



FOR GOVERNMENT EMPLOYEES



KÅPAN TJÄNSTEPENSIONSFÖRENING

Sustainability Report 2023



We have chosen to use the leaves of Lady's Mantle as a symbol. Lady's Mantle is easily recognised from its unique fan-shaped leaf rosette. In the centre of the rosette, water drops collect in the early morning to form a shimmering pearl.

The drops are formed during the night when the leaves exude water taken up through the roots by guttation and are not dew.

Innehåll

Sustainability Report	2
Investment	4
Insurance	22
Organisation	26
List of holdings	32
Auditor's opinion regarding the statutory Sustainability Report	42

Presenting Kåpan

Kåpan tjänstepensionsförening (Government Employees Pension Fund) manages defined contribution pensions for government employees. The Society offers traditional pension insurance with a guaranteed growth in value at the lowest possible cost. The Society distributes its surplus and deficit from asset management as monthly bonus interest.

The insurance products that the Society offers are the occupational pension insurances Kåpan Tjänste, Kåpan Valbar, Kåpan Extra, Kåpan Flex and Kåpan Aktieval. All insurances are part of the pension agreement PA 16 in the government agreement area and membership of the Society requires the person to be covered by this agreement.

The Society's goal is to provide its members with good long-term returns on their pension capital within the framework of balanced risk. We strive to promote environmental and social characteristics in the investments and conduct responsible and sustainable asset management.

Sustainability Report

Kåpan tjänstepensionsförening manages collectively agreed occupational pensions for persons who are or have been public sector employees. The aim of operations is to provide good long-term stable pensions to members through efficient and responsible asset management.

Kåpan tjänstepensionsförening (hereafter Kåpan, or the Society) has been tasked by the parties to collective agreements in the government agreement sector with managing the compulsory components of 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 900,000 members.

Kåpan's operations are governed by its statutes, internal policy documents and current legislation as well as regulations and general advice from the Swedish Financial Supervisory Authority.

Kåpan's sustainability work

The Society aims to deliver long-term stable pensions to its members at the lowest possible cost while at the same time contributing to long-term sustainable development in society. To achieve this, Kåpan takes into account environmental, social and corporate governance aspects of operations and in asset management (also called sustainability factors or the English acronym ESG).¹

Kåpan's sustainability work is based on external and internal regulations. It is primarily the Society's sustainability policy, investment guidelines and ownership policy that govern sustainability work.

The Society's sustainability initiatives are split into three areas: investment, insurance and organisation. The Society's aim is to make responsible and sustainable investments, deliver secure and traditional insurance, and safeguard internal sustainability work.

¹ 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.

Extended disclosure requirements sustainability 2023

Since March 2021 the EU's Sustainable Finance Disclosure Regulation (SFDR) applies which regulates how financial actors shall report sustainability. During 2023 SFDR was extended with disclosure requirements at product level. The Society offers a number of insurances all of which are part of one and the same product, Kåpan traditional insurance, which the Society has chosen to classify as an Article 8 product (i.e. it promotes sustainability-related characteristics but does not have these as an overall goal). This means that the Society must provide a report according to templates decided by the EU Commission. The Society has published these on its website and as an appendix to the Society's annual report for 2023 called "Periodic disclosures".

The following documents can be found on the Society's website:

- Sustainability-related disclosures traditional insurance
- Pre-sale information sustainability traditional insurance
- Report on investment decisions' principal negative consequences for sustainability factors
- Disclosure regulation
- Sustainability policy

In addition to these documents related to reporting requirements, there is further in-depth information on the Society's sustainability work which complements the sustainability report on [kapan.se](https://www.kapan.se).



Investment

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



Insurance

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



Organisation

Thrifty use of resources, consideration for the environment, an equal-opportunity workplace and promoting good business ethics.

Kåpan's sustainability work – summary

The Society's sustainability work is presented in its entirety in this sustainability report starting with an overall summary of strategy and outcomes for 2023.

Investment

Strategy	Outcome 2023
Kåpan tries as far as possible to avoid investing in companies that breach The UN Global Compact and the OECD Guidelines for Multinational Enterprises.	Kåpan's assessment is that two companies in the directly-owned equity portfolio have breached agreements. A dialogue has been started with these companies as a first step in Kåpan's escalation process.
Kåpan does not invest in holdings involved with controversial weapons.	No holdings.
Kåpan avoids investing in government bonds issued by nations that are judged to deny their citizens basic democratic rights.	No holdings.
Kåpan strives to invest in companies, bonds and funds that have a high sustainability profile and actively work to achieve a transition to sustainable operations.	The listed equity portfolio's total ESG ranking is 7.4 out of 10. The proportion of green bonds amounts to 12.8% of the bond portfolio.
Kåpan supports the Paris Agreement and has as a long-term goal that the greenhouse gas emissions of our measurable investments shall be net zero by 2045 at the latest.	Listed holdings' carbon footprint (portfolio weighted) has fallen from the previous year. Equities –19% Fixed income –46%.
Kåpan does not invest in companies with more than 5% of sales from coal and oil (extraction, processing and refining, as well as energy production).	Three companies exceeded the limit but Kåpan considers these to be transitioning companies.
Kåpan acts responsibly by advocating when possible for positive change within environment, social factors and corporate governance within the investments.	Kåpan voted at 164 general meetings and participated in 130 advocacy dialogues as well as participating in six advisory boards within alternative investments.

Insurance

Strategy	Outcome 2023
Kåpan shall offer low charges.	0.05% of insurance capital.
Balance between the Society's commitments, assets and risk.	Solvency ratio 246% (245).
Kåpan measures customer satisfaction.	4.7 out of 5.
Thrifty use of resources and consideration for the environment.	Reduced paper mailshots corresponding to 126 trees (approximately 6.8 tonnes CO ₂ e).

Organisation

Strategy	Outcome 2023
Kåpan shall be an equal-opportunity employer.	The Society has gender equality throughout (board, management and employees).
Thrifty use of resources and consideration for the environment.	Green leases on the Society's premises (green electricity, waste sorting, cycle garage, charging points for electric vehicles, beehives on the roof). Business travel should as far as possible be by train.
Promote good business ethics.	All personnel attend training in business ethics annually.



Investment

Responsible asset management

Kåpan's most important aim is to deliver a long-term stable pension to our members. The Society's investments are made based on achieving a good return at reasonable risk, low cost and where sustainability is an integrated part of investment management.

Kåpan works with investments in different asset classes to spread risks and increase opportunities for long-term stable returns. Sustainability is integrated into the entire investment process and the Society works with sustainability in all asset classes but in different ways since the conditions are different. The Society's asset distribution is described below together with our process for integrated sustainability work and the outcome of this during 2023.

Distribution of assets

The Society's managed assets at year-end amounted to just over SEK 147 billion. Management is focused on investments in equities, fixed-income securities and property.

Investments in equities are primarily listed holdings mainly managed in-house. A smaller part is invested in unlisted holdings in various types of venture capital funds.

Fixed-income securities are mainly Swedish bonds with a high level of security but also include a small number of foreign fixed-income instruments through various fixed-income funds.

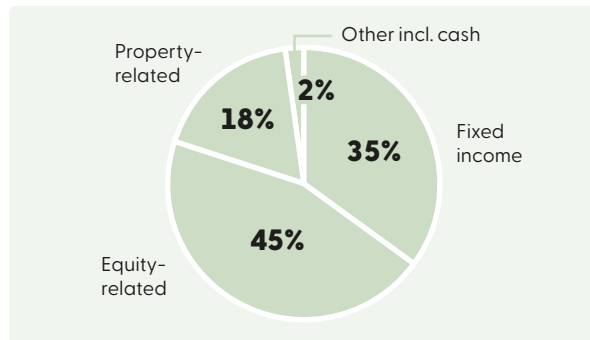
The Society's property-related investments comprise our wholly-owned subsidiary, Kåpan Fastigheter as well as other unlisted holdings in commercial properties, forest and land as well as infrastructure investments through various funds.

The bands according to the investment guidelines decided by the Board in October 2023 are:

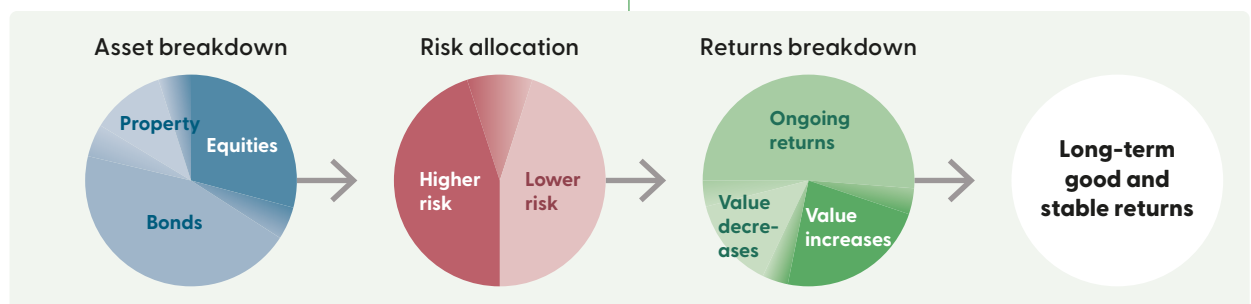
- Equities or equity-related asset class minimum 30% and maximum 50%.
- Bonds and other fixed-income securities minimum 30% and maximum 65%.
- Property-related investments minimum 15% and maximum 25%.

Taken overall, this approach to investment means that almost half the capital is placed at low risk in fixed-income securities and the remaining half in equities that have a higher risk. 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.

Distribution of Kåpan's assets at year-end



Kåpan's asset management model



Kåpan's sustainability work – starting point

Kåpan's work with sustainability is based on the Society's sustainability policy and investment guidelines decided by the Board.

Our investments must comply with a number of basic principles widely rooted in Swedish society based on decisions made by the Swedish parliament and government. The starting point is that companies respect human rights, labour laws, the environment and anti-corruption measures based on the principles in the UN Global Compact and OECD Guidelines for Multinational Enterprises as well as not being involved in the manufacture or distribution of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons and nuclear weapons) according to the Oslo and Ottawa Conventions. In addition, the UN Sustainable Development Goals, Agenda 2030, provide guidelines for investment management as well as the UN principles for responsible investment (UN PRI).

For an in-depth description of international principles and conventions, see page 21.

Process for sustainability work in investment operations

The Society continuously screens the listed holdings, both our existing listed holdings and when making new investments. We check that the holdings do not breach the global norms and conventions that the Society supports and that the holdings do not breach the Society's other exclusion criteria. In addition, we work with dialogue and advocacy aimed at influencing companies and external managers in the right direction and improving their sustainability work. Our Sustainability Committee regularly handles the results of screening and advocacy and decides if we need to take action from a sustainability perspective. The basic attitude is that as investors we can be more useful by investing in companies and thus be involved and influence and contribute to an improvement. In those cases where a dialogue does not give results or is judged to be a waste of effort, the company is divested.

Norm-based screening

The Society's guidelines are not to invest in companies that breach global standards and guidelines relating to the environment, human rights, working conditions and anti-corruption as well as companies that are involved in the manufacture or distribution of controversial weapons. To ensure that investments do not breach these norms and guidelines the Society screens the listed holdings. Screening takes place continually four times a year as well as for new investments or if there is a special need. Screening is based primarily on the UN Global Compact and OECD Guidelines for Multinational Enterprises as well as the Oslo and Ottawa Conventions.

Outcome 2023

At the screening at the end of December 2023 there were two companies in the listed equity portfolio which were assessed as breaching international norms. Starbucks was flagged during the year for labour law reasons in the USA and Amazon was primarily flagged since 2022 due to corruption in Italy, but the company also has a number of suspected labour law cases in several countries that go back several years.

Action: Amazon and Starbucks have been placed on Kåpan's watch list which means that development in the companies follows fixed escalation routines (see below under exclusion). An advocacy dialogue was started with Amazon in 2022 but so far the response from the company has been inadequate and no action has been taken by the company. An advocacy dialogue was started with Starbucks in 2023 and the response from the company has been positive with steps being taken to achieve an improvement.

