



KÅPAN
PENSIONER

GOVERNMENT EMPLOYEES
PENSION FUND

SUSTAINABILITY REPORT

2021



Photo Tina Frankfeldt

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

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Sustainability Report

The society offers traditional pension insurance with guaranteed interest and stable returns over time at the lowest possible cost. We conduct responsible investment management. We make investments based on ethical standards and principles that are strongly rooted in Swedish society based on decisions made by the Swedish parliament and government.

Kåpan Pensioner is an insurance society which means that the society's members own the business together. The society acts based on its statutes, current legislation, regulations and general advice from the Swedish Financial Supervisory Authority, and in the best interests of all its members. Effective from 1 January 2021, the society conducts occupational pension business in accordance with the Occupational Pension Companies Act (2019:742). In conjunction with this the society changed its name to Kåpan tjänstepensionsförening, the abbreviated name of the society continues to be Kåpan Pensioner.

Sustainability for Kåpan Pensioner

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

Our assignment

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



parties is to deliver stable, good pensions to the society's more than 850,000 members. The society was formed in 1992 with the task of managing the complementary occupational pension based on the pension agreement PA-91. Since then new pension agreements have been negotiated and on 1 January 2016 the most recent agreement, PA 16, came into effect. The agreement means that the society's continued operations are secured in the long term and work on offering members responsible and well-balanced pension insurance can continue. Kåpan Pensioner works with sustainability as an integrated part of day-to-day operations. Sustainability work is based on the society's assignment from its members, via decisions of the Council of Administration, the society's statutes and the Board's decisions and policy documents.

Investment

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

Insurance

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

Organisation

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

Our sustainability work in brief

The society's goal is to provide a long-term, stable pension to its savers. The society aims to do this at the lowest possible cost at the same time as we wish to contribute to a long-term sustainable development of society. To achieve this, we take environmental, social and economic aspects into account in our operations and in our investments. The society's sustainability work is presented in full in this sustainability report starting with this summary:

Kåpan Pensioner's work with sustainability is based on the society's sustainability policy and investment guidelines. The society make investments based on the ethical standards and principles that are strongly rooted in Swedish society based on decisions made by the Swedish parliament and government.

The society's process for sustainability work in investment operations is summarised below:

- To the greatest possible extent we select companies or funds that have a high sustainability profile and companies that work actively to achieve a transition to sustainable solutions.
- We make every effort to reject companies that contravene global standards and we avoid investment in companies that:
 - are involved in the manufacture or distribution of controversial weapons
 - have the lowest sustainability rankings within their sector
 - have more than 5% of sales from extraction, energy production, processing and refining of coal and oil.
- We avoid investments in government bonds issued by nations that have not adopted basic democratic principles.
- We influence. As a long-term owner we have a responsibility to lobby for positive change where we can. Our advocacy and shareholder engagement vary depending on investment and size.
- We reduce our carbon footprint by avoiding investments in fossil-based companies according to the above criteria and we prioritise to the greatest possible extent operations that make a positive climate contribution. We support the Paris Agreement and we have set short-term and long-term climate targets and objectives for our measurable investments in order to ensure that we reach net zero emissions by 2045 at the latest.

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

Sustainability work in 2021

The society's sustainability work in 2021 was largely characterised by the ongoing pandemic, a continued increased climate focus and regulatory changes.



We have continued to improve and adapt the investment management model in order to better balance the demands we made in our sustainability work in relation to the overall goal for the society with a long-term, responsible and sustainable investment management with a good risk-adjusted return.

We have adapted our information provision and reporting primarily on the basis of the new regulations that came with our transfer on 1 January 2021 to become an occupational pension society but also to new regulations within sustainability which were added at EU level during the year. The regulation that mainly affects the society is the EU's Sustainable Finance Disclosure Regulation (SFDR) which came into force on 10 March 2021. The regulation aims to make it easier for the end investor to compare different financial products and players as regards sustainability risks and goals for sustainable investments.

Examples of the society's sustainability initiatives during the year:

- Within fixed-income management we continued to increase our investments in green bonds and in addition have among other things invested in bonds linked to Covid-19.
- We have added the fixed-income portfolio's carbon footprint to our follow up and reporting of the climate impact of the investments.
- We have set targets for our climate work which mean that the carbon footprint of our measurable investments will decrease by at least 20 percentage points over each five-year period from 2016.
- We have successively during the year reduced our holdings in our largest emerging markets fund at the same time as we have invested in a new emerging markets fund with a sustainability profile that is more in line with that of the society.

Sustainability targets 2021

Target	Follow-up
ESG rating for listed equities > index*	 1.4% higher than index
Carbon footprint to fall over time**	 44% lower footprint than 2020

* See page 7 for an explanation of ESG rating and index

** See page 12 for an explanation of measurement method



Watercolour Per Lierud

Responsible asset management

Kåpan Pensioner's members must always feel confident that we manage and invest their pension capital responsibly. Sustainability is an integrated part of investment operations. We work continually to improve our sustainability work and in 2021 we adopted several measures for further improvement.

Kåpan Pensioner's managed assets at year-end amounted to over SEK 136 billion. Investments are made based on the investment guidelines decided by the Board. The overall goal for investment operations is to achieve a long-term sustainable balance between return and risk in a cost-effective manner. Further, the society's investments must be made based on a number of overall ethical standards and principles.

Management is focused on investments in equities, fixed-income securities and property. Investments in equities are primarily listed holdings but also to some extent unlisted minority holdings in various types of venture capital funds.

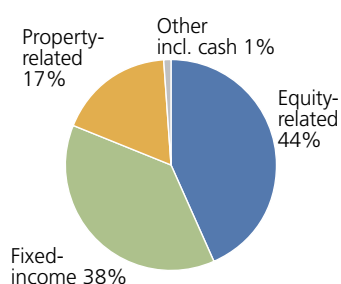
Fixed-income securities are mainly Swedish bonds with a high level of security but also include a small number of foreign fixed-income instruments through various fixed-income funds. Our property-related investments are unlisted holdings in commercial properties, forest and land as well as infrastructure investments through various funds.

Investment guidelines for 2021 resulted in the following bands:

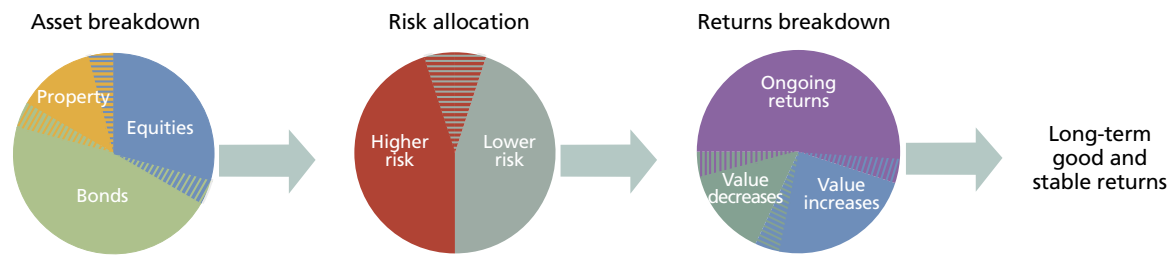
- Equities or equity-related asset class minimum 25% and maximum 45%.
- Bonds and other interest-bearing securities minimum 40% and maximum 70%.
- Property-related investments minimum 5% and maximum 20%.

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.

At year-end the society's assets were distributed as follows



The society's asset management model



Process for sustainability work in investment operations

Kåpan Pensioner's work with sustainability is based on the society's sustainability policy and investment guidelines adopted by the Board.

Our investments must comply with basic principles and the foundation for our sustainability work is a number of leading standards and principles widely rooted in Swedish society based on decisions made by the Swedish parliament and government.

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

For an in-depth account of international principles and conventions, see page 17.

Kåpan's process for sustainability work in investment operations



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

Norm-based screening

Twice a year we carry out an in-depth screening of our investments in listed equities and bonds to ensure that the investments comply with global standards relating to the environment, human rights, working conditions and anti-corruption as well as not being involved in the manufacture or distribution of controversial weapons. This in-depth screening covers 74% of the society's total managed assets.

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

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

We manage the main part of our listed fixed-income and equity investments in a directly owned portfolio. This provides us with a good possibility to directly influence which companies we invest in.

