren Werke | 22 |
| Boston Properties | 30 | Eni | 21 |
| Pioneer Natural Resources | 30 | Oil Search | 21 |
| DBS Group Holdings | 30 | Orange | 20 |
| Australia And New Zealand Banking Group | 30 | Dassault Aviation | 20 |
| Reckitt Benckiser Group | 30 | Exelon | 20 |
| Constellation Brands | 30 | JFE Holdings | 20 |
| Bridgestone | 29 | Panasonic | 20 |
| Cognizant Tech Solutions | 29 | Telefonica | 18 |
| EOG Resources | 29 | Dow | 17 |
| Engie | 29 | Equinor | 15 |
| Nintendo | 29 | Vermilion Energy | 15 |
| Intesa Sanpaolo | 29 | Corteva | 10 |
| Vodafone Group | 29 | | |
| Fedex | 28 | | |
| Vornado Realty Trust | 28 | | |
| Standard Chartered | 28 | | |
| J.B. Hunt Transport Services | 28 | | |
| Corning | 28 | | |
| Daimler | 28 | | |

Holdings below an assessed value of SEK 10m and holdings marked for sale or liquidation are excluded.

Equity funds

| | Assessed value, SEKm |
|--|----------------------|
| SSGA Emerging Markets SRI Enhanced Equity Fund | 3,100 |
| SSgA Multifaktor Global ESG Equity Fund | 1,053 |
| SHB Global Småbolag Index Criteria | 646 |
| Montanaro European Smaller Companies | 510 |
| Banque de Luxembourg European Equity | 329 |
| JPMorgan European Small Cap Equity Fund | 244 |

| | Assessed value, SEKm |
|--|----------------------|
| RBC Emerging Markets Equity Fund | 229 |
| JPMorgan Emerging Markets Opportunities Fund | 210 |
| Goldman Sachs China Fund | 196 |
| Nordea Stable Emerging Markets Equity Fund | 163 |
| Montanaro European Mid Cap Fund | 139 |

Unlisted holdings and alternative funds

| | Assessed value, SEKm |
|--|----------------------|
| Fastighets AB Stenvalvet | 2,744 |
| Svenska Handelsfastigheter | 1,356 |
| Midstar Hotels AB | 1,109 |
| JPMorgan Infrastructure Investments Fund | 1,040 |
| Gysinge Skog AB | 738 |
| Sveafastigheter Hemvist AB | 575 |
| Rockspring German Retail Box Fund | 517 |
| Antin Infrastructure Partners Fund III | 489 |
| Bridge Debt Strategies II | 464 |
| White Peak Real Estate IV | 439 |
| Antin Infrastructure Partners Fund II | 434 |
| Perella Weinberg Real Estate III | 428 |
| Nyfosa AB | 381 |
| Welsh, Cason, Anderson & Stowe XII | 347 |
| Warburg Pincus Private Equity XII | 342 |
| Profi Fastigheter IV | 328 |
| Molpus Woodlands Fund IV | 322 |
| Cubera VIII | 308 |
| Bergviks Skog AB | 303 |
| Perella Weinberg Real Estate Fund II | 297 |
| Global Energy & Power Infrastructure Fund II | 283 |
| Newbury Equity Partners III | 271 |
| Landmark Real Estate Partners VII | 269 |
| Newbury Equity Partners IV | 267 |
| Southern Pastures Limited Partnership | 252 |
| Molpus Woodland Fund III | 246 |
| Infrared Active Real Estate Fund IV | 236 |
| Energy & Minerals Group Fund III | 224 |
| AlpInvest PE mandate | 205 |
| EQT VIII | 183 |
| Cheyne Real Estate Credit holdings Fund III | 174 |
| ACM Permanent Crops | 173 |
| Bridge Debt Strategies III | 167 |

| | Assessed value, SEKm |
|--|----------------------|
| Sixth Civen Fund | 157 |
| Portfolio Advisors Secondary Fund II | 153 |
| Areim Fastigheter 2 | 146 |
| White Peak Real Estate III | 145 |
| GMO Horizon Forestry Fund | 143 |
| ACMII Investor LP | 117 |
| Gottex Real Asset Fund | 116 |
| Portfolio Advisors Private Equity Fund V | 115 |
| PW Growth Equity Fund II | 108 |
| TA Associates XI | 105 |
| Infrared Aactive Real Estate Fund III | 97 |
| Aermont Capital Fund IV | 86 |
| Cheyne Real Estate Credit holdings Fund | 77 |
| Goldman Sachs Infrastructure | 76 |
| Global Energy & Power Infrastructure Fund III | 64 |
| Warburg Pincus Global Growth | 60 |
| Triton III Fund | 55 |
| Apollo Investment Fund IX | 54 |
| Portfolio Advisors Pan Asia Fund II | 52 |
| EMG Midstream & Resources | 41 |
| Advent GPE IX-A | 38 |
| Advent GPE VI-A | 37 |
| Goldman Sachs Capital Partners VI Private Equity | 35 |
| White Peak Real Estate II | 34 |
| Portfolio Advisors Secondary Fund | 32 |
| Forest Fund Brazil | 28 |
| Goldman Sachs Vintage Fund V | 25 |
| Global Infrastructure Partners | 19 |
| Antin Infrastructure Partners Fund IV | 15 |
| Siguler Guff CORE plus II | 11 |

Holdings below an assessed value of SEK 10m and holdings marked for sale or liquidation are excluded.

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