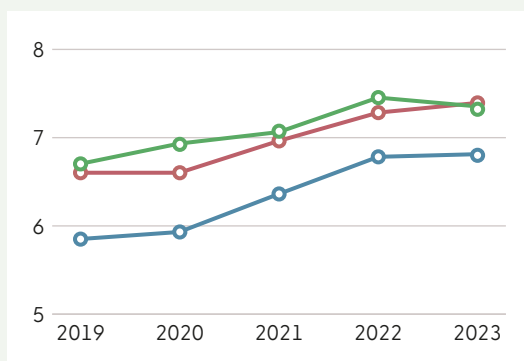
The Society uses ISS ESG as an external supplier for norm-based screening and screening for controversial weapons, a partner in advocacy dialogues and for proxy voting.

Positive selection – screening

Kåpan strives to invest in companies and funds that have a high sustainability profile or which can show an ambitious aim to work towards a sustainable transition. Depending on the type of asset class, the Society has different strategies and tools for achieving this. For listed companies we use positive screening where we primarily screen our equity holdings. Kåpan uses ESG Ratings (sustainability ranking) according to the method from analysts MSCI. This method aims to measure a company's resilience to long-term economically relevant sustainability risks and opportunities by ranking and assessing companies in the same sector 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. Within corporate governance the board composition, remuneration, ownership structure, reporting and business ethics are analysed and assessed.

We strive to invest in companies that actively manage these sustainability risks and opportunities and thus receive a high sustainability rating compared with others

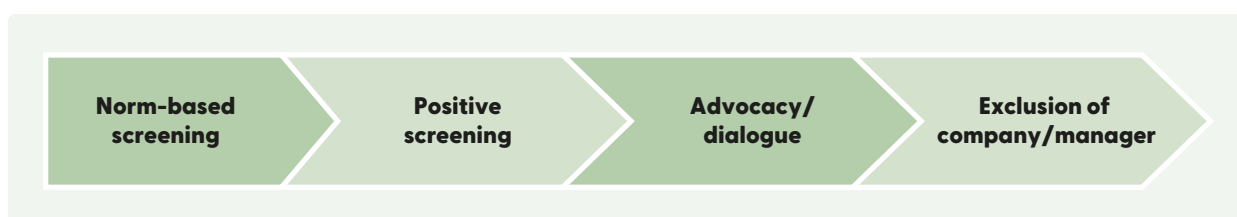
Development of ESG rating, listed equities



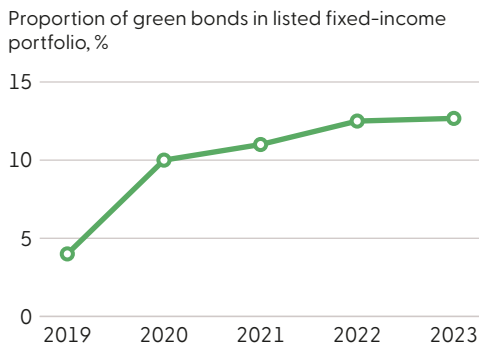
Source: MSCI ESG research, ESG Portfolio Analytics

● Kåpan
● MSCI ACWI ESG Universal
● MSCI ACWI

Kåpan's process for sustainability work in investment operations



Example of positive selection, other investments



in the same sector just as we avoid investing in companies with the lowest sustainability ranking.

For investments that do not have a sustainability ranking a positive selection is made in the investment process based on other factors such as sustainability labeling, an increased mandate to invest in green and social bonds, significant investments in renewable energy, a significant holding of forest and land (primarily certified Swedish forestry) and that the Society has a major exposure to socially beneficial properties.

Outcome 2023

Since the Society switched to managing the majority of the equity portfolio in-house, the aim has been that the sustainability rating shall improve over time and that the portfolio's weighted average sustainability rating should be higher than our chosen sustainability screened index, MSCI ACWI ESG Universal. For the past two years we have achieved a sustainability rating over 7 out of 10. Given our allocation model, we consider this to be a reasonable level for the sustainability rating, but we will review the Society's target for sustainability rating during the year.

Advocacy

Advocacy is a key part of the Society's shareholder engagement and varies depending on the investment and its size. The work includes advocacy through dialogues, voting at general meetings, membership of nomination committees, board assignments, and participation in advisory committees. Advocacy dialogues are carried out in different ways. They can take the form of direct dialogues which the Society initiates itself, but in most cases advocacy dialogues take place in collaboration with our supplier ISS ESG and other investors. The dialogues are mostly reactive and initiated by suspicion of or verified failure to respect the international norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The aim of these dialogues is to ensure that companies

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. Their sustainability rating is on a scale from 0–10 where 10 is the best rating. Every company in a given sector is evaluated from a number of factors which gives a final rating linked to an alphabetical rating from CCC to AAA.

Alphabetical rating	ESG rating
AAA	8.6–10
AA	7.1–8.6
A	5.7–7.1
BBB	4.3–5.7
BB	2.9–4.3
B	1.4–2.9
CCC	0.0–1.4

remedy the defects and take action to prevent similar incidents occurring again.

In general, the Society votes at general meetings in those companies where the Society's ownership stake exceeds 0.1% of the votes in the company or where important issues of principle will be addressed at the general meeting. In most cases voting is by proxy. The Society is often a minor owner in each company which means that participation in boards and nomination committees is restricted to a few companies where Kåpan has a larger shareholding. In some of the Society's unlisted holding within venture capital and property, we take key owner responsibility by participating in the funds' advisory boards. We work in these boards with knowledge support 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.

Outcome 2023

Kåpan's advocacy dialogues. During 2023 the Society held advocacy dialogues with 130 companies in cooperation with other investors. In some companies dialogues were held about several norm-related incidents and 193 incidents were raised with these companies.

The response rate was high. About 65% of companies answered. For the majority of answers and the ensuing dialogues the quality of responses was acceptable. Most of the dialogues were related to human rights and working conditions where the dialogues focused among other things on the companies' shortcomings and breaches in respecting consumers' integrity and handling of cybersecurity.

Dialogues have also been initiated due to various types of gender discrimination and inadequate trade-union rights. Of those dialogues related to breaches of global environmental norms just over 50% were associated with biodiversity primarily deforestation, pollution (water, air and land) as well as waste management.

Kåpan's voting. The Society voted at all 60 companies in the Swedish equities portfolio and the 100 largest holdings in the global directly owned equities portfolio. For these companies the Society voted at 156 annual meetings and 8 extraordinary general meetings. The companies at which the Society voted account for 72% of the market value of directly owned equities. The Society chose to vote exclusively by electronic proxy using ISS ESG's platform for proxy voting. ISS ESG provides an electronic voting platform where we consider their analyses and voting recommendations. We make our own assessments and decide if we will vote according to ISS's proposals and recommendations. During the annual meeting season 2023 the Society voted in accordance with ISS ESG's recommendations at all meetings with the exception of some agenda items at Nyfosa's and Ericsson's annual meetings. The Society also voted against ISS's recommendation related to a shareholder proposal in Costco Wholesale Corporation.

For a more in-depth description of the Society's shareholder engagement, please see the report *Aktieägar-engagemang 2023* on [kapan.se](https://www.kapan.se)

Exclusion

The basic position is that Kåpan can be more useful investing in companies and thus being able to have an influence than refraining or excluding and thus having no possibility to influence or be able to contribute to improvement. The Society has created an action plan (escalation order) which above all specifies how we handle listed companies which breach global norms. When a company is flagged for breaching global norms (or exceeding limits for other exclusion criteria) a dialogue is started. Subsequently influence is applied at general meetings which then provide the basis for a final analysis. If the company has not taken action for improvement, the last resort is to divest the holding. The process can take up to three years. If the holding has little weight in the portfolio and therefore has little significance from a risk perspective, it is instead normally divested as quickly as possible.

Kåpan's exclusion criteria include:

- Companies that breach international norms.
- Coal and oil, companies where more than 5% of sales come from extraction, energy production, processing and refining of coal and oil.¹
- Tobacco, companies where more than 5% of sales come from production or distribution of tobacco.
- Companies with the lowest sustainability ranking in their sector (MSCI ESG – CCC rating).
- Government bonds issued by nations that have not adopted basic democratic principles.

Outcome 2023

During the year the Society divested one company which breached the exclusion criteria above (increased revenue from oil production).

Sustainability process for unlisted holdings

In addition to investments in listed holdings, the Society has investments in unlisted equity holdings in various types of venture capital funds and global fixed-income funds. In property we invest primarily in unlisted companies with commercial properties, forest and land, and infrastructure through different funds. Our internal managers have close regular contact with the managers of these holdings and funds and sustainability is now part of the investment process. To ensure as far as possible conformance with basic sustainability criteria even in these unlisted holdings, sustainability issues are handled in an initial due diligence process 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 fund managers' strategy and for there to be a long-term approach to these issues. We continuously monitor the funds' agenda for improving and developing efforts with and responsibility for sustainability issues. During the year the Society has started to review how we acquire and follow up sustainability data for the unlisted holdings in a structured manner. This work will continue in 2024.

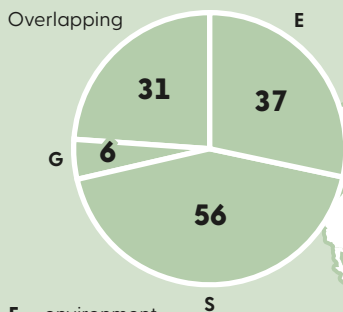
¹ With reservation for three companies which we currently assess to be transition companies. Assessment of which companies are transition companies can be updated based on the companies' climate work and actions.

Kåpan's shareholder engagement 2023

Advocacy dialogues	Owner governance			
In cooperation with other investors	Nomination committees	Board assignments (no listed companies)	Voting at general meetings (proxy voting)	Advisory boards
130	0	5	164	6

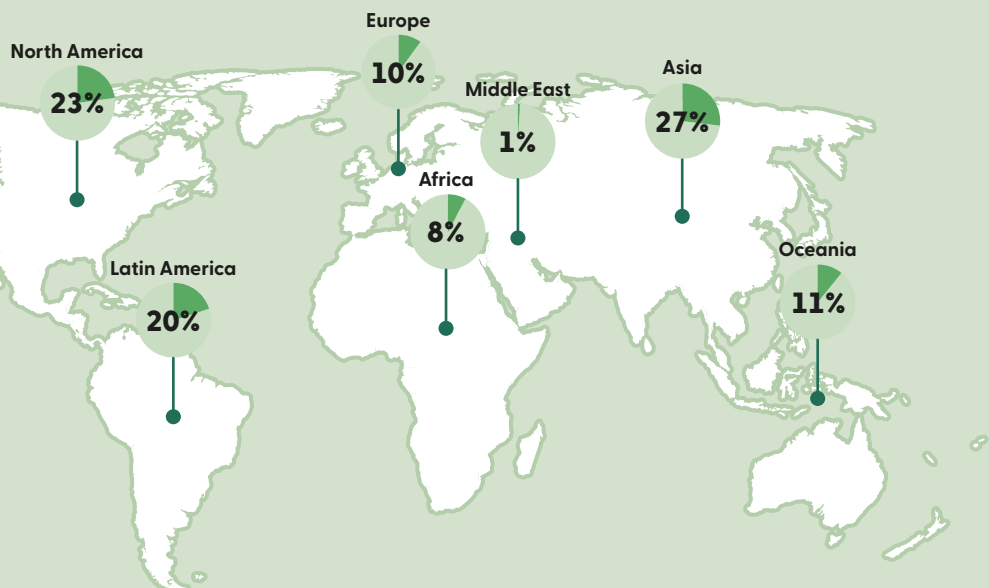
Advocacy dialogues

Dialogues, number



E – environment
S – social issues
G – corporate governance

Geographic distribution



Voting 2023

Summary

Number of annual meetings	164
Share of direct-owned holdings' market value	72%
Number of agenda items	3,732
Share of votes for boards' proposals	89%
Share of votes against boards' proposals	11%
Number of shareholder proposals	265
Number of votes against ISS Sustainability policy	19

Geographic distribution of annual meetings

Country	Share
USA	48%
Sweden	33%
Europe	16%
Canada	2%
Asia	1%
	100%

Other advocacy work, initiatives and collaborations

For skills exchange and development of our sustainability work as well as, together with other investors, to have greater opportunities to influence companies, the Society has joined several organisations and collaborations within sustainability.