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

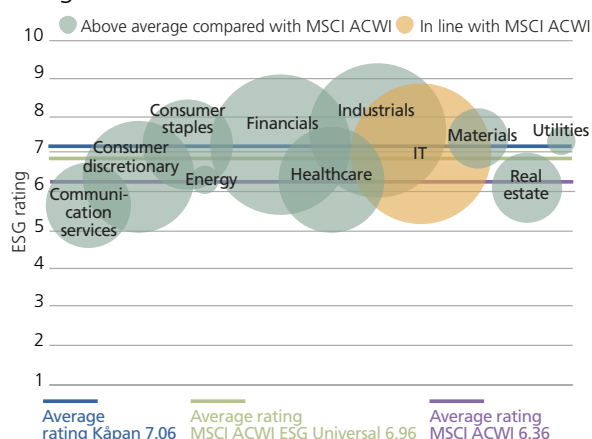
Our directly owned base portfolio amounts to just over 90% of our equity investments in OECD countries. We invest the remainder in active funds and index-like instruments which we consider complement the base portfolio. Our equity exposure to emerging markets continues to be managed in its entirety by external fund managers

All our equity funds are currently ESG compliant but despite this there are holdings that raise issues in our norm-based screening. It is not always obvious what is norm breaching and assessments differ between analysis companies. We collaborate closely with fund managers and engage in dialogue with them when there are issues with companies.

Positive screening – rating model

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

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



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

Source: MSCI ESG research, ESG Portfolio Analytics

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

For new investments, we check the company's sustainability rating as part of our investment process.

Our aim is that the sustainability rating of companies to which the society is directly or indirectly exposed should improve over time from current levels. The long-term aim is that the society's investments should have a weighted average sustainability rating which is above our selected index MSCI, All Countries World Index ESG Universal.

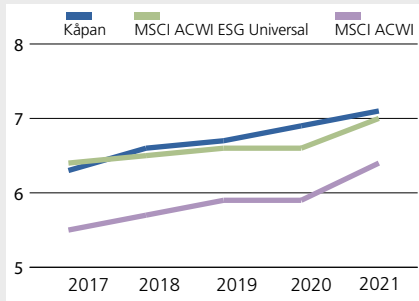
MSCI is one of the world's leading index providers and works with the analysis and evaluation of environmental and sustainability assessments at corporate level. Their sustainability rating is on a scale from 0 – 10 where 10 is the best rating. Every company in a given sector is evaluated from a number 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

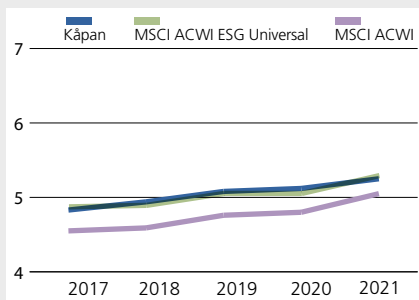
When screening the society's total listed equity holdings in 2021, the ESG rating improved to 7.06 compared with the previous year when it was 6.93, an increase of 1.9%. At the same time, our portfolio had a higher ranking than MSCI ACWI ESG Universal which was 6.96.

Development of ESG rating

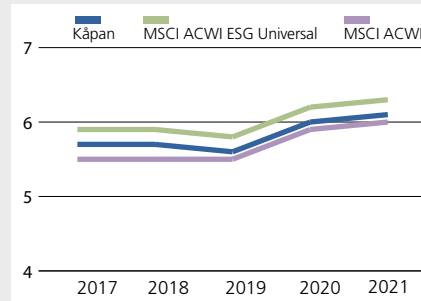
Total ESG rating



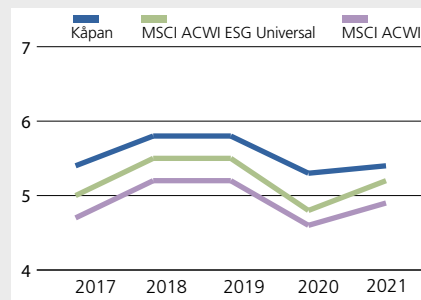
S – Social conditions



E – Environment



G – Corporate governance



Source: MSCI ESG research, ESG Portfolio Analytics

During the year we adopted a number of measures with the aim of improving our sustainability work and achieving a better weighted sustainability rating for our listed equities and funds. One of the aims of the decision we took a few years ago to manage most of our global equities portfolio in-house was that we would be able to influence our sustainability rating ourselves. The equity funds we have are ESG conformant and in accordance with the SFDR all our equity funds are classified as Article 8 except for one Article 9 fund. Article 8 means that the product promotes environmental and/or social characteristics, provided that the companies in which the investments are made follow good governance practices. An Article 9 fund has sustainable investment as an objective.

Sustainability process for unlisted holdings and external funds

In addition to investments in listed equities and bonds, we have investments in unlisted equity holdings in various types of venture capital funds and global fixed-income funds. In property we invest in unlisted companies in commercial properties, forest and land, and infrastructure through various funds. Our internal managers have close regular contact with the managers of these holdings and funds and a focus on sustainability is now part of the investment process for these investments. To ensure as far as possible conformance with basic sustainability criteria even in these unlisted holdings, sustainability issues are handled

using a questionnaire which aims to identify the funds' sustainability processes (degree of sustainability, sustainability work and focus). We would like sustainability to be a central part of the company's strategy and that there is a long-term approach to these issues. We continuously monitor the funds' agenda for improving and developing efforts with and responsibility for sustainability issues.

Advocacy and shareholder engagement

The aim of the society's responsibility as an investor is to deliver a good long-term stable return for the society's members. Investment management invests in a number of different businesses in order to be diversified and thus reduce the risk in investments. The large spread of investments means that we are owners of a large number of companies where our ownership stake varies from in a small number of companies being a major owner with a significant influence to in most cases being a small investor in each individual business with limited influence and decision-making rights. The society owns both listed and unlisted companies in Sweden and abroad.

The society's advocacy and shareholder engagement vary depending on the investment and its size and work includes dialogues, voting at annual meetings, membership of nomination committees, board assignments, and active participation in advisory boards.

The starting point is that the portfolio companies' governance depends on each country's local laws and regulations for listed companies. The regulatory framework in each

country provides the basis for how a company is governed as well as stipulating the division of responsibility between owners, board and management. The society's standpoint is also based on the international conventions and standards decided on by the Swedish parliament and government.

In Sweden, the regulatory framework comprises mainly the Swedish Companies Act, the Swedish Code of Corporate Governance (the Code) as well as listing agreements with the Stockholm Stock Exchange and other applicable legislation. The society supports efforts to develop the Code and considers that the Code's basic principle "comply or explain" is good and provides scope for individual companies to adapt.

Advocacy activities

Dialogues are a key part of shareholder engagement and the majority of our dialogues are reactive dialogues often initiated by allegations of or verified failure to respect international norms and conventions. We collaborate with ISS ESG to hold these dialogues with listed companies and the aim is to ensure that the companies remedy failures and take action so that similar incidents do not recur. In 2021 we held lobbying dialogues with 134 companies in collaboration with ISS ESG. In some companies there are dialogues on several subjects and during the year 206 subjects were addressed in these companies. The response rate for 2021 dialogues was 57% (66%) with varying quality in the responses. There were more companies that initially failed to respond but of those who did, several responses were of very high quality. The dialogues had a continued major focus on consumer rights and health as a consequence of Covid-19. There was also considerable focus on trade-union rights and there were many dialogues with a focus on counteracting the depletion of biodiversity.

In some cases we hold our own dialogues with companies in which we have invested. During the year we continued to hold regular meetings with Swedbank to monitor their actions after previous accusations of money laundering. We have also initiated a dialogue with Swedish Match in order to obtain a better understanding of and insight into their management and selection of tobacco suppliers.

We hold dialogues with fund managers of our funds for both listed and unlisted holdings. The aim of these dialogues ranges widely from simply obtaining information to influencing the content or factors of the funds. We also hold dialogues around policy documents related to sustainability and strategies and during the year we also raised the issue of reporting of carbon dioxide emissions as well as certification of our property investments.

We decided to divest a global equity fund where dialogues did not yield any results and where we made the assessment that this was not going to happen and in two other emerging market funds dialogues resulted in four companies taking action which resulted in them no longer being regarded as non-conformant.

Assignments within the society 2021

Active influence					
Dialogues		Owner governance			
Targeted dialogues	Dialogues with other investors	Nomination committees	Board assignments	Voting at annual meetings	Advisory boards
2	134	0	4 ¹⁾	144 ²⁾	6

¹⁾ No listed companies.
²⁾ Proxy voting.