UN Principles for Responsible Investment, UN PRI

Since 2020 Kåpan has been a signatory to the UN Principles for Responsible Investment (UN PRI). This means that we commit to integrating the six principles into our operations and report annually the results of this work using a method and template set by UN PRI. As signatories we can also encourage our portfolio companies and fund managers to improve their own performance within responsible investments.

Read more about UN PRI at unpri.org

Signatory of:



Task Force on Climate-related Financial Disclosures, TCFD

Kåpan supports the TCFD initiative. TCFD is a set of recommendations to companies and investors for how operational climate-related financial risks and opportunities should be reported.

Read more at tcfd.org



Sweden's Sustainable Investment Forum, SWESIF

An independent, not-for-profit network for organisations that work with sustainable investments in Sweden. Through membership of Swesif we learn more and monitor developments with sustainability work in the sector as well as becoming involved in lobbying centred on sustainability issues.

Read more at swesif.org



The Occupational Pension Fund Association

Kåpan 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 climate impact of investments

We support the climate goals of the Paris Agreement to limit global warming and the Society has set a long-term objective that the carbon footprint from our measurable investments shall be net zero by 2045 at the latest. In order to ensure that we achieve this and provide transparent reporting of development, we have set targets for our climate work. The carbon footprint shall decrease by at least 20 percentage points in each five-year period from 2016

In order to achieve these climate targets we work with several solutions within the investment operations and during the year we have placed a greater focus in our management model on reducing the carbon footprint of the investments. Within the directly owned companies, we invest to the greatest possible extent in companies that are working to reduce their carbon footprint. One key measure is also to invest in companies that are developing solutions and technologies that can reduce the global carbon footprint over time. In recent years we have therefore increased the proportion of green bonds in the fixed-income portfolio which means financing operations that have a specific goal to achieve a reduced negative impact on climate and the environment. Within alternative investments, we have had a significant holding of forest and land for several years now and in recent years we have increased our investments within renewable energy which is of decisive significance in the climate transition and the possibility of achieving the Paris Agreement's climate goals.

Reporting of climate-related risks and opportunities

For several years, Kåpan has integrated the work of identifying, assessing, and managing climate-related risks and opportunities in its investment management and has reported regularly on this work. Kåpan supports the Task Force on Climate-related Financial Disclosures (TCFD) framework and has adapted reporting of our work with climate-related risks and opportunities to meet the recommendations in the framework. TCFD's recommendations focus on the financial impacts climate-related risks and opportunities can have on our investments. Kåpan's intention with this reporting is to improve our knowledge, management and reporting of climate-related risks and opportunities and therefore also offer greater transparency to our stakeholders.

Reporting in accordance with TCFD

In accordance with TCFD's recommendations, Kåpan reports climate-related risks and opportunities in the following four categories:

- 1. Governance** of climate-related risks and opportunities.
- 2. Strategies** related to current and potential impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.
- 3. Risk Management** – processes for identifying, assessing, and managing climate-related risks and opportunities.
- 4. Metrics and Targets** for assessing and managing relevant climate-related risks and opportunities.

1. Governance

Kåpan's Board has ultimate responsibility for Kåpan's operations where sustainability work forms an integrated part. The Board annually reviews and adopts Kåpan's sustainability policy, as well as investment guidelines which are the overall governance documents for Kåpan's sustainability work. The governance documents describe, among other things, the Society's strategy and objectives within sustainability where management of climate-related risks, opportunities and goals form a key part. The President is responsible for operational implementation of the strategic plan and the targets set by the Board. The Head of Investment Management has a delegated responsibility for the development of sustainability initiatives in the Society and all employees are responsible for sustainability work being carried out in accordance with the Society's governance documents as an integrated part of day-to-day operations.

The Board reviews and evaluates the annual Own Risk and Solvency Assessment (ORSA) which contains an assessment of all significant risks in the Society's operations. The risk assessment includes climate-related risks, among other things through an analysis of the impact of various climate risk scenarios on the Society's returns. In



TCFD divides climate-related risks and opportunities into the following categories:

Transition risks: Negative financial impact on a company or operations due to the transition of society towards lower carbon dioxide emissions. This can, for example, lead to stricter environmental legislation, new technology that replaces products, or consumers changing their preferences and making more environmentally aware choices.

Physical risks: Negative financial impact due to direct damage. This might relate to an acute physical risk such as forest fires, or extreme weather or chronic physical risks such as higher sea levels or increased temperatures.

Climate-related opportunities: When society transitions to counteract climate change, climate-related opportunities also arise which can have a positive financial impact on companies and operations.

Climate-related non-financial risks: The negative impact and consequences for the business environment that can be caused by an investment.

addition, the Board receives an annual review of the Society's climate work and results in relation to set climate targets.

2. Strategies

Climate-related risks have a significant impact on the Society's investment operations, above all transition risks which involve the risk of economic losses due to an inadequate ability to adapt operations to the new conditions relating to climate change. The principal transition risk is the risk of substantially increased costs for carbon dioxide emissions but also the risk of not meeting the extensive new regulatory requirements within sustainability and the reputational risk and business risk that would entail. Operations which have well-planned and targeted work for managing climate-related risks, however, are well placed to strengthen their competitiveness, profits, and profitability. The Society's strategy for managing these climate-related risks and opportunities is mainly based on the following activities:

- To reduce or refrain from investing in industries or companies where Kåpan's assessment is that the transition risk is high and where there is a low probability that the industry or companies will change their business models in a sustainable direction (mainly applies to coal and oil).

- All listed companies' greenhouse gas emissions are measured and reported. Kåpan has started work on following up and measuring whether the listed companies have set targets for reduced emissions, how the companies meet their targets and whether these can be assumed to be sufficiently ambitious to meet the requirements in the Paris Agreement.
- For listed holdings, a positive selection is made on the basis of a risk-based sustainability rating. Where possible we choose companies with high sustainability ratings and reject those with the lowest ratings within each sector. Kåpan uses the ESG Ratings (sustainability ranking) method from analyst MSCI. The method measures a company's resilience to financial, economically relevant sustainability risks, where climate risks are included in the sustainability risks measured. The factors measured are environment and climate-related risks (E), social risks (S) and corporate governance risks (G).
- As far as possible, investments that contribute to reduced climate-related risks and a sustainable society are prioritised. This is done primarily by green bond investments and in the Society's alternative investments within renewable energy as well as sustainably managed properties and forests.
- Conducting advocacy where the Society judges that we, together with other investors, can contribute to a company taking necessary measures to transition their operations to reduce emissions of carbon dioxide and therefore climate-related risks.

The resilience of the Society's strategy has been followed up for a number of years with the aid of an assessment that estimates the financial impact on the portfolio of various climate-related scenarios (these assessments are described in the Society's sustainability report from 2019 onwards). Taken overall, these assessments have shown that Kåpan's portfolio is mainly affected by transition risks through a sharp increase in costs of carbon dioxide emissions, for example in the event of a sharp increase in carbon dioxide tax. The impact on the Society's portfolio has been lower than for our benchmark index which is a consequence of our strategy that includes considerably lower carbon dioxide emissions and exposure to climate-related risks. Assessment of physical risks linked to climate change has over the years been assessed as having a relatively small financial impact on the portfolio which is largely due to the geographical spread of the Society's investments.

3. Risk Management

Kåpan's risk management is based on the Society's risk management system which includes risk strategy, risk framework and processes for risk management. Climate-related risks are included in sustainability-related risks and are part of Kåpan's risk framework. The purpose of the Society's risk management process is to identify, measure and control the material risks.

Kåpan's process for identifying, assessing, and managing climate-related risks is integrated with the Society's process for sustainability work in investment operations. Management of climate-related risks mainly takes place through the activities described in the strategy section above. Kåpan conducts an annual analysis of the financial impact that the climate-related risks and opportunities from investments involve on the basis of climate risk scenarios. The result from this analysis is part of the evaluation of our strategy for management of climate-related risks and can contribute to further develop and improve our strategy and management.

4. Targets and Metrics

In order to assess and manage relevant climate-related risks and opportunities, the Society has set up short- and long-term climate targets and for a number of years we have measured and reported the carbon footprint of listed investments. The challenge, however, is to find metrics with a forward-looking perspective in order to ensure that our investments transition at the pace required to achieve the goals and limit the risk. This is something that the Society has started to work on and we will continue to develop in the years ahead.

TARGETS

● Climate targets

Short-term: Carbon footprint for the measurable investments to decrease by at least 20 percentage points over every five-year period from 2016.

Long-term: The measurable investments' greenhouse gas emissions to be net zero by 2045 at the latest.

METRICS AND OUTCOMES

● Carbon footprint

For a number of years now, Kåpan has measured the greenhouse gas emissions of the listed equity portfolio. Starting in 2021, we complemented our reporting with the listed fixed-income portfolio's emissions. Starting last year, we also report the estimated emissions of our directly owned properties (Kåpan Fastigheter).

The Society reports greenhouse gas emissions, expressed as carbon footprint, where the gases are recalculated to carbon dioxide equivalents (CO₂e). Kåpan reports the companies' direct emissions (scope 1) and indirect emissions (scope 2). To achieve a comprehensive analysis of a company's climate impact it is also important to measure all indirect emissions that arise in the value chain (scope 3). There is not yet

Outcome carbon footprint 2023

Kåpan's listed equities portfolio, scope 1 and 2	2023	2022	2021	2020	2019
1. Total carbon dioxide emissions (tonnes CO ₂ e)	119,800	102,300	143,300	258,000	351,600
Change from previous year	+17%	-29%	-44%	-27%	11%
Kåpan compared with index*	-58 %				
2. Relative carbon dioxide emissions (tonnes CO ₂ e/market value in SEKm)	2.1	2.1	2.7	6.1	9.0
3. Portfolio weighted average carbon dioxide intensity (tonnes CO ₂ e/SEKm in sales)	4.4	5.4	5.8	10.1	12.2
Change from previous year	-19%	-7%	-43%	-17%	-16%
Kåpan compared with index*	-62%				
Reported CO ₂ e data, share of market value (%)	99%	99%	91%		

* Equity index is MSCI ACWI. Source: MSCI Climate Risk Report

Kåpan's listed fixed-income portfolio, scope 1 and 2	2023	2022	2021
1. Total carbon dioxide emissions (tonnes CO ₂ e)	36,300	47,100	39,200
Change from previous year	-23%	20%	n/a
Kåpan compared with index*	-71%		
2. Relative carbon dioxide emissions (tonnes CO ₂ e/market value in SEKm)	< 1	1.3	< 1
3. Portfolio weighted average carbon dioxide intensity (tonnes CO ₂ e/SEKm in sales)	1.3	2.5	2.1
Change from previous year	-46%	17%	n/a
Kåpan compared with index*	-62%		
Reported CO ₂ e data, share of market value (%)	84%	86%	90%

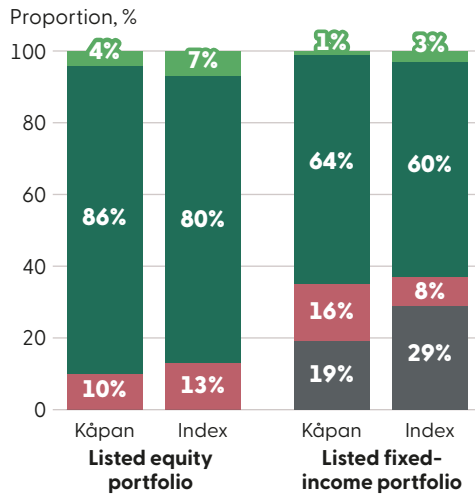
* Fixed-income index is a mix of Solactive SEK fix short IG. Source: ISS ESG Carbon Footprint Report

Directly owned properties (Kåpan Fastigheter)	2023	2022
Consumption purchased district heating (MWh)	50,301	51,059
Consumption purchased electricity (MWh)	46,500	46,459
Emissions from district heating (tonnes CO ₂ e)	3,282	3,307
Emissions from purchased electricity (tonnes CO ₂ e)	0	0
Per m² heated space		
Consumption purchased district heating (KWh/m ²)	75	76
Consumption purchased electricity (KWh/m ²)	70	69
Emissions from district heating (kg CO ₂ e/m ²)	4.9	4.9
Emissions from purchased electricity kg CO ₂ e/m ²)	0	0

Reported data refers to 59 of 61 properties.