Shareholder engagement

The society considers that it is important to be an active owner and therefore to the greatest possible extent exercises its responsibility as owner by voting at annual meetings and through membership of nomination committees. The society is often a limited owner in a company and it is important to prioritise the use of resources within the business. For this reason, we weigh up whether to vote ourselves at general meetings or via a proxy, which depends on the size of the holding in the portfolio, the society's ownership stake in the company or whether important issues of principle will be examined at the general meeting.

During the 2021 annual general meeting season, the society decided to vote exclusively via an electronic proxy using ISS ESG's proxy voting service. ISS ESG is assigned to vote based on the policy approved by Kåpan Pensioner. In addition to a focus on general governance issues, this also takes into account principles for sustainable business and international standards and conventions supported by the society.

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

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

ISS ESG provides an electronic voting platform where we can see their analyses and voting recommendations. We make our own assessments and decide if we will vote in line with ISS's proposals and recommendations.

Swedish general meetings

The society's Swedish equity portfolio is managed internally in directly owned shares. During 2021 the society voted at 35 ordinary general meetings and six extra general meetings. The companies that the society voted for comprise approximately 65% of the market value of the Swedish equity portfolio at the end of the first half. We voted in accordance with ISS ESG's recommendations on all agenda items, with the exception of three items at an annual general meeting.

Foreign general meetings

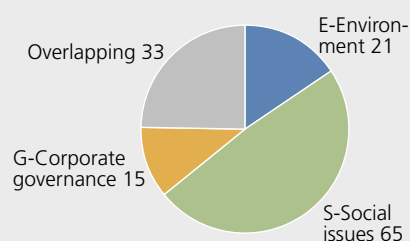
The society's global internally managed equity portfolio is spread geographically and over several sectors and a large number of companies. This combined with the fact that the society is a small owner in each company means that we always vote via proxy at global general meetings. During 2021 we prioritised voting at the meetings of the 100 largest holdings which corresponds to approximately 65% of the market value in the directly owned global equity portfolio.

Advisory boards

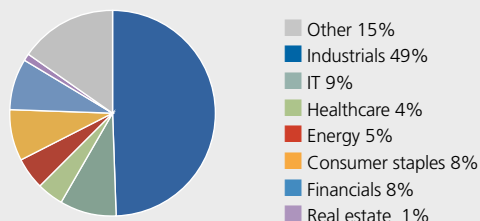
In some of our unlisted holdings within venture capital and property we take an important owner responsibility through membership of the funds' advisory boards. We work in these boards with knowledge support and as an advisory discussion partner for issues related to the funds' operations. In the event of conflicts of interest, the advi-

Advocacy and shareholder engagement

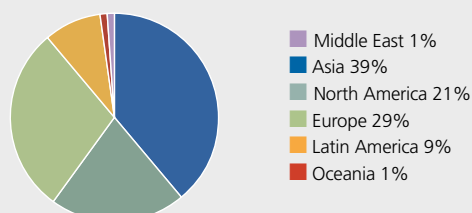
Dialogues with companies



Sector



Geographic distribution



The society's proxy voting 2021

Voting statistic	2021
Number of annual meetings	144
Share of companies in total number of direct-owned holdings	70%
Number of agenda items	2,927
Share of votes for boards' proposals	90%
Share of votes against boards' proposals	10%
Number of shareholder proposals	152

Geographic distribution of annual meetings

Country	Share
USA	52%
Sweden	28%
Switzerland	3%
Japan	2%
Ireland	2%
France	2%
Canada	2%
Germany	1%
Netherlands	1%
UK	1%
Other	5%

sory board is required to make a decision through a voting procedure.

Exclusion of companies

In our investment management, sustainability is included as an integrated part of the investment process and in order to achieve sustainable management, we work on the basis of our sustainability process.

Norm-based exclusion

The society's overall strategy is as far as possible not to invest in companies that violate international norms for the environment, human rights, labour law and anti-corruption, nor do we invest in companies involved in the manufacture or distribution of controversial weapons.

We regularly screen our holdings of listed equities and fixed-income assets and twice a year with the help of ISS ESG we carry out an in-depth assessment of the holdings based on the criteria listed above. If a company is, or is suspected to be, non-compliant with our sustainability criteria, we hold in collaboration with ISS ESG, a dialogue with the company or the manager if the company is included in a fund. If the company cannot present an action plan to rectify the problems or if the dialogue does not give a result, we choose to sell the holding.

Different analysis companies make different assessments of companies' compliance with international norms and we have in some cases held dialogues with fund managers concerning companies that have screening issues or are non-compliant according to our sustainability criteria but have been approved by another analysis company. We regularly follow up these investments with the fund managers and we discuss these holdings in our Sustainability Committee. During 2021 fewer companies were discussed than in the previous year. We chose to divest one global equity fund where dialogues had not given any result and where we judged that this was unlikely to happen and in

Additional exclusion criteria

In order to reduce the sustainability risk in our investments and so that our investments are in line with global climate goals and our internal sustainability goals, we have added additional exclusion criteria in our investment management. We avoid investment in:

- Companies where more than 5% of revenues come from extraction, power production, processing and refining of coal and oil*. We have a few companies left in one of our emerging market funds and where we have set a target to divest these holdings in 2022 at the latest.
- Companies with the lowest sustainability ratings within their industry.
- Government bonds issued by countries that do not recognised basic democratic principles.

*) With reservations for a few companies that we currently consider to be transition companies and with reservations for the list of transition companies being updated based on the companies' climate work and commitments.

two other emerging market funds the dialogues resulted in four companies taking action which resulted in them no longer being considered non-compliant.

The climate impact of investments

We support the climate goals of the Paris Agreement to limit global warming and the society has set as a long-term objective that emissions from our measurable investments shall be net zero by 2045 at the latest. In order to ensure that we achieve this and to obtain a transparent report 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. Within alternative investments, we have had a significant holding of forest and land for several years and in recent years we have increased our investments within renewable energy and green bonds. These investments make a positive contribution to our carbon footprint.

During the year we have placed a greater focus in our management model on reducing the carbon dioxide emissions from the investments. Within the directly owned companies, we invest to the greatest possible extent in companies that are working to reduce their carbon footprint. It is also important to invest in companies that work with solutions and technologies designed to reduce the global carbon footprint over time. We have chosen not to invest in companies that have more than 5% of revenues from extraction, power production, processing and refining from coal and oil. We have sold all affected companies in our directly owned equity portfolio. Our funds will be free from oil and coal in 2022. As part of efforts to achieve this, during the year we shifted a large portion of the global fund port-

folio within emerging markets to a fund with a low carbon footprint (the fund has a 60% lower carbon footprint than index).

Measurement method for carbon footprint

For several years we have measured the carbon footprint for listed equity portfolio. The carbon footprint provides an indication of the size of the direct (scope 1) and indirect emissions (scope 2) from the underlying companies in the portfolio, but the method does have a number of limitations:

- It only provides a snapshot of how the emissions in the investment portfolio look. The value can vary in pace with changes in the portfolio companies' emissions or revenues, with changes in the composition of the portfolio as well as changes in exchange rates.
- All emissions are not included, emissions data is not always complete and climate-positive initiatives are not included
- Climate risk, such as physical risks from extreme weather or consequences of changed legislation on energy efficiency are not measured.

There are different ways of reporting carbon footprint and the society follows the recommendations of the Swedish Insurance Federation and the Swedish Investment Fund Association when measuring and reporting carbon footprint. In the past two years, both these recommendations have been updated to adapt reporting to Task Force for Climate-related Financial Disclosures (TCFD) recommendations for climate-related financial disclosures.

New for this year's reporting of carbon footprint is that we have added the portfolio's total carbon dioxide emissions and we measure and report for the first time the carbon footprint in the society's listed equity portfolio, where it is

Measurement method

- Calculations should be made using data on emissions of greenhouse gases which satisfy a global accepted model such as the GHG Protocol.
- The data must include scope 1 (a company's direct emissions) and scope 2 (a company's indirect emissions from use of electricity, heating or steam). Scope 3 (other indirect emissions that occur upstream and downstream in the value chain at the reporting companies) are not included in the calculations since there is not yet comprehensive data for these emissions.
- Emissions should be expressed in carbon dioxide equivalent (CO₂e).