1. Total carbon dioxide emissions show our investments' emissions in tonnes CO₂e based on our owned share of the companies' emissions.
2. Total carbon dioxide emissions in relation to the portfolio's market value.
3. Portfolio weighted average carbon dioxide intensity, shows the portfolio's exposure to carbon-dioxide intensive companies, expressed as the company's carbon dioxide emissions in relation to its sales, weighted based on the company's share of the portfolio.

Proportion of listed holdings with climate targets



■ Ambitious climate targets
 ■ Climate targets
 ■ No climate targets
 ■ No information

Source: MSCI Climate Risk Report

any comprehensive and reliable data for these emissions, so we will report them separately for the time being. The model used in the calculations is the GHG Protocol. There are, however, some limitations with this model. One significant limitation is that the emissions calculated and reported provide a snapshot of the companies' emissions at the time of measurement.

The measurement date for calculations shown below is 31 December 2023 and the analysis covers 74% of the Society's total assets.

The listed equity portfolio's market value has increased by just over SEK 10 billion during the year which has partly led to the measured absolute carbon dioxide emissions being higher than the previous year. At the same time, the portfolio's weighted average carbon dioxide intensity has fallen by 19% which shows that, despite increased economic activity, the companies in

the portfolio have taken action to reduce climate impact per unit, that is the investments have been more carbon dioxide efficient which is in line with the Society's target.

During the year, the Society continued to develop the management model in order to reduce the investments' carbon dioxide emissions. Within the directly owned companies, we invest where possible in companies that work to reduce their carbon footprint. It is also important to invest in companies that work with solutions and technologies to reduce the global carbon footprint over time. The listed equity portfolio's carbon footprint was significantly lower than its benchmark index in all three metrics that are measured and reported (approximately 60% per reported metric).

The listed fixed-income portfolio's total carbon dioxide emissions fell by 23% compared with the previous year. The portfolio's weighted average carbon dioxide intensity at year-end was 46% lower than the previous year. Some 70% of the portfolio's emissions come from five carbon dioxide intensive companies all of which have a lower carbon dioxide intensity this year which has contributed to the reduction of the portfolio's carbon footprint compared with the previous year. The fixed-income portfolio has a significantly lower carbon footprint than its benchmark index. This is primarily attributable to SSAB (high carbon dioxide intensity) issuing new bonds in 2023 and therefore gained a higher weighting in the benchmark index while the Society has chosen not to raise the weight in the fixed-income portfolio. It is also due to Vattenfall (high carbon dioxide intensity) joining the benchmark index while the Society has chosen not to invest in the company.

● Listed companies with climate targets

So that we can be sure that the companies are transitioning at a rate compliant with the target to achieve net zero emissions, as well as keeping the global increase in temperature well below 2° Celsius, it is important to also include forward-looking metrics in the climate assessment.

The Society has started to review alternative metrics. One factor we are looking at is how big a proportion of the listed holdings have set climate targets and how ambitious these targets are.

Breakdown of emissions listed equity portfolio

Tonnes CO ₂ e	2023		2022	
	Kåpan	Index	Kåpan	Index
Equities				
Scope 1 and 2	119,800	285,000	102,300	273,000
Scope 3	1,253,700	1 869,200	940,000	1,660,000

Source: MSCI Climate Risk Report

● **Estimation of listed holdings' indirect emissions**

To obtain a comprehensive analysis of a company's climate impact, it is important to measure all indirect emissions that occur in the value chain (scope 3). So far there is no comprehensive and reliable data for these emissions, but in order to gain an idea of how scope 3 relates to the emissions we report and measure today, we report the estimated data that we have as an indication.

● **Outcome climate risk analysis**

Asset class	Return climate scenario
Bonds	-6.4 %
Credits	-5.6 %
Equities	-13.3 %
Properties	1.2 %
Other (infrastructure and private equity)	-14.3 %
Portfolio return total	-8.8 %

The table above shows the result from an analysis that estimates the economic impact on Kåpan's portfolio of a climate risk scenario which is compiled by the European Insurance and Occupational Pensions Authority (EIOPA) and based on the climate transition scenario NGFS2 "delayed transition scenario". In this climate risk scenario it is assumed that no reduction in carbon dioxide emissions takes place until 2030 but that strong political measures are then implemented which then lead to lower carbon dioxide emissions and that global warming is limited to 1.8° Celsius within the century. This means that substantial transition risks are realised at the beginning of the 2030s, primarily through a sharp increase in the price of carbon dioxide globally which in turn affects valuations of companies depending on type of business or sector, while physical climate risks are assessed as relatively low. The analysis takes into account the impact on all types of investments and the assumed increase in the price of carbon dioxide is derived from climate scenarios from the UN climate panel (IPCC). Investments in equities and credits are exposed in the scenario to a sector-based decline in value due to dependence on fossil fuels at the same time as energy prices increase sharply and market interest rates rise due to increased inflationary pressure from the investment requirement that follows the climate transition. Valuations of properties are only marginally affected in the scenario since this is a tangible asset where increased rental income can compensate for rising market interest rates.

GHG Protocol (Greenhouse Gas Protocol Corporate 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 equivalents (CO₂e) is a metric that 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.

Data includes:

- ▶ **Scope 1:** a company's direct emissions.
- ▶ **Scope 2:** a company's indirect emissions from use of electricity, heating, or steam.
- ▶ **Scope 3:** other indirect emissions that occur upstream and downstream in the value chain at the reporting company.

The result for the year is calculated on the portfolio on 31 December 2023. The financial impact on Kåpan's portfolio is relatively limited and indicates that the Society's strategy has good resilience in relation to different climate-related scenarios. The calculated loss on the total portfolio return in this climate-risk scenario amounts to 8.8% which is marginally lower than the previous year's calculation (9.3%). The difference is due mainly to maturities in the credit portfolio being somewhat lower than the previous year which results in a lower loss when credit spreads are assumed to increase in this climate-risk scenario.

Examples of our sustainability initiatives

Kåpan works continuously to improve our sustainability initiatives. We want our members and other stakeholders to be able to follow and update themselves about the work we are doing within sustainability. In this section we provide examples of some sustainability aspects within two of our investments.

Developing World Markets – microfinance

For the past three years Kåpan has invested in microfinance through a fund managed by Developing World Markets. The fund invests primarily in loans issued by microfinance institutions who in turn provide microcredits to low earners and microenterprises in developing markets. Today the fund reaches over 13 million final borrowers through microfinance institutions in 30 countries. Of these borrowers approximately 63% are women and roughly 1.5 million borrowers were without banking services. A microloan is normally in the range USD 200 to 2,000 and the upper part of the range relates to certain microfinance institutions which focus on loans to microenterprises with larger amounts used for creating and maintaining job opportunities.

Our financing of microfinance institutions benefits in the end several sustainability related themes such as

equality, agriculture, climate, education as well as water and sanitation. Some of the microfinance institutions only lend to women which strengthens women's status in the household economy and where a woman's microloan means that the household can make vital and income-generating investments in, for example, cattle, sewing machines, micro stores, and motorised tricycles. In many cases the microfinance institute offers services other than the loans themselves. For example, they provide education in domestic economy and use of various digital tools, they help borrowers get access to banking services and arrange for borrowers to get a credit profile.

In India, which is the fund's largest single market, progress has been made on several fronts which creates security for the borrowers and strengthens the ecosystem. This progress includes stronger regulation of loan amounts and interest rates, diverse types of credit registers to prevent overlending and digitalisation of the infrastructure.



Sydvatten – major responsibility for a sustainable and circular water supply

The sixth global sustainability goal “Clean water and sanitation for all” is not just a precondition for achieving the other global goals but is also fundamental for human health and a functioning society. Climate changes such as drought, cloudbursts and rising sea levels are increasingly affecting freshwater resources and can in turn cause lower groundwater levels, increased demand for water and degraded raw water quality. This requires producers and suppliers of drinking water to have a long-term approach and act sustainably with water management and resources.

Sydvatten is responsible for producing and supplying about 80 million cubic metres of drinking water annually to a million residents and businesses in its 17 owner municipalities in Skåne. At the beginning of 2023 Sydvatten issued its first green bond which is intended to finance sustainable water supplies, climate adaptation to ensure future supplies of fresh water, and renewable energy.

Sydvatten has the aim of being climate neutral by 2030. An important part of achieving this is to reduce emissions and ensure circular handling of water and wastewater. Sydvatten’s main carbon dioxide emissions arise from the

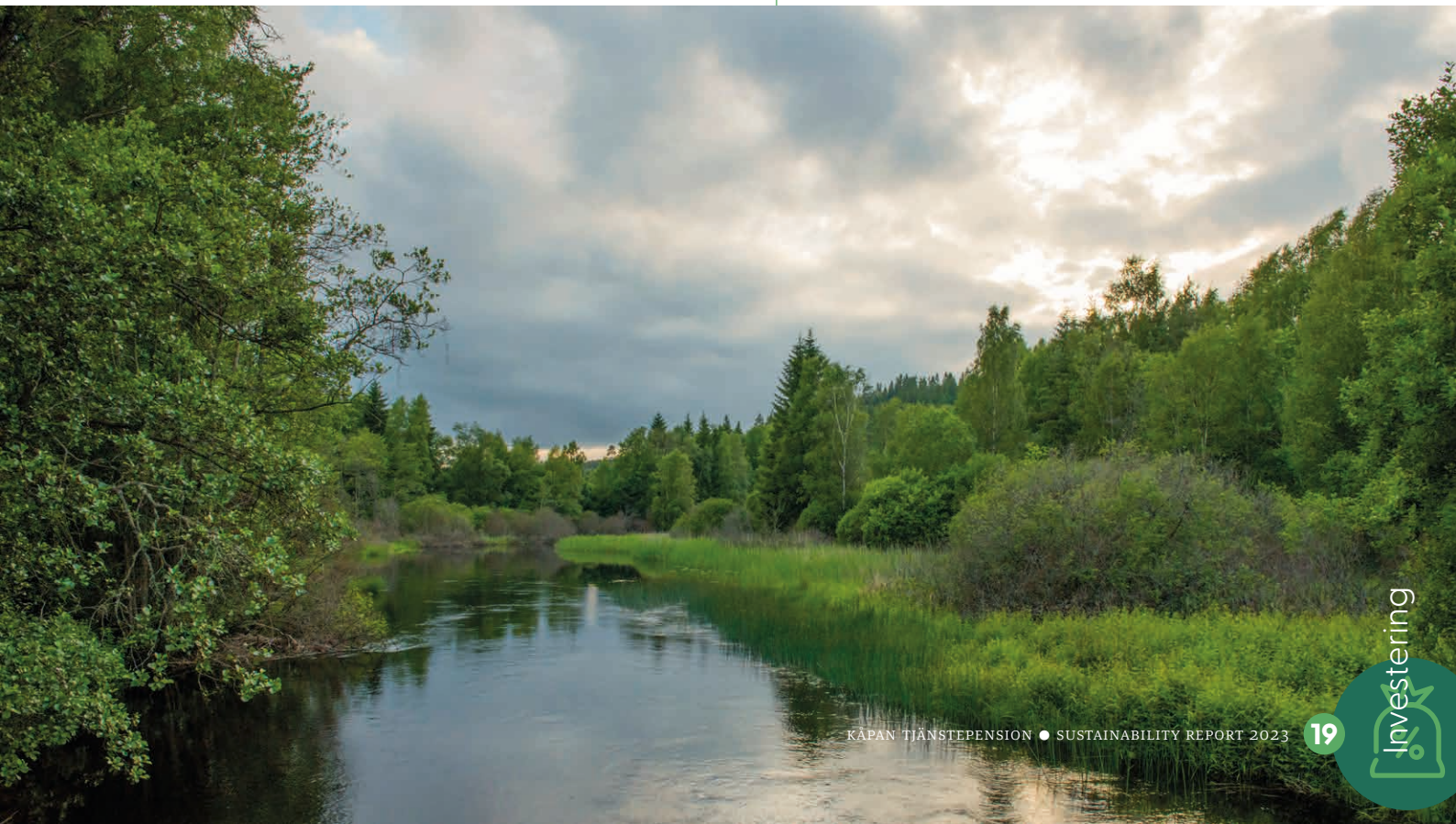
use of chemicals and despite emissions falling in recent years there is continuous ongoing work on how the use of waste products and carbon dioxide can be optimised and provide business benefits for example by creating wetlands. Own energy consumption lies well within the EU taxonomy’s requirements for environmentally sustainable investments in water supply systems. Over the coming two years the construction of solar farms is planned adjacent to the two water treatment plants. These are expected to produce just over 30% of the company’s total energy consumption.