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 equivalent (CO₂e) is a unit 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.

Listed equity portfolio

The market value of the portfolio at year-end was just over SEK 53 billion and the coverage rate in the measurement was 99% of market value.

The total carbon dioxide emissions in the listed equity portfolio fell by 44% compared with the previous year which is a decrease far in excess of the set target.

The portfolio's weighted average carbon dioxide intensity at year-end was 5.8 tonnes CO₂ equivalent per million kronor in revenues. This is 65% lower than the portfolio's benchmark index, MSCI ACWI. Compared with the previous year, the portfolio's weighted average carbon dioxide intensity decreased by 43%*.

Listed fixed-income portfolio

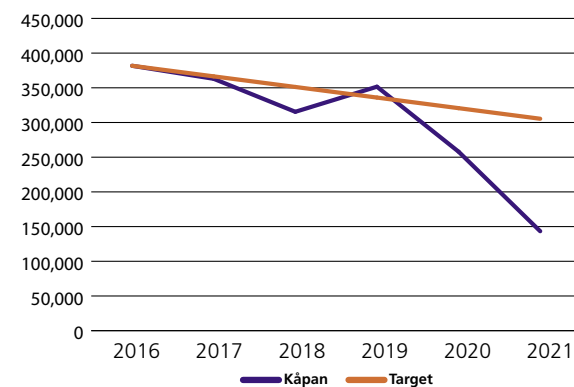
This is the first year in which we measure the carbon footprint of our listed fixed-income portfolio. The market value of the portfolio at year-end was just over SEK 48 billion and the coverage rate in the measurement was 90%.

The portfolio's total carbon dioxide emissions at year-end were 28% lower than the benchmark index (a mix of Solactive SEK Fix Short IG Credit Index and Handelsbanken Sweden Mortgage Bonds 3y-5y Total Return Index). The portfolio's weighted average carbon dioxide intensity at year-end was 2.1 tonnes CO₂ equivalent per million in revenues. This is 18% lower than the portfolio's benchmark index.

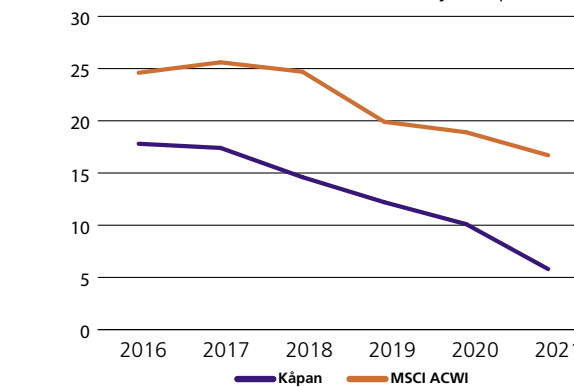
Two of the holdings in the portfolio account for over 50% of emissions of which the one with the highest footprint has initiated a transition and has climate goals approved by Science Based Targets Initiative (SBTI). The other company has also set high climate targets with 2025 as the target for achieving net zero emissions.

*) In 2021 the Swedish krona weakened against the US dollar which had a positive impact on the calculation of the metrics carbon dioxide emissions and intensity.

Tonnes CO₂e Total carbon dioxide emissions – equities



Tonnes CO₂e/SEKm in revenues Weighted average carbon dioxide intensity – equities



We have started to follow up which companies have set scientific carbon targets in accordance with Science Based Targets Initiative (SBTI).

Number and proportion of companies with approved SBT		
	Kåpan	Index
Directly owned equities		
Foreign equities	98 companies/31%	315 companies/21%
Swedish equities	17 companies/30%	17 companies/30%
Corporate bonds	11 issuers/13%	n/a

Kåpan Pensioner's carbon footprint 2021

	Equities	Fixed-income
1. Total carbon dioxide emissions in tonnes CO₂e	143,304	39,160
Change from 2020	-44%	n/a
Kåpan Pensioner compared with index*	-68%	-28%
2. Relative carbon dioxide emissions tonnes CO₂e/market value in SEKm	2.7	< 1
3. Carbon dioxide intensity, tonnes CO₂e/SEKm in revenues	7.1	7.2
4. Weighted average carbon dioxide intensity tonnes CO₂e/SEKm in revenues	5.8	2.1
Change from 2020	-43%	n/a
Kåpan Pensioner compared with index*	-65%	-18%

1 Total carbon dioxide emissions show our investments' emissions in tonnes CO₂e (scope 1 and 2) on the basis of our owned share of the companies' emissions. This metric is used as a follow up of our internal climate targets and to show our investments' absolute emissions reduction.

2 Total carbon dioxide emissions in relation to the portfolio's market value. Expressed as tonnes CO₂e/market value in SEKm.

3 Carbon dioxide intensity, total carbon dioxide emissions are related to ownership share of the companies' revenue, Expressed as tonnes CO₂e/revenue in SEKm.

4 Weighted average carbon dioxide intensity, shows the portfolio's exposure to carbon dioxide intensive companies, expressed as the company's annual greenhouse gas emissions in relation to the company's annual revenues, broken down by portfolio weighting (the holding's value in relation to the total value of the portfolio). Expressed as tonnes CO₂e/revenue in SEKm.

*) Equity benchmark index is MSCI ACWI and the fixed-income benchmark is a mix of Solactive SEK Fix Short IG Credit Index and Handelsbanken Mortgage Bond. Source: MSCI Carbon Portfolio Analytics and ESG Climate Impact Assessment.

Climate risks

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

Within the framework of Kåpan Pensioner's own risk and solvency analysis (ORSA) we have started work on being able to assess the climate risks in our investments.

The financial impact from climate risks can be divided into two categories:

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

Assessment of the climate risks of investments

In this year's assessment of the financial impact of climate risks on our investments, we included listed equity and fixed-income holdings. The assessment of the climate risks of fixed-income holdings indicated a minimal earnings impact which is due to some extent to the low coverage rate in the analysis. We therefore chose to limit the reporting to our equity investments

The calculations utilise three scenarios based on the IPCC's (UN climate panel) climate scenarios and data which are then converted to a financial analysis at company level to evaluate the assessed climate risks' financial effect where all climate-related cash flows up to 2030 are calculated at present value using WACC as the discount factor. The calculation of the effect of adjustment risk is based on a number of assumptions about the parameters carbon tax, increased market share for renewable energy sources and production of fossil fuels (oil, gas and coal).

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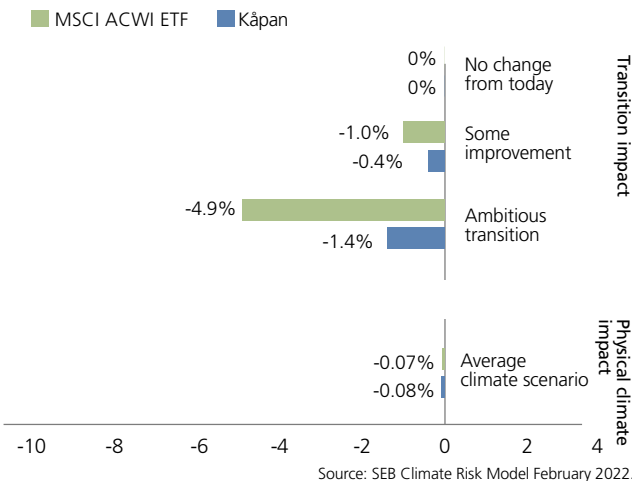
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Estimating physical risks is considered to only have a limited effect on the portfolio for the next ten years and therefore these have not been developed in different scenarios.

Transition risk scenarios are based on the IPCC's Representative Concentration Pathways (RCP).

- **RCP 8.5** – No change from today, which probably means that the Paris Agreement is a long way from being met.
- **RCP 6.0** – No change from today, which probably means that the Paris Agreement is a long way from being met.
- **RCP 2.6** – Ambitious transition, means sufficient improvement to meet the Paris Agreement.

Climate impact as a percentage of equity portfolio's total managed assets



Disclaimer:

This information is based on data from sources that have been accessed by SEB but SEB takes no responsibility for the veracity or accuracy of this information. Some information is based on assumptions and estimates for companies that do not report (for example sustainability data) in their annual reports. No warranty, express or implied, is made by SEB or any identified third-party supplier regarding completeness, level of detail, infringement of third-party rights, saleability or suitability for a given purpose and the information is not to be considered as any form of creditworthiness or sustainability rating for the units reviewed. The recipient of the information must derive their own opinion of the companies covered by the information.

Examples of our sustainability initiatives 2021

We work continually to improve our sustainability initiatives. We want our members and other stakeholders to be able to easily follow and update themselves about the work we are doing within sustainability. We regularly publish on our website, [kapan.se](https://www.kapan.se), the activities that we, our partners or our managers are carrying out in order to improve our sustainability work. In this section we discuss some activities that took place during the year.

Sustainable bonds

During the year, we continued to increase our investments in green bonds with just over one billion kronor and at year end these comprised 11% of the bond portfolio. During the year we invested among other things in a number of green bonds issued by municipalities (regions) and we also invested in the Swedish government's green bond.

In spring 2021 the society invested in the World Bank's new focused bond which supports the UN's sustainable development goals. The bond is part of the World Bank's strategy to highlight projects and programmes that focus on equality and health, with an emphasis on how Covid-19 disproportionately affects women. The bond is issued in Swedish kronor and has a maturity of five years.

During the year we also invested in a number of sustainability-linked bonds (SLB). This type of bond differs from a green bond in that it does not aim to finance a given project but rather links the terms of financing to a number of defined sustainability goals for the company's entire business, for example to reduce carbon dioxide emissions or to increase the proportion of recycled material in their production. An SLB gives the borrower a clear economic incentive to meet its sustainability goals, if this is not achieved, penalties are applied.

A new sustainable credit fund

The society has previously invested in a number of fixed-interest-related funds issued by M&G Investments and at the end of 2021 invested in their new sustainability-oriented credit fund M&G Sustainable European Credit Investment Fund. The society participated in this fund from the outset which was a great advantage since we could influence it to take into account the society's internal sustainability criteria in the choice of holdings as well as the fund having further criteria for exclusion (tobacco, alcohol, adult entertainment, gambling, natural gas, and nuclear energy). The fund's aim is that its negative climate impact, measured as weighted average carbon dioxide intensity, should be less than index. The fund also has the aim of trying to identify leading companies and solutions for climate transition. In the new EU-wide reporting for how financial products take sustainability into account, the Sustainable Finance Disclosure Regulations, the fund is categorised as an Article 8 fund which is defined as the fund promoting environmental and social characteristics in its investments but not having sustainable investments as an objective (Article 9).

Sustainable property projects

One of our major investments in property is in Sveafastigheter through the jointly owned company SBB Kåpan Bostad AB.

Sveafastigheter has in recent years received several awards and nominations for their sustainable housing.

During 2021 Sveafastigheter has worked with a specific focus on social sustainability and trialled some new concepts to reduce loneliness and improve a sense of community among neighbours.

Some examples are the Hydran project in Västerås, sheltered accommodation with 100 apartments for residents aged 65 and over and Rudbeckia in Uppsala where Sveafastigheter has built a co-living hub.



HYDRAN RESIDENTIAL AREA

Involuntary loneliness is one of Sweden's major endemic diseases and the hardest hit are the elderly. A key issue for Sveafastigheter in the Hydran project was if it was possible to build away loneliness. Partly this is about how the homes are designed. With the sheltered housing Hydran Sveafastigheter has cracked a big part of the loneliness code and also done this with innovative climate-smart solutions for future generations. For example, the roof is clad with solar panels that heat the building.

Hydran is built for community living with generous common areas both indoors and out. It is something like a collective and Hydran has its own warden who is there for the residents and listens in, arranges activities from proposals and takes their own initiative. During the year there were 20 weeks of calisthenics and 18 events were arranged including midsummer celebrations, musical evenings and a Christmas bake-in.

RUDBECKIA RESIDENTIAL AREA

Live alone – with others. During the year Sveafastigheter's first co-living hub, Rudbeckia, was completed. The building has 42 fully equipped rental apartments of different sizes and in addition 400 m² of communal spaces with a commercial kitchen, living room and hobby room. The co-living community means that cooking together will be at the heart of the building which is expected to improve the sense of community and make day-to-day living easier.

In Rudbeckia there is a mix of people of different ages and backgrounds. The residents are already talking about the advantages of living together a little more. For example, the children in the building like all their new friends of different ages. On the roof is a large shared terrace. The roof is also clad with sedum which improves biodiversity and solar panels which heat the building. Rudbeckia is built with consideration for people and the climate.



IN DEPTH

International principles and conventions

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

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

The UN has played a leading role in many of the basic principles drawn up as a starting point for companies and society. The UN Global Compact for companies was formed in 1999. A corresponding stakeholder group was founded

on the initiative of the UN in 2005 for financial market players, the UN PRI, which stands for the UN's principles for responsible investment. Today more than 3,800 financial players worldwide are affiliated to UN PRI

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

UN Global Compact

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

Global Compact's 10 principles

Human rights

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

Labour

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

Environment

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

Anti-corruption

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

UN Principles for Responsible Investment (UN PRI):

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

PRI's six principles for responsible investment

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

UN's Sustainable Development Goals – 2030 Agenda

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

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

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

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 Global Goals



Controversial weapons:

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

Additional conventions that Sweden supports include controversial weapons.



Sustainability – Insurance

Watercolour Per Lierud

Sustainable traditional insurance

For Kåpan Pensioner, accepting responsibility with respect to our members is part of sustainability work. This applies to the various insurances we offer, guarantees and interest as well as surplus and generation savings. We are a default alternative and are therefore extra careful to guarantee confidence and security for our members who did not make an active choice themselves. In our work with providing a sustainable insurance prioritised areas include low charges, satisfied members and low environmental impact when contacting you the member.

Kåpan Pensioner works solely in the government agreement sector and does not offer insurances in other agreement sectors. Nor does the society offer any unitlinked 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 agents in distribution of insurances. The society does not, therefore, pay any commission or other form of salesstimulating remuneration to external players.

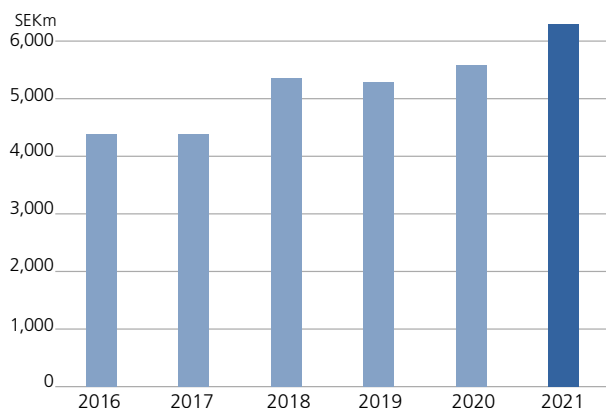
We engage the National Government Employee Pensions Board (SPV) in Sundsvall to administer parts of the insurance administration operations. This assignment includes maintenance of the society's insurance administration system, processing and providing a customer service. To satisfy the regulatory requirements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

Secure insurance

Kåpan Pensioner'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 will have their premiums paid into Kåpan Pensioner. During the year paidin premiums totalled SEK 6,296m. Kåpan Pensioner's traditional insurance is designed to suit those who do not want to make an active choice or put time or effort into their pension savings. The aim of the design of the insurances is to give members a return that reflects the risk assessed as reasonable in relation to the longterm stability that is expected from traditional pension insurance. Kåpan Pensioner has a high proportion of members who have not made an active choice of occupational pension manager and who probably also have limited interest in pension management. For the component of pension premiums where there is a choice, the society receives the bulk of premiums and the proportion has risen in recent years. Kåpan Pensioner therefore has a responsibility for the design of the guarantees and obligations found in the insurance terms. Saving in traditional insurance is a tradeoff between the security provided by the commitments made by the society in every insurance and the possibility of taking a risk in investments which can give a higher anticipated return.

Paid-in premiums



Guaranteed interest and protection of paid-in capital

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

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

In recent years, asset management has delivered a significant surplus which provides a buffer for the future. This buffer can be calculated in different ways but the method that is currently used in Sweden and by the society is based on guidelines decided by the Swedish Financial Supervisory Authority. The value of the society's outstanding obligations at year-end 2021 amounted to approximately SEK 59 billion which can be compared with the society's total assets of just over SEK 136 billion. The society's solvency ratio at yearend was 229% which exceeds the statutory limit of 104% by a wide margin.