Kåpan has invested in Sydvatten’s green bond since we consider this to be a good alternative and a contribution to sustainable regional transition.

The framework for Sydvatten’s green bonds is in accordance with the International Capital Markets Association (ICMA) Green Bond Principle 2021 and has been checked and verified by the third party CICERO.

Source: Sydvatten.se

FOTO: GETTY IMAGES



Kåpan Fastigheter

Just over a year ago we acquired the company Kåpan Fastigheter. Below is a summary of the work they have carried out during the year to build their own organisation as well as how they have worked to contribute to a more sustainable society.



Cooperation for society

Kåpan Fastigheter contributes to the development of society and the green transition by developing socially beneficial properties. The company strives to have a positive influence on tenants' conditions for carrying out their assignments and thus contribute to a more sustainable society. To achieve this requires sensitivity, cooperation, and dialogue with above all tenants and suppliers. In 2023 the company participated in forums together with politicians, tenants, suppliers, and other property companies. For example, Kåpan Fastigheter participated in a round table at the Swedish Government Offices to discuss with other actors possible solutions to the Swedish Prison and Probation Service's increased need for premises. At industry-specific forums, the company has participated in round tables concerning the requirements on owners of socially beneficial properties and how these can work to reduce criminality at building sites.

In accordance with the company's ambition to positively influence social development Kåpan Fastigheter supports the children's rights organisation Maskrosbarn. This is a politically and religiously independent non-profit society which works to improve living conditions for children in Sweden with parents who are suffering substance abuse, mentally ill or subjected them to violence. They offer support, fellowship, and work to give vulnerable children a safer upbringing.

Responsible deals

A sustainable deal takes into account people, the environment and the economy. With tenants which have tax-financed and socially beneficial operations, Kåpan Fastigheter takes care to manage its trust in a responsible way and with great respect for its stakeholders. This is expressed in the company's code of conduct and policy documents.

The generally weakened security situation makes high demands on Kåpan Fastigheter as a landlord for socially beneficial operations. Security efforts include information, operational and physical security. All representatives of

Kåpan Fastigheter who have contact with an operation that needs to be protected have undergone appropriate checks.

All the company's suppliers have been subjected to background checks to ensure that the supply chain maintains a high level of security. If a criminal background or connection with a foreign power is identified no cooperation is started. In those cases where the deviation is of a minor character, the company gets back to the supplier for a dialogue. If the deviation is remedied, cooperation can be started or continued.

Energy and climate

During the year, the company has made an inventory of the properties' energy performance. A couple of properties with poor primary energy figures will be selected, analysed and gradually improved. Several redevelopment projects are planned for the next few years and in conjunction with renovation it is routine to review improvements to energy efficiency in order to continually reduce the company's emissions per square metre.

Another prioritised area is to secure the portfolio against the negative impact of climate change. An overall climate risk analysis has been carried out to ensure safe and sustainable properties. During 2024 the analysis will be deepened and decisions taken for actions for properties with heightened risk. Kåpan Fastigheter only buys renewable electricity for its operations.

Employees and working environment

Healthy employees are a precondition for creating a sustainable organisation. During the year, Kåpan Fastigheter has taken on many new employees and set up three new offices. The company has therefore invested in joint activities in order to create a corporate culture together where balance, enjoyment and psychological safety are in focus.

For more information see: [Kapanfastigheter.se](https://kapanfastigheter.se)

In depth

International principles and conventions

The Society's investments must comply with a number of basic international principles and conventions which are widely supported in Swedish society.

UN Global Compact

Contains ten principles for human rights, labour, environment and anti-corruption aimed at companies.

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that 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.

UN global goals for sustainable development – Agenda 2030

Through Agenda 2030, the UN member states have adopted 17 goals in order to:

1. Eradicate extreme poverty.
2. Reduce inequalities.
3. Solve the climate crisis.
4. Promote peace and justice.

Read more: <https://sdgs.un.org/goals>

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 interests, 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 AP mines, mine clearance and assistance to victims of landmines.

UN principles for responsible investments (UN PRI)

The six principles promote 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.



Insurance

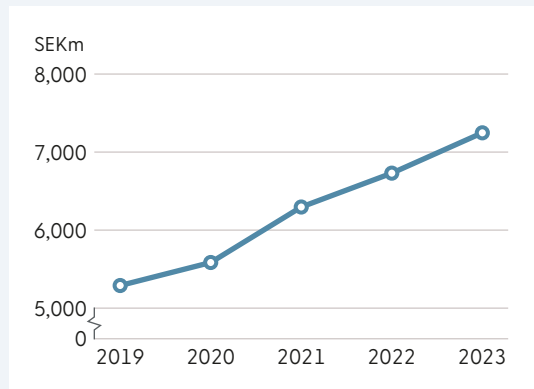
Sustainable traditional insurance

Kåpan is a default alternative and we are therefore extra careful to guarantee confidence and security for our members who did not make an active choice themselves. In our work with providing a sustainable insurance, prioritised areas include low charges, satisfied members and low environmental impact when contacting our members.

Kåpan 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. Our strategic focus means that we do not put resources into marketing. We do this to keep down costs and reduce our environmental impact. We also minimise resource requirements by refraining from collaboration with various types of insurance brokers in distribution of insurances. The Society does not, therefore, pay any commission or other form of sales stimulating remuneration to external players.

The Society engages the National Government Employee Pensions Board (SPV) in Sundsvall to administer parts of the insurance administration operations. This assignment includes maintenance of the Society's insurance administration system, processing and providing a customer service. To satisfy the regulatory requirements that the Society must follow as an occupational pension society we have created our own management and procurement organisation towards SPV.

Paid-in premiums



Secure insurance

The Society's principal business is the compulsory and default components of occupational pensions in the government collective agreement area. Members who do not make an active choice of pension manager within the agreement area have their premiums paid into Kåpan. During the year paid-in premiums totalled SEK 7,247m. Kåpan'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 that reflects the risk assessed as reasonable in relation to the long-term stability that is expected from a traditional pension insurance. Kåpan 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 therefore has a responsibility for the design of the guarantees and obligations 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 that can provide a higher anticipated return.

The Society has a very good solvency ratio

246%

Guaranteed interest and protection of paid-in capital

Each insurance premium has a premium guarantee in the form of interest on the paid-in premium until it is paid out as a pension. The interest applies unchanged for each individual premium paid in. Since 1992, the Society has received premiums on which it has paid guaranteed interest. The return on the Society's investments must over time exceed the guaranteed level in order to be sustainable in the long term.

In recent years investment management has achieved a significant surplus which provides a buffer for the future. This buffer can be calculated in different ways but the method 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 obligations at year-end 2023 amounted to SEK 59 billion which can be compared with the Society's total assets of approximately SEK 148 billion. The Society's solvency ratio at year-end was 246% which exceeds the statutory level of 104% by a wide margin.

Low charges

We work actively to make our operations more efficient. Our costs as a percentage of assets under management have fallen over time and amounted to 0.05% of the insurance capital in 2023. The Society continues to try to reduce costs and thus provide a higher paid-out pension. The variable administration charge in 2023 was 0.06% of the pension capital and from 2024 we are reducing the variable charge to 0.05%. The Society does not make any fixed charge. The cost of investment management was 0.04% of the pension capital. Taken overall, the costs that the Society charges to members' insurances are at a lower level than other players in the government agreement area.

Charges for traditional insurance for public sector employees

Insurance provider	Annual fixed charge, SEK	Variable charge as % of pension
Kåpan	0	0.09
Alecta	75	0.19
AMF	75	0.18

Source: Valcentralen.se

Fair distribution of capital and costs

Kåpan operates on the basis of two overall principles for the insurance business. The first is the precautionary principle which 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.

In order to ensure fairness between members, Kåpan uses monthly bonus interest with ongoing distribution of the Society's surplus or deficit to all insurances. This means no surplus or deficit is retained undistributed at a collective level. The bonus interest can therefore be positive or 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 different generation groups where the youngest group has a greater proportion of high-risk assets in their asset portfolio. The proportion of equities is successively reduced with age. The separate groups thus have different amounts of high-risk assets and therefore different bonus interest rates. All members invest in the same assets and underlying securities. It is only the proportion of each asset class that varies between the different bonus groups.

The group distribution is as follows:

- Age group 54 and younger
- Age group between 55–64
- Age group 65 and older and those receiving pensions.

Kåpan Aktieval – A product with a higher risk level

For the selectable component of the government occupational pension Kåpan offers a further product – Kåpan Aktieval. This is intended for members who wish to take more risk in their savings than we offer in our other products. Kåpan Aktieval has the same low costs as other insurances and premiums are invested in the Society's total equity-related investments including unlisted venture capital funds.

Pension – for life

For all the Society's insurances, lifelong payment is the default option. Within the framework of each insurance and current pension agreement, members can choose a temporary payment.

The life expectancy assumptions used by the Society determine the size of the monthly pension payment. A lifelong pension is paid out for life and 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 agreement sector have chosen in the PA 16 pension agreement to assume insurance without repayment cover for all premium payments.

Members' integrity

Kåpan 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. We work among other things with training employees to ensure competence in the General Data Protection Regulation (GDPR3) covering protection of integrity, data security, data storage and confidentiality. Kåpan has 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 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.

Information to and contact with members

Kåpan has over 900,000 members and therefore a major responsibility to communicate and provide information on the pensions and pension savings that members have in the Society. To make it easier for members to gain an overview of their entire pension savings, Kåpan 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.

Pension savings in the Society is a compulsory component of the pension agreement in the government agreement area. 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.

Our long-term goal is to reduce the number of mail items and increase the use of digital channels for information and services. In 2023, the number of mailshots was approximately 1,032,000 (1,010,000). The proportion of digital mailshots in 2023 increased to 69% (66).

In 2023 we had almost 14,000 calls (15,000) of which 76% (75) were answered in less than three minutes. We received approximately 6,000 (6,400) queries by email or messages from Mina Sidor (my pages) and have a target of responding by the next working day at the latest, which was largely met.

In 2023 we had 201,000 (234,000) visits to our website. Of these 128,000 (133,000) logged in to Mina Sidor. We can see that visits to our website decreased compared with the previous year but that the proportion that log in increased by six percentage points.

Many of our members choose to use our online services. Of those who chose to change repayment cover, 96% did so via our online service. Of people applying for a pension in 2023, 95% did so online.

Follow-up of information to members and customer satisfaction

To monitor members' experience, during the year we carried out surveys among those who contact our customer service by telephone or email. 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. By continuously measuring satisfaction we obtain more answers

as a good basis for our assessment of our members' experiences when contacting our customer service. It also provides an opportunity to make continuous efforts during the year to rectify any deficiencies.

Those who contacted us in 2023 are on the whole satisfied and the satisfaction value remains at 4.7. Of the free-text responses we receive, the overwhelming number are positive. What we can see from the free-text responses is that those that call get a friendly and knowledgeable reception. They also appreciate our short response times.

“Put simply. A pleasant attitude and the wait on the phone was not long.”