The society has a very good solvency ratio

229%

Low charges

We actively work to make our operations more efficient. Our administrative expenses have fallen over time and amounted to 0.06% of the insurance capital in 2021. The society continues to try to reduce costs and thus provide a higher payout pension. The fixed charge per insurance in 2021 was SEK 6 but we have totally removed the fixed charge from 1 January 2022. The variable administration charge in 2021 was 0.06% of the pension capital. The cost of investment management was 0.04% of the pension capital. Altogether 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 government employees

Insurance provider	Annual fixed charge, SEK	Variable charge as % of pension
Kåpan Pensioner	0	0.10
Alecta	75	0.20
AMF	75	0.19

Source: Valcentralen.se.

Fair distribution of capital and costs

Kåpan Pensioner operates on the basis of two overall principles for the insurance business. The first is the precautionary principle 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 Pensioner uses monthly bonus interest with ongoing distribution of the society's surplus and deficit to all insurances. This means that the surplus is continuously allocated to the insurances and that 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 different groups thus have different amounts of high-risk assets and therefore different bonus interest rates.

During the year, the Board decided to revise the generation model by merging the two younger groups and shifting the age boundaries by five years. This change was carried out on 1 January 2022. You can read more about the changes on our website, kapan.se. All members invest in the same assets and underlying securities. It is only the proportion of each asset class that varies between the generation portfolios.

Pension – for life

All Kåpan Pensioner's insurances are paid for life if the member has not actively chosen an alternative payment period. The life expectancy assumptions used by the society determine the size of the monthly pension payment. A lifetime pension is paid out for life and the members' different life spans are balanced within the framework of the insurance operations as a whole. The society uses gender-neutral life expectancy assumptions. This means that when the pension is calculated based on available pension capital, the amount of the pension payment will be the same regardless of gender. The society's actuary continually follows up the sustainability of the assumptions used to calculate outstanding insurance commitments and life expectancy.

Repayment cover means a lower pension

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

Repayment cover means you receive a lower pension

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

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

Members' integrity

Kåpan Pensioner is responsible for sensitive personal data and other member information. It is therefore essential that this personal data is protected by the greatest possible security. We work among other things with training employees to ensure competence in the General Data Protection Regulation (GDPR*) covering protection of integrity, data security, data storage and confidentiality. Kåpan Pensioner 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 Occupational Pension Fund Association

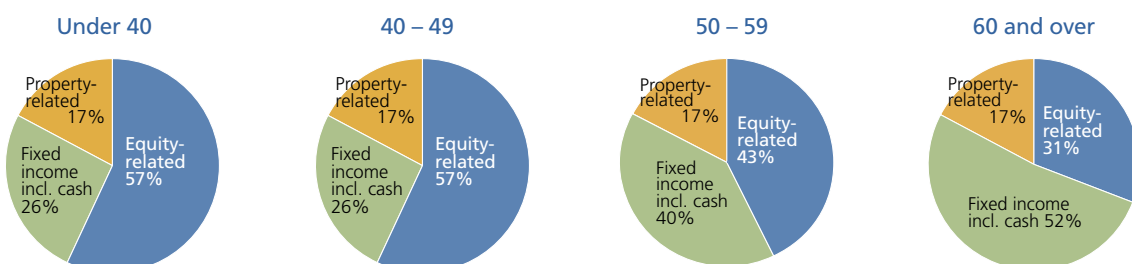
Kåpan Pensioner is a member of the Occupational Pension Fund Association and also participates as an expert when new regulations for the pension system are being developed for example by participating in studies or responding to consultations. This means that members' interests are also taken into account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

Information to and contact with members

Kåpan Pensioner has over 850,000 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 Pensioner cooperates with the organisation Min Pension (my pension) where an individual's total pension savings are reported regardless of whether they are state pension, occupational pension or private pension savings.

* 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.

Distribution of investments for each age group across the three asset classes 2021



Pension savings in Kåpan Pensioner 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 2021 the number of mailshots was approximately 970,000, an increase on 2020 of about 100,000 items. The increase is due to us sending for the first time pension statements to those already receiving pension payments. The proportion of digital mailshots in 2021 increased to 53% (44). A large part of this increase is due to the society's ongoing digitalisation of more and more mailshots, in April 2021 all mailshots were digital. Some of the increase is due to more members continually registering with Kivra.

During 2021 we had 251,000 (226,000) visits to our website. Of these 151,000 logged in to Mina sidor (my pages). We can see that visits to our website have increased by 11% on the previous year. The proportion that log in is unchanged.

Many of our members chose to use our e-services. Of those who chose to change repayment cover, 95% did so via the e-service. Of people applying for a pension in 2021, 92% did so via the e-service. During 2021 almost 1,000 people raised their tax deduction via the e-service, which is the same level as the previous year.

In 2021 we received just over 17,000 calls. 67% of these calls were answered in less than three minutes. We received approximately 6,300 queries by email or messages from Mina sidor and have a target of responding by the next working day at the latest, which to a great extent was met.

Kåpan's customer satisfaction

Year	Telephone	Email/messages
2021	4.7	4.6
2020	4.7	4.4
2019	4.8	-

“Rapid, good, concrete and informative response with friendliness and involvement. Thanks”

Example of free-text response

Follow-up of information to members and customer satisfaction

In order 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 effort during the year to rectify any deficiencies.

Those who contacted us in 2021 are on the whole satisfied. The satisfaction value for those who contacted us by telephone remains at 4.7. For those who contacted us by email the satisfaction value has risen to 4.6 (4.4).

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.



Sustainability – Organisation

Watercolour Per Lierud

Sustainability initiatives in ongoing operations

Our own organisation is small with limited direct impact in a holistic sustainability perspective. In our own operations we work at being an equal-opportunity workplace, nurturing good business ethics and reducing our environmental impact.

We have an even gender distribution in the Board and in the organisation and equality is an obvious and basic requirement. As a small service company with few employees the society has no direct emissions of any significance. Our environmental impact from our own operations comes mainly from business travel and from electricity and district heating consumption.

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 carried out based on prioritising equal opportunity and treatment as fundamental values.

The society has an even gender distribution in the Board and in the organisation. Within the different areas of competence in the organisation, gender distribution is also even. The strategy is that Kåpan Pensioner should be a society entirely without discrimination and which strives to give all employees equal rights and development opportunities.

Emissions from business travel

The organisation's largest climate-related emissions occur with business travel. The society has a travel policy which governs travel for the employees. A business trip, choice of route and means of transport must be based on a trade-off between cost efficiency and the environmental impact of the journey. Rail journeys are preferred to flights since they are a more climate-efficient means of travel, especially for trips of under four hours. Flights should be made in economy class, unless there are special circumstances, since this gives better use of resources. This also applies to travel outside Europe. The policy for the society's company cars is that these should be zero emission or meet the requirements for super ultralow emissions vehicles. A condition, however, is that the necessary infrastructure is in place and available to individual employees.

We choose green leases for our own premises

The society rents office premises in Stockholm and Sundsvall. The landlords' sustainability work is to take longterm responsibility environmentally and socially as well as for economic development by providing good, flexible working environments, improving existing climate systems, changing over to lowenergy 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 activities offered as well as working with its own plans and targets for improvements. For example, during the year two beehives were placed on the roof of the Sundsvall premises. The aim of this was to contribute to the global goals (15) Life on Land and (11) Sustainable Cities and Communities.

Kåpan Pensioner's energy consumption office premises

Annual consumption kWh	Stockholm	Sundsvall
Operations electricity	14,600	3,870
Property electricity	18,862	2,660
District heating	20,598	7,335
District cooling	2,510	927
Total kWh /m ²	157	156
Change on 2020	+12%	-9%
Premises climate impact		
Carbon dioxide emissions, electricity	0	0
Carbon dioxide emissions, district heating	824 kg	0
Carbon dioxide emissions, district cooling	0	0

The increased energy use at the Stockholm premises is due primarily to cold months at the start and end of 2021 as well as June and July being extremely hot which led to increased use of district cooling.



Photo Carolina Frankson, SPV

Suppliers

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

Collaboration with others

For skills exchange and learning and, together with other investors, to have greater opportunities to influence companies, Kåpan Pensioner has signed the UN Principles for Responsible Investment (UN PRI), and we are a member of Swesif.

PRI is an international network of investors that work together to integrate sustainability factors into the investment process based on six factors. As members, we have amongst other things committed to implementing ESG issues in management and investment decisions, being an active owner, influencing companies positively on sustainability and being a driving force in the market in which we operate. We report our own sustainability development annually to PRI.

SWESIF (Sweden's Sustainable Investment Forum) is a Swedish network for organisations that work with sustainable investment. Through membership of Swesif we learn more and monitor developments with sustainability work in the industry as well as becoming involved in advocacy work centred on sustainability issues.

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

Kåpan Pensioner’s sustainability work is based on the society’s statutes and the strategic direction decided by the Board. The society’s sustainability work is specified in 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 carried out in practice and covering the entire operation.

Sustainability work is an integrated part of the organisation

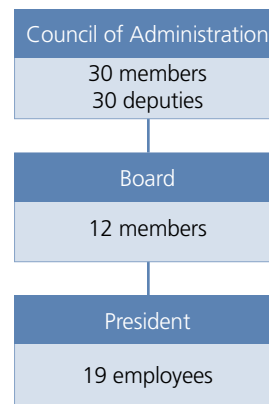
Kåpan Pensioner’s most important contribution to a sustainable society is the provision of a secure pension at the lowest possible cost. The society belongs to its members and all surplus is returned to them in the form of a higher pension. Kåpan Pensioner’s Board has ultimate responsibility for the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

The President is responsible for operational implementation of the strategic plan and the targets set by the Board. Sustainability work is governed by 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 Pensioner 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

Board and management



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.

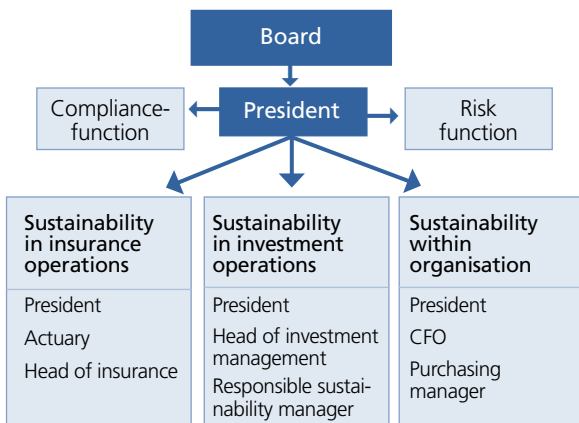
Board

The Council of Administration appoints Kåpan Pensioner’s Board which manages operations. The Board consists of twelve members where 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 reelection.

Laws and regulations

Kåpan Pensioner 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

Organisational structure for integrated sustainability work



pension society was completed on 1 January 2021. There are also continual changes in external regulations which affect the society's operations and require updates to and changes in working processes and policies.

Kåpan Pensioner has a responsibility 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 operations and the limitations that apply.

Insurance conditions are determined by the current collective agreement and the society's statutes. The statutes are available on 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 result of their review to the Council of Administration each year. The Financial Supervisory Authority exercises oversight of the business.

Stakeholders

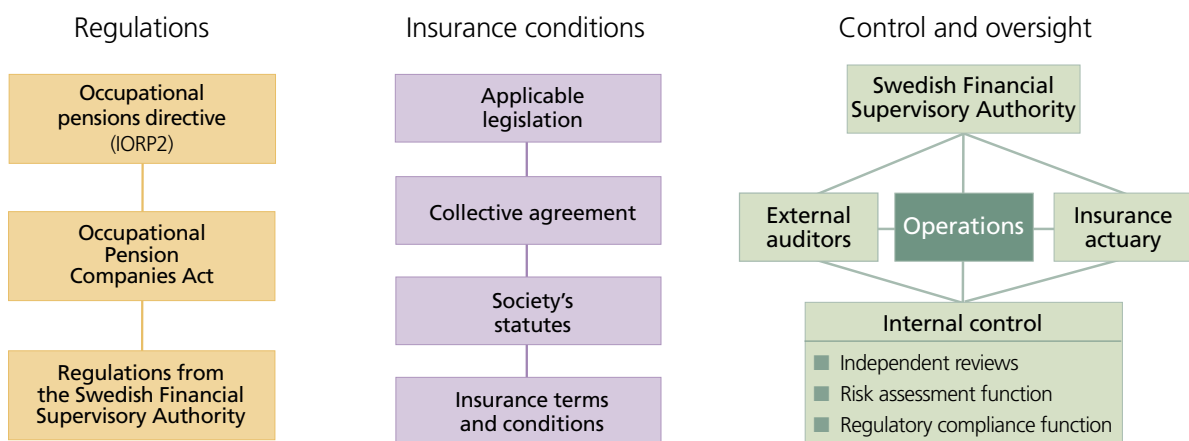
Kåpan Pensioner's most important stakeholders are the society's members and the parties to the collective agreements in the government sector, primarily the founders of Kåpan Pensioner, the Swedish Agency for Government employers (Arbetsgivarverket), the Public Employees' Negotiation Council (OFR/S,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

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

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



Stakeholder model



The society's total long-term value creation

The value creation the society contributes is a longterm positive return on the society's investments combined with a falling level of costs due to high operational efficiency. The biggest actual costs that affect pension payments are the tax on returns and costs of investment and insurance management. Unlike many other players in the pensions sector, the society has marginal costs for marketing. The business has no other purpose than to create value for its members. Costs that do not make a positive contribution to that goal should be avoided even if they can contribute to job creation and welfare in other parts of society, but it lies outside the remit which is to carry out the assignment as well as possible in relation to the members.

About the sustainability report

This 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 the Board of Kåpan Pensioner.

Regulatory changes

The EU has identified a major need for investment in sustainable alternatives to achieve the climate goal in the Paris Agreement. In 2018, the EU Commission published an action plan for strengthening and hastening work on sustainability in the financial market.

The aims are:

- to steer the flow of capital to sustainable investments
- to integrate sustainability into risk management
- to promote transparency and longterm views on the capital markets

The action plan comprises ten points of which four are legislation including the Taxonomy Regulation, which is a classification system for sustainable investments, and the Sustainable Finance Disclosure Regulation (SFDR).

The Disclosure Regulation took effect in March 2021 and will be added to in stages over the next two years. The aim of the regulation is to make it easier for end-investors to compare different financial products and players regarding sustainability risks and targets for sustainable investment. The regulation applies both at product level and entity level. Kåpan Pensioner is covered by the regulation at entity level but not at product level since the society does not market or sell financial products within the EU. A comprehensive description of how the society relates to the Disclosure Regulation can be found at kapan.se/disclosureforordning

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 countries have converged on the new legislation in order to harmonise insurance distribution.

The law gives the customer 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.

LIST OF HOLDINGS

at 31 December 2021

Bonds and other fixed-income securities

Green bonds

	Maturity date	Assessed value, SEKm
Swedavia	2025-03-12	324
Stora Enso	2025-04-29	261
SEK	2028-01-18	239
Klövern	2024-04-16	228
Vasakronan	2025-01-28	200
Wallenstam	2023-08-25	200
SEK	2025-06-26	197
Eurofima	2025-12-03	197
White Peak	2023-11-27	164
Sveaskog	2026-03-03	157
Vasakronan	2024-02-26	157
Willhem	2023-09-03	151
Vasakronan	2024-03-01	151
Wallenstam	2022-11-30	150
Atrium Ljungberg	2024-08-21	131
Fabege	2024-06-22	126
Region Skåne	2027-11-11	122
Kungsleden	2023-03-07	118
European Investment Bank	2027-03-02	114
Swedavia	2025-05-26	111
Örebro Kommun	2028-03-22	105
Vasakronan	2026-03-13	102
Atrium Ljungberg	2024-04-02	101
Willhem	2024-01-16	101
Vasakronan	2025-06-04	101
Svenska Handelsfastigheter	2023-09-25	100
Wallenstam	2022-09-16	100
Atrium Ljungberg	2025-07-01	100
Svenska Handelsfastigheter	2025-06-03	98
Världsbanken	2029-01-29	96
Kungsleden	2023-06-13	91
Sveaskog	2024-10-16	91
Vasakronan	2024-09-11	81
Stora Enso	2024-02-20	80
Nordic Investment Bank	2026-10-20	74
Bonova	2024-03-11	71
Region Stockholm	2030-09-09	67
Klövern	2022-04-04	63
Kungsleden	2027-01-15	61
Scania	2025-01-20	60
Göteborgs Stad	2027-06-17	59
Rikshem	2022-10-19	50
Fabege	2023-02-28	50
Svensk statsobligation	2030-09-09	50
Region Stockholm	2027-04-27	49
Peab	2024-09-06	48