Example of a free-text response

“Fast response, pleasant and professional attitude. I am super-pleased.”

Example of a free-text response



Organisation

Sustainability initiatives in ongoing operations

In our own operations we work at being an equal-opportunity workplace, nurturing good business ethics and reducing our environmental impact. Our organisation is small and its overall impact on the whole of our sustainability work is limited.

We work for an equal opportunity organisation

The Society has few employees. This means that committed and skilled staff are decisive for us to be able to run our 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 conducted 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 strategy is that Kâpan should be a society entirely without discrimination and which strives to give all employees equal rights and development opportunities.



Training

Kåpan's personnel attend annual training in business ethics as well as participating in risk assessment which covers training and development of managing the Society's risks. In addition, there are various regular group trainings to improve awareness and skills in different areas.

The Society's emissions

The Society's own organisation is small which means a limited direct impact from a sustainability perspective. The largest climate-related emissions occur with business travel. Choice of route and means of transport are based on a trade-off between cost efficiency and the environmental impact of the journey. Domestic travel is by rail wherever possible. The Society's company cars must be zero emission or meet the requirements for super ultralow emission vehicles with greenhouse gas emissions below 50 grammes of carbon dioxide per kilometre. Company cars that do not meet these requirements may only be chosen in exceptional cases.

We choose green leases for our own premises

The Society rents office premises in Stockholm and Sundsvall. The landlords' sustainability work is to take long-term environmental and social responsibility as well as for economic development by providing flexible and sustainable working environments, improving existing climate systems, changing to low-energy lighting, choosing green electricity, providing space for waste sorting, a bicycle garage, and in Stockholm offering tenants chargers for electric cars in the garage. The Society has chosen green leases and participates in the landlords' sustainability initiatives by monitoring and taking part in sustainability activities offered as well as working with its own plans and targets for improvements.

Kåpan's energy consumption office premises

Annual consumption (kWh)	Stockholm	Sundsvall
Operations electricity	18,381	4,093
Property electricity	14,188	2,429
District heating	22,331	7,345
District cooling	5,444	982
Total kWh	60,344	14,849
Total kWh/m²	168	173
Change on 2022	-52 %	5 %

Premises climate impact (kg)	Stockholm	Sundsvall
Carbon dioxide emissions, electricity	0	0
Carbon dioxide emissions, district heating	1,027	0
Carbon dioxide emissions, district cooling	0	0
Water consumption (m ³)	267	12

Suppliers

The Society's main supplier, SPV, is an authority which is responsible to the Swedish parliament and government. Kåpan strives to have the authority make optimal use of its resources within the limits of current regulations.

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.

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

Kåpan’s operations are based on the Society’s statutes and the strategic direction decided by the Board. The Society’s sustainability work is governed by the Society’s sustainability policy, investment guidelines and a number of policy documents decided by the Board. The President has operational responsibility for sustainability work being conducted in practice and covering the entire business.

Sustainability work is an integrated part of the organisation

Kåpan’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’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 the Board’s adopted strategies and goals as well as the rules and laws 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 is maintained and the operations are regarded as healthy and responsible.

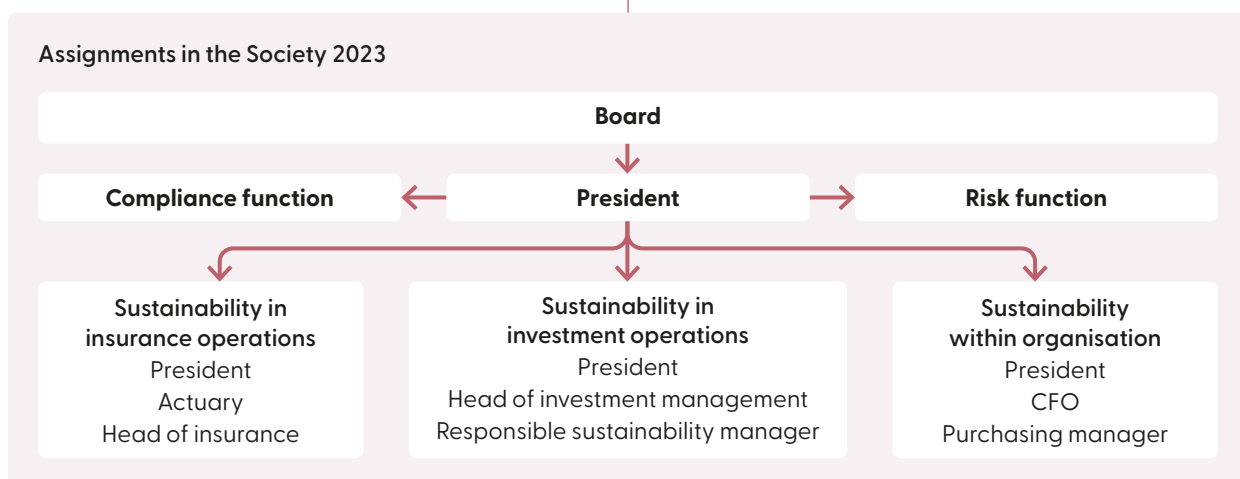
Council of Administration

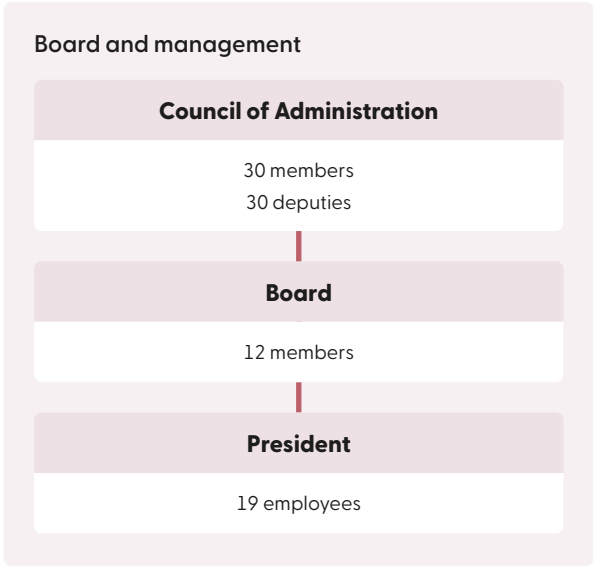
According to the statutes, the Society’s highest decision-making body is the Council of Administration. The Council has thirty members and the same number of personal deputies. The members are appointed by the parties in the government sector with half being appointed by the Swedish Agency for Government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

This means that the Council of Administration represents employers and trade union members equally. Members must be members of the Society and they are appointed for a mandate period of one year by their respective organisations.

Board

The Council of Administration appoints the Society’s Board which manages operations. The Board consists of twelve members of which half are appointed by the employee side and half by the Swedish Agency for Government Employers.





A member of the Board cannot be a member of the Council of Administration. The mandate period for members is one year with the possibility of re-election.

Laws and regulations

Kåpan is an independent legal entity in the form of an occupational pension society. The business is regulated by a number of laws enacted by parliament, primarily the Swedish Occupational Pension Companies Act (2019:742) as well as a large number of regulations issued by the Swedish Financial Supervisory Authority.

The regulations are based on the occupational pension directive decided at EU level. Transition to an occupational pension society was completed on 1 January 2021.

There are also continual other changes in external regulations which affect the Society's operations and require updates to and changes in working processes and policies.

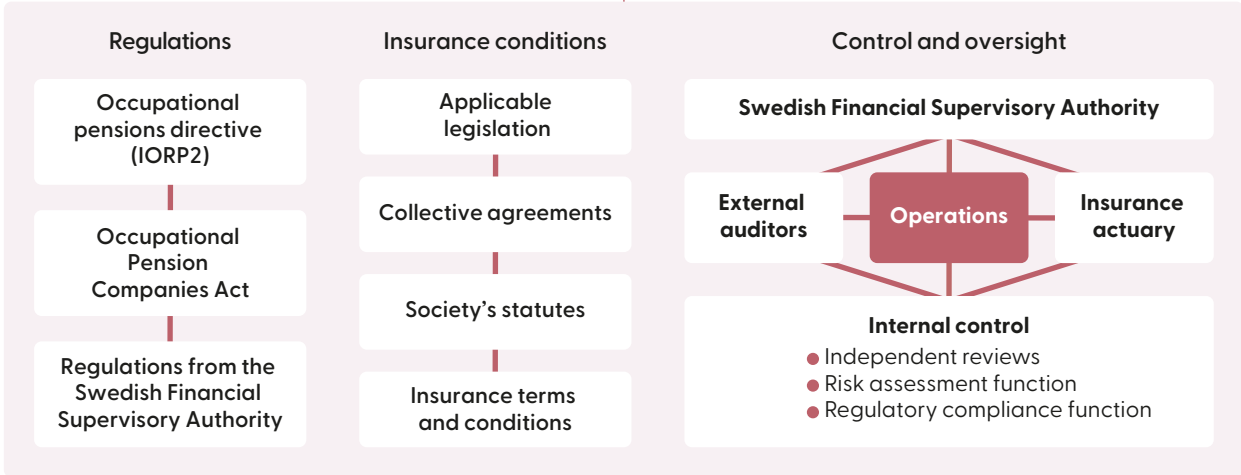
Kåpan has a responsibility towards its members, authorities and employees as well as other stakeholders of compliance with current regulations. Deviations or breaches of current regulations must be reported as incidents and an assessment of risks and regulatory compliance is reported regularly to the Board.

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

Insurance conditions are determined by the current collective agreement and the statutes. The statutes are available on kapan.se 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 has 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 at least one ordinary authorised public accountant and at least one deputy authorised public accountant to review operations on behalf of the Council of Administration. The auditors present the results of their review to the Council of Administration each year. The Financial Supervisory Authority exercises oversight of the business.





Stakeholders

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

The Society's statutes govern operations and the composition 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 precondition for a positive development of the business over time.

Kåpan 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 contributed by the Society 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 are to 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 sustainability 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 Kåpan's Board.

Regulations

Occupational Pension Companies Act

On 1 January 2021, the Society transitioned to an occupational pension society in accordance with the Occupational Pension Companies Act (2019: 742). The Society continues to work towards improving operational efficiency within the framework of the new regulation.

EU legislation

It is primarily the EU's Sustainable Finance Disclosure Regulation (EU) 2019/2088 – also known as the Disclosure Regulation or SFDR – which affects Kåpan. The first stage took effect on 10 March 2021. This covers among other things information provision on websites and in pre-sale information. The European Commission has subsequently adopted a delegated regulation with a technical standard (EU) 2022/1288. This specifies how certain sustainability information shall be presented by financial market players when they provide information according to SFDR. The delegated act took effect on 1 January 2023.

Insurance distribution

Sweden and other EU member states have common rules for insurance distribution. The background is the EU's Insurance Distribution Directive (IDD) which took effect on 1 July 2018.

EU member states have converged on the new legislation in order to harmonise insurance distribution.

The ambition is that the regulation should make it easier for end-investors to make well-informed decisions related to sustainable investments. The Society's assessment is that Kåpan's insurances promote sustainable characteristics in accordance with the regulation's definitions. We have successfully implemented the delegated act on provision of sustainability related information during 2023.

On 1 January 2022, regulation 2020/852 of the European Parliament and Council on the establishment of a framework to facilitate sustainable investment (the Taxonomy Regulation) came into effect. The Taxonomy Regulation requires companies of a certain size to provide taxonomy information in their legally required sustainability report. The Society is not yet subject to these requirements but is working on collecting information. The aim is to be able to report in accordance with taxonomy requirements in the future.

The law gives members increased protection among other things through rules on increased transparency and clearer information on insurance products. Starting in the first quarter of 2021, financial advisers must understand and take into account a customer's sustainability preferences in their advice. Kåpan complies with the rules on insurance distribution but providing advice to its members is not included in Kåpan's assignment.