	Maturity date	Assessed value, SEKm
Trelleborg	2027-03-07	34
Kommuninvest i Sverige	2026-06-10	30
Fastighets AB Stenvalvet	2026-05-28	24
Volvo	2025-11-20	24
Ellevio	2027-06-11	10

Social bonds

	Maturity date	Assessed value, SEKm
International Development Association (IDA)	2025-06-25	198

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		Maturity date	Assessed value, SEKm
Swedbank	2025-06-18	2,982	Sparbanken Sjuhärad	2025-09-01	198
Nordea Hypotek	2026-09-16	2,797	Swedbank	2028-05-08	198
SEB	2025-12-17	2,758	TVO	2024-02-15	197
Swedbank	2026-03-18	2,628	Heimstaden Bostad	2025-02-25	195
Stadshypotek	2025-09-03	2,453	Husqvarna	2024-12-04	188
Nordea Hypotek	2025-09-17	2,132	Fabege	2023-08-30	188
Stadshypotek	2026-06-01	1,480	SBAB	2024-10-23	185
SEB	2026-12-16	1,413	Epiroc	2023-12-06	178
SEB	2024-12-18	1,193	Balder	2024-01-15	175
Stadshypotek	2027-03-01	1,011	Akelius	2023-10-03	168
Länsförsäkringar Bank	2025-09-17	924	Sparbanken Skåne	2026-10-19	160
SBAB	2025-06-11	680	Skandiabanken	2026-11-24	154
Länsförsäkringar Bank	2027-09-15	620	Landshypotek	2025-08-22	154
Hufvudstaden	2024-10-04	402	Tele2	2023-02-24	153
Länsförsäkringar Bank	2025-11-17	375	Länsförsäkringar Bank	2026-02-26	152
Landshypotek	2025-03-17	371	Nordea Hypotek	2023-06-27	151
Telenor	2024-03-19	333	Saab	2026-05-11	151
DNB Bank	2025-09-03	308	Specialfastigheter Sverige	2026-06-01	150
Skandiabanken	2026-04-23	308	Volvo Treasury	2024-02-26	150
Skandiabanken	2025-06-24	308	Holmen	2024-10-29	149
Danske Bank	2025-12-17	305	Göteborgs Stad	2027-10-21	149
Akademiska hus	2024-10-02	297	International Bank for Reconstruction and Development	2026-03-16	148
Saab	2025-04-09	296	Sparbanken Skåne	2024-11-20	147
Swedish Match	2023-02-27	288	Volvo Treasury	2023-12-13	143
Swedbank	2025-09-16	287	L E Lundbergföretagen	2026-09-08	137
Ellevio	2025-02-12	272	Jyske Bank	2023-09-07	137
Stockholm Exergi	2025-02-24	266	Nibe	2026-06-03	134
Landshypotek	2026-09-30	260	Sveaskog	2023-05-08	131
Sparbanken Skåne	2025-01-20	256	Sparbanken Rekarne	2023-06-05	131
SBAB	2024-09-24	253	Rikshem	2025-09-02	126
Rikshem	2023-12-13	253	Sparbanken Sjuhärad	2026-02-12	124
SBAB	2024-12-09	251	Willhem	2025-02-22	123
Danske Bank	2027-09-07	249	Nibe	2023-09-04	122
Arla Foods	2024-04-03	243	SKF	2024-06-10	121
Volvo Treasury	2023-09-13	230	SCA	2025-09-23	120
Loomis	2023-09-18	225	Sparbanken Skåne	2026-01-21	118
Danske Bank	2023-12-08	212	Malmö Kommun	2026-09-15	118
Stadshypotek	2025-08-01	208	Swedish Match	2026-02-24	118
Scania	2025-04-08	204	Heimstaden Bostad	2026-11-23	118
Nibe	2024-06-03	203	Lifco	2025-03-27	113
Willhem	2024-09-12	202	Elekta	2023-03-13	111
Swedbank	2026-08-24	202	Trelleborg Treasury	2023-05-04	107
SBAB	2026-09-21	202	Landshypotek	2025-12-09	106
Leaseplan	2023-05-05	201	Diös Fastigheter	2023-09-15	104
Länsförsäkringar Bank	2024-09-13	200	Castellum	2024-09-20	103
Svensk Hypotekspension	2067-12-21	200	Electrolux	2023-04-06	102
Humlegården Fastigheter	2027-03-05	199	Santander Consumer Bank	2025-01-15	102
SBAB	2030-06-12	198			

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		Maturity date	Assessed value, SEKm
Billerud	2023-03-20	101	DNB Bank	2028-03-13	35
Arla Foods	2023-07-03	101	Indutrade	2026-11-12	34
Swedbank	2023-05-04	101	Industrivärlden	2025-02-20	32
Hufvudstaden	2023-01-23	101	Castellum	2025-11-27	30
Swedavia	2026-02-18	101	SBAB	2030-06-03	26
Balder	2023-01-19	100	TVO	2022-02-15	25
Fastighets AB Stenvalvet	2023-11-01	100	Akelius	2023-10-03	20
Sparbanken Syd	2024-05-27	100	Sveaskog	2027-10-01	11
Loomis	2026-11-30	100			
Swedavia	2199-11-17	100			
Atrium Ljungberg	2025-04-01	99			
Länsförsäkringar Bank	2025-09-25	99			
Uppsala Kommun	2028-05-10	98			
TVO	2023-01-13	95			
Swedavia	2199-02-26	94			
Indutrade	2023-02-23	91			
Leaseplan	2022-01-26	90			
Volvo	2025-01-27	87			
SSAB	2024-06-26	83			
Ellevio	2024-02-28	83			
Scania	2023-03-03	80			
Balder	2022-03-21	80			
Lifco	2024-03-06	80			
Fastighets AB Stenvalvet	2025-06-30	80			
Ellevio	2024-02-28	79			
DNB Bank	2030-05-28	77			
Lifco	2022-09-02	74			
Gränges	2026-09-29	74			
Länsförsäkringar Bank	2024-09-13	71			
TVO	2022-02-15	70			
Municipality Finance	2199-04-01	67			
Kommuninvest i Sverige	2029-05-16	65			
Sparbanken Västra Mälardalen	2023-03-16	64			
Klövern	2023-09-04	60			
Elekta	2026-12-14	60			
SCA	2025-09-23	59			
Sveaskog	2024-03-06	55			
Platzer Fastigheter Holding	2025-09-15	53			
Castellum	2027-08-27	52			
Ellevio	2024-02-28	52			
Hufvudstaden	2022-08-24	51			
Länsförsäkringar Bank	2028-03-01	51			
Arla Foods	2023-07-03	50			
Swedavia	2199-02-17	50			
Stadshypotek	2027-11-15	46			
Husqvarna	2023-02-14	41			
Volvo	2023-03-28	41			
Castellum	2024-05-21	36			

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

Fixed-income-related funds

	Assessed value, SEKm
Nordstjernen Nordics High Yield Fund	1,096
M&G Global High Yield ESG Bond Fund	395
M&G Regulatory Capital Fund	355
ICG Total Credit Fund	314
DWM Micro Loan EMD Fund	287
Napier Park European Credit Opportunities Fund	282
M&G Sustainable Loan Fund	245
M&G European Sustainable Credit Fund	189
Symphony US Loans	180
Tetragon CLO Equity Fund III	147
Tetragon CLO Equity Fund II	112
Guggenheim US Loan Fund	107
Edelweiss Credit Fund II	87
Edelweiss Credit Fund III	48

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

Listed equities

Swedish equity portfolio

	Assessed value, SEKm
Atlas Copco	2,113
Investor	1,989
EQT	1,394
Hexagon	1,076
Volvo	991
Sandvik	909
Ericsson	878
Assa Abloy	877
SEB	798
Evolution	797
Hennes & Mauritz	782
Epiroc	758
Nibe Industrier	700
Swedbank	592
Essity	583
Nordea	548
Svenska Handelsbanken	546
ABB	491
Astrazeneca	478
Alfa Laval	420
Telia	369
Swedish Match	326
Balder	326
Getinge	292
SCA	283
Tele2	280
Boliden	273
SKF	262
Sinch	245
Castellum	244
Skanska	243
Samhällsbyggnadsbolaget i norden	212
Kinnevik	211
Husqvarna	203
Trelleborg	202
Electrolux