List of holdings

at 31 December 2023

Bonds and other fixed-income securities

Green bonds

	Maturity date	Assessed value, SEKm
Swedavia	2025-03-12	314
Swedish Export	2028-01-18	225
DNB Bank	2028-03-03	213
Epiroc	2029-03-21	213
Eurofima	2025-12-03	189
Göteborg Stad	2027-06-17	186
Akademiska Hus	2027-10-07	181
European Investment Bank	2030-09-17	172
Stora Enso	2025-04-29	149
Region Skåne	2026-06-01	142
International Bank for Reconstruction and Development	2026-03-16	142
Göteborg Stad	2027-03-16	140
Göteborg Stad	2027-10-21	139
Atrium Ljungberg	2024-08-21	128
Fabege	2024-06-22	125
Sveaskog	2026-03-03	118
Region Skåne	2027-11-11	115
Malmö Stad	2026-09-15	112
European Investment Bank	2027-03-02	107
Swedavia	2025-05-26	107
Volvofinans	2027-05-19	105
Örebro Kommun	2028-03-22	103
Nordea	2026-06-02	102
Willhem	2025-11-19	101
Länsförsäkringar Bank	2028-09-08	101
Vasakronan	2026-03-13	101
Atrium Ljungberg	2024-04-02	100
Atrium Ljungberg	2025-07-01	99
Stora Enso	2027-02-08	98
Vasakronan	2025-01-28	98

	Maturity date	Assessed value, SEKm
Vasakronan	2025-06-04	97
Klövern	2024-04-16	96
Svenska Handelsfastigheter	2025-06-03	95
Hufvudstaden	2026-10-14	94
Afrikanska Utvecklingsbanken	2026-09-17	93
Vasakronan	2027-04-15	92
Ica Gruppen	2026-05-26	92
Världsbanken	2029-01-29	89
Nordea Hypotek	2028-10-27	85
Jyske Bank	2027-02-02	84
Atrium Ljungberg	2027-04-28	76
Fabege	2025-09-03	70
Nordic Investment Bank	2026-10-20	70
Scania	2025-01-20	61
Region Stockholm	2030-09-09	61
Fortumvärme	2028-06-05	60
Kungsleden	2027-01-15	60
Kommuninvest i Sverige	2029-05-16	59
Jernhusen	2025-04-23	59
Göteborg Stad	2027-06-17	56
Sparbanken Skåne	2025-11-16	51
Dios Fastigheter	2025-03-14	50
Humlegården Fastigheter	2027-09-22	50
Jernhusen	2026-10-09	50
Peab Finans	2024-09-06	48
Sydvatten	2028-05-08	47
Region Stockholm	2027-04-27	47
Norrköpings Kommun	2029-05-04	46
Svensk Stadsobligation	2030-09-09	44
Sveaskog	2028-04-13	38

Green bonds

	Maturity date	Assessed value, SEKm
Vellinge Stad	2028-03-08	34
Trelleborg Treasury	2027-03-07	34
Göteborg Stad	2025-09-24	29
Kommuninvest i Sverige	2026-06-10	28
Fabege	2027-03-08	23
Volvofinans	2025-11-20	23

Bonds and other fixed-income securities

	Maturity date	Assessed value, SEKm
Stadshypotek	2027-03-01	2,239
Spintab	2028-03-15	2,157
Nordea Hypotek	2027-06-16	2,098
Kommuninvest i Sverige	2027-06-15	1,963
SEB	2027-12-06	1,773
Stadshypotek	2028-09-01	1,516
Spintab	2027-03-17	1,475
LF Hypotek	2027-09-15	1,319
Nordea Hypotek	2028-09-20	1,254
Nordea Hypotek	2026-09-16	1,207
Kommuninvest i Sverige	2028-05-12	1,203
Stadshypotek	2027-12-01	1,068
SBAB	2027-06-09	1,009
SEB	2026-12-16	980
SEB	2028-11-06	908
Danske Hypotek	2026-12-16	579
Ellevio	2025-02-12	380
Region Stockholm	2027-01-20	310
Danske Hypotek	2028-12-20	309
Danske Hypotek	2027-12-15	308
TVO	2029-01-23	305
Hufvudstaden	2024-10-04	294
Svensk Hypotekspension	2067-12-21	270
Landshypotek	2026-09-30	254
Danske Bank	2027-09-07	247
Saab	2028-11-20	210
Specialfastigheter i Sverige	2027-05-27	203
Nordea	2026-08-25	202

	Maturity date	Assessed value, SEKm
Loomis	2026-11-30	200
Swedbank	2026-08-24	199
SBAB	2026-09-21	198
Nibe	2027-09-01	198
Västerås Stad	2028-02-01	198
Scania	2025-04-08	196
Kommuninvest i Sverige	2026-11-12	191
Sparbanken Sjuhärad	2025-09-01	190
Afrikanska Utvecklingsbanken	2027-02-10	190
Landshypotek	2027-05-07	189
International Bank for Reconstruction and Development	2029-03-02	188
Husqvarna	2028-08-14	188
Heimstaden	2025-02-25	186
SBAB	2030-06-12	179
Fortumvärme	2025-02-24	158
Vasakronan	2027-09-15	156
Saab	2026-05-11	154
Rikshem	2027-09-06	152
Leaseplan	2024-10-05	152
Hemsö	2027-05-10	152
Willhem	2027-05-10	151
DNB Bank	2028-01-20	149
Länsförsäkringar Bank	2026-10-05	144
Swedavia	2026-11-17	141
Sparbanken Skåne	2028-08-28	141
Arla Foods	2024-04-03	140
Vasakronan	2027-05-11	137
SBAB	2028-02-03	135
Nibe	2026-06-03	134
SEB	2026-09-01	128
Länsförsäkringar Bank	2033-03-01	126
Rikshem	2025-09-02	125
Sparbanken Sjuhärad	2026-02-12	119
Swedish Match	2026-02-24	115
SEB	2026-05-15	115
Borgo	2025-02-14	109
Indutrade	2028-02-23	106
Specialfastigheter i Sverige	2028-06-13	105
Specialfastigheter i Sverige	2028-11-22	104

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

Bonds and other fixed-income securities

	Maturity date	Assessed value, SEKm
Sveaskog	2028-11-16	104
Traton Finance	2026-09-29	104
Stockholm Sweden	2028-04-24	103
Tele2	2025-12-08	101
Banco Santander	2025-01-15	101
Specialfastigheter i Sverige	2028-04-28	101
Willhem	2027-01-18	101
Swedbank	2026-06-01	101
Länsförsäkringar Bank	2026-02-26	101
Intea Fastigheter	2025-03-03	101
Danske Bank	2027-09-28	101
Specialfastigheter i Sverige	2027-12-22	101
Borås stad	2028-08-17	101
Swedavia	2026-02-18	101
Jyske Bank	2025-04-12	101
Landshypotek	2027-09-01	101
Sparbanken Syd	2024-05-27	100
Skandiabanken	2026-03-16	100
Electrolux	2028-09-01	100
Specialfastigheter i Sverige	2026-09-14	99
Loomis	2027-05-19	99
Castellum	2024-09-20	99
Landshypotek	2025-12-09	98
Länsförsäkringar Bank	2024-09-13	98
Scania	2025-01-24	97
Swedbank	2033-06-09	97
SEB	2024-05-13	97
Atrium Ljungberg	2025-04-01	97
Swedavia	2026-11-17	95
Indutrade	2027-06-09	95
Sparbanken Skåne	2028-02-14	95
LF Hypotek	2029-09-28	95
Stadshypotek	2028-06-20	95
Sparbanken Skåne	2027-01-29	94
Landshypotek	2027-02-01	93
Nordea Hypotek	2027-11-25	92
Uppsala Kommun	2028-05-10	92
Arla Foods Amba	2028-10-12	88
Ica Gruppen	2026-09-18	88

	Maturity date	Assessed value, SEKm
Billerud	2028-02-09	85
Fastpartner	2027-02-02	84
Volvo	2026-11-03	84
Sörmlands Sparbank	2026-02-02	82
Hexagon	2028-09-27	81
SSAB	2024-06-26	81
Heimstaden	2026-11-23	80
DNB Bank	2033-05-23	79
DNB Bank	2030-05-28	74
Gränges	2026-09-29	73
DNB Bank	2033-05-23	73
Electrolux	2025-12-08	64
Getinge	2028-05-17	63
LF Hypotek	2028-09-20	63
SBAB	2028-06-14	63
DNB Bank	2026-09-02	61
Jyske Bank	2032-08-31	60
Elekta	2026-12-14	59
Lifco	2025-03-03	58
Lifco	2025-05-30	58
Husqvarna	2026-06-08	52
Platzer Fastigheter Holding	2025-09-15	51
Volvo	2025-11-04	51
Toyota Motor	2025-04-11	51
Specialfastigheter i Sverige	2028-01-25	51
Tele2	2027-05-19	51
ICA Gruppen	2028-09-18	50
Södertälje Kommun	2027-04-19	50
Humlegården Fastigheter	2027-03-05	50
Hemsö	2024-09-23	50
Castellum	2027-08-27	50
Specialfastigheter i Sverige	2026-06-01	50
Castellum	2026-05-28	49
Nibe	2028-12-01	48
Heimstaden Bostad	2025-07-24	48
Scania	2025-01-17	47
Stockholms Kommun	2025-06-03	47
Hemsö	2026-12-02	46
Castellum	2026-05-06	41

Bonds and other fixed-income securities

	Maturity date	Assessed value, SEKm
Husqvarna	2025-08-14	38
Intea Fastigheter	2025-09-01	38
Castellum	2024-05-21	36
Midstar	2025-02-08	36
SEB	2033-11-03	36
Indutrade	2026-11-12	34
Västra Mälardalens Sparbank	2024-08-09	32
Industrivärden	2025-02-20	31
Volvofinans	2028-01-19	31
Kungsleden	2025-06-18	30
Sparbanken Skåne	2026-01-21	30
Jönköpings Kommun	2026-02-04	29
Stadshypotek	2026-06-01	28
Castellum	2025-11-27	28
Castellum	2027-04-19	26
SBAB	2030-06-03	25
Sparbanken Rekarne	2025-09-01	24
Sveaskog	2027-10-01	10

Fixed-income-related funds

	Assessed value, SEKm
Nordstjernan Nordics HY Fund SEK	2,188
M&G Regulatory Capital Fund	459
M&G Global HY ESG Bond Fund	427
Napier Park European Credit Opportunities Fund	363
ICG Total Credit Fund	357
M&G European Sustainable Credit Fund	356
DWM Micro Loan EMD Fund	345
Napier Park ELM IV	330
M&G Sustainable Loan Fund	283
Bridge Debt Strategies III	160
Tetragon CLO Equity Fund III LP	142
Guggenheim US Loan Fund	131
Bridge Debt Strategies II	128
Edelweiss Credit Fund III	126
RiverRock Senior Loan Fund II	89
Tetragon CLO Equity Fund II LP	82
Cheyne Real Estate Credit holdings Fund	66
Neuberger Berman EUR HY Bond Fund	59
Cheyne Real Estate Credit holdings Fund III	35
Edelweiss Credit Fund II	17

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

Listed equities

Swedish equities

	Assessed value, SEKm
Atlas copco	2,504
Investor	2,230
Volvo	1,312
EQT	1,076
Hexagon	1,004
Assa Abloy	973
Skandinaviska Enskilda Banken	938
Sandvik	840
Evolution	802
Hennes & Mauritz	777
Epiroc	728
Svenka Handelsbanken	690
Swedbank	670
Astrazeneca	663
ABB	623
Ericsson	569
Nordea	539
Essity	523
Alfa Laval	508
Nibe Industrier	387
Svenska Cellulosa	296
SKF	296
Swedish Orphan Biovitrum	289
Telia	287
Boliden	266
Skanska	262
Saab	246
Castellum	228
Balder	221
Trelleborg	219
SSAB	210
Securitas	210
Getinge	181
Axfood	180
Tele2	177
Industrivarden	156
Holmen	152
Husqvarna	148
Electrolux	162

	Assessed value, SEKm
Avanza	111
Fabege	110
Embracer group	108
Autoliv	105
Sinch	95
Elekta	91
Dometic Group	87
Millicom International Cellular	82
Kinnevik	80
Billerud	77
Kindred Group	70
JM	36
Volvo Car	35
Arjo	26
Hexatronic	16

Global equities – base portfolio

	Assessed value, SEKm
Apple	1,452
Microsoft	1,318
Alphabet	768
Amazon	660
Nvidia	628
Meta Platforms	385
Eli Lilly & Co	257
JPMorgan Chase & Co	244
Unitedhealth Group	228
Home Depot	219
Broadcom	198
Visa	190
Coca-Cola	188
Adobe	187
Mastercard	186
PepsiCo	171
Schlumberger	168
Oneok	161
Advanced Micro Devices	161
Trane Technologies	159

Global equities – base portfolio

	Assessed value, SEKm
Salesforce	156
Johnson & Johnson	154
Transdigm Group	154
Nestle	152
Merck & Co	152
Novo Nordisk	149
Accenture	148
ASML Holdings	147
Baker Hughes	146
American Express	145
Halliburton	144
Morgan Stanley	142
Intuit	142
Allianz	141
Abbvie	140
Lowe's Companies	140
Costco Wholesale	138
Intl Business Machines	132
Procter & Gamble	132
Bank Of America	130
Applied Materials	129
Intel	128
AXA	128
Rio Tinto	126
LVMH Moet Hennessy Louis Vuitton	125
Caterpillar	125
Berkshire Hathaway	125
Goldman Sachs Group	124
McDonald's	123
Toronto-Dominion Bank	123
Cisco Systems	123
Deere & Co	122
Manulife Financial	121
Servicenow	120
Amgen	119
Johnson Controls International	117
Lam Research	116
Marsh & McLennan Companies	115
Comcast	114

	Assessed value, SEKm
Bank Of New York Mellon	114
Thermo Fisher Scientific	113
Linde	113
Ferguson	113
Agilent Technologies	113
Citigroup	112
Netflix	111
RELX	111
Booking Holdings	110
HSBC Holdings	110
Qualcomm	110
Royal Bank Of Canada	109
Metlife	108
Verizon Communications	108
Colgate-Palmolive	105
Schneider Electric	104
Eaton	104
Mckesson	103
Norsk Hydro Asa	102
Oracle	101
General Mills	101
Texas Instruments	98
TJX Companies	97
Chubb	97
Weyerhaeuser	96
Bank Of Nova Scotia	96
Vertex Pharmaceuticals	95
Walt Disney	93
Toyota Motor	93
Gilead Sciences	93
The Cigna Group	91
Parker Hannifin	89
American Tower	89
Bristol-Myers Squibb	89
Astrazeneca	89
Uber Technologies	88
PPG Industries	87
PNC Financial Services Group	87
Intesa Sanpaolo	87

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

Global equities – base portfolio

	Assessed value, SEKm
Siemens	87
Sony Group	86
Chipotle Mexican Grill	85
3M	85
HCA Healthcare	84
SAP	84
Welltower	83
Mitsubishi Ufj Financial Group	82
Constellation Energy	82
Sumitomo Mitsui Financial Group	82
Shin-Etsu Chemical	82
Zurich Insurance Group	80
AT&T	80
Regency Centers	80
S&P Global	79
State Street	79
Newmont	78
Pfizer	78
Starbucks	78
Ing Groep	77
Ford Motor	76
Transurban Group	76
Hitachi	75
Molson Coors Beverage	74
National Grid	74
Eversource Energy	74
Diageo	73
BNP Paribas	73
Centene	73
Tokio Marine Holdings	72
Nextera Energy	72
Elevance Health	72
Micron Technology	71
Secom Company	71
CGI	71
CAE	71
DBS Group Holdings	71
Charles Schwab	70
United Parcel Service	70

	Assessed value, SEKm
Exelon	70
Workday	70
Novartis	69
Idexx Laboratories	69
Sanofi	69
Nike	69
Kimberly-Clark	68
Target	68
HP	68
Sherwin-Williams	67
Roche Holding	66
Progressive	66
American International Group	66
National Australia Bank	66
Canadian National Railway	66
Autodesk	65
Anz Group	65
Danaher	64
Unilever	64
Mizuho Financial Group	64
Fiserv	63
Honda Motor	63
AIA Group	63
Equinix	62
Zoetis	61
Humana	61
Palo Alto Networks	61
Neste	59
Camden Property Trust	59
Air Liquide	59
Mercadolibre	59
Keysight Technologies	59
Sysco	58
Mercedes-Benz Group	58
Edwards Lifesciences	58
Sika	57
Illinois Tool Works	57
Emerson Electric	56
Cvs Health	56

Global equities – base portfolio

	Assessed value, SEKm
Aviva	56
United Overseas Bank	55
Dupont De Nemours	55
Aptiv	55
Fujitsu Limited	55
Takeda Pharmaceutical	54
Marvell Technology	54
Unibail-Rodamco-Westfield	54
TE Connectivity	53
Daiwa House Industry	53
Infineon Technologies	52
DHL Group	52
Church & Dwight	51
Analog Devices	51
CSL	51
Borgwarner	51
Bayerische Motoren Werke	50
Abbott Laboratories	49
Compagnie De Saint Gobain	49
Prysmian	49
Itochu	48
Electronic Arts	48
Boston Properties	48
Covestro	48
CME Group	47
Rockwell Automation	47
Regeneron Pharmaceuticals	47
Roper Technologies	46
Fedex	45
Becton Dickinson And Co	45
L'Oreal	45
Laboratory Corp Of America Holdings	45
Kingfisher	44
Ross Stores	44
Canadian Pacific Kansas City	44
Hoya	43
Nutrien	43
Vail Resorts	43
Pernod Ricard	43

	Assessed value, SEKm
Daikin Industries	43
Wesfarmers	42
Darling Ingredients	42
Dexcom	42
Alcon	42
Las Vegas Sands	42
Reckitt Benckiser Group	42
Nintendo	42
Cognizant Tech Solutions	41
Edp Renovaveis	41
Paypal Holdings	41
Industria De Diseno Textil	41
Vestas Wind Systems	41
Vodafone Group	41
Hunt Transport Services	40
Union Pacific	39
Bridgestone	39
Westpac Banking	38
Omron	38
GSK	38
SEEK	38
Expedia Group	37
Panasonic Holdings	37
Autozone	36
Anheuser-Busch	36
Amphenol	36
Geberit	36
Taylor Wimpey	36
Block	35
Kao	34
Cyberark Software	33
Constellation Brands	33
Biogen	33
Legrand Sa	32
eBay	32
Systemex	31
Mitsubishi Electric	31
Enphase Energy	31
Woolworths Group	31

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

Global equities – base portfolio

	Assessed value, SEKm
Illumina	31
CSX	30
Sumitomo Electric Industries	30
Resmed	29
NXP Semiconductors	29
Lendlease Group	28
Bath & Body Works	28
Verisk Analytics	28
Medtronic	28
DSM-Firmenich	28
Zscaler	28
Estee Lauder Companies	27
Hong Kong Exchanges & Clear	27
Shopify	27
IMCD	27
Fortinet	27
Walgreens Boots Alliance	25
Heineken	25
Keyence	25
Global Payments	25
Solaredge Technologies	25
Baxter International	24
Carlsberg	24
Prosus	24
Entegris	23
Lonza Group	23
BASF	23
First Quantum Minerals	22
Adidas	21
Warner Bros Discovery	21
Charter Communications	21
Orsted	21
Moderna	20
DSV	19
Enagas	19
Twilio	18
Norfolk Southern	18
Prudential	17
Toray Industries	17

	Assessed value, SEKm
VAT Group	17
Okta	17
Upm-Kymmene	16
Daimler Truck Holding	16
Halma	15
Wix.Com	15
Experian	15
Henkel AG & Company	14
Adyen	14
Roku	13
Shiseido	11
Cognex	10
Zoom Video Communications	10

Equity funds

	Assessed value, SEKm
Nordea EM Sustainable Enhanced Equity Fund	1,482
SHB Global Småbolag Index Criteria	861
Storebrand Emerging Markets	818
SHB Global High Dividend Low Volatility Criteria	616
Montanaro European Smaller Companies Fund	461
RBC Emerging Markets Equity Fund	334
BL American Small & Mid Caps	328
JPMorgan Europe Small Cap Fund	326
NCG US Small Cap Growth	108

Unlisted holdings and alternative funds

	Assessed value, SEKm		Assessed value, SEKm
Kåpan Fastigheter	6,733	AlpInvest PE II	214
Svenska Handelsfastigheter	2,740	PWP Real Estate Fund III	202
Gysinge Skog	2,150	Newbury Equity Partners III	200
Hemvist i Mälardalen	1,846	PW Growth Equity Fund II	194
Midstar Hotels	1,821	DIC ISquare III	185
JP Morgan Infrastructure Investments Fund	1,272	EMG Fund III	182
AlpInvest PE I	1,223	Clearlake Capital Partners VII	181
Antin Infrastructure Partners Fund IV	532	Advent GPE X	172
Antin Infrastructure Partners Fund III	518	Advent Global Technology	168
Bridge Office Fund II	512	GMO Horizon Forestry Fund	135
EQT IX	508	Antin Infrastructure Partners Fund III	129
Warburg Pincus Global Growth	484	Welsh, Carson, Anderson & Stowe XIV	128
EQT VIII	483	ACM II	118
Harrison Street RE US VIII	468	BlackRock GEPIF II	117
White Peak Real Estate IV	467	Warburg Pincus Private Equity XIV	116
Infra Investors II	449	Actis Energy V	113
The seventh Cinven Fund	442	Sprints Capital IV	95
Newbury Equity Partners IV	426	Sponsor Fund V	94
Advent GPE IX	419	Warburg Pincus Duravant	93
Bridge SFR IV	396	PWP Real Estate Fund II	76
Welsh, Carson, Anderson & Stowe XIII	392	Landmark Real Estate Partners VII	74
Molpus Woodlands Fund IV	380	Advent Global Technology II	69
Bridge SFR IV Co-invest Feeder	360	Antin V	64
Warburg Pincus Private Equity XII	356	White Peak Real Estate III	63
Apollo Investment Fund IX	351	Antin Connect Co-invest	62
BlackRock GEPIF III	348	Intera IV	61
Aermont Capital Fund IV	348	Portfolio Advisors Secondary Fund II	55
Bridge Workforce Affordable Housing Fund II	342	Antin Infrastructure Partners Fund II	50
ARA Europe RE Fund IV	337	Portfolio Advisors PE Fund V	49
FSN VI	328	Procuritas VII	34
Welsh, Carson, Anderson & Stowe XII	328	ARA Europe RE Fund III	31
ACM Permanent Crops	326	TA Associates XI	28
Revelop IV	323	Forest Fund Brazil	24
Newbury Equity Partners V	316	Areim Fastigheter 2	24
Harrison Street European Property III	297	Klarna AB	22
Molpus Woodlands Fund III	286	Advent GPE VI	19
Harrison Street RE US IX	259	EMG Fund I	17
The Sixth Cinven Fund	244	White Peak Real Estate II	14
Southern Pastures Limited Partnership	242	Rockspring German Retail Box Fund	13
Cubera VIII	238	Goldman Sachs Vintage Fund V	13
Bridge Multifamily Fund V	219		

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



Auditor's opinion regarding the statutory Sustainability Report

To the Council of Administration of Kåpan tjänstepensionsförening,
(Government Employees Pension Fund) reg. no. 816400-4114

Engagement and responsibility

The Board of Directors is responsible for the Sustainability Report for 2023 and for ensuring that it is prepared in accordance with the Annual Accounts Act and for the sustainability information on pages 46–55 of the Annual Report and that this is prepared in accordance with the EU's disclosure directive.

Focus and scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The Auditor's opinion regarding the statutory sustainability report*. This means that our examination of the sustainability report has a different focus and significantly smaller scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A sustainability report has been prepared and sustainability information has been provided.

Stockholm, 9 April 2024

KPMG

William Jeirud
Authorised Public Accountant



Kåpan tjänstepensionsförening
(Government employees pension Fund)
Smålandsgatan 12 · Box 7515 · SE-103 92 Stockholm
Tel +46 8 411 49 45 · kapan.se
Reg. no 816400-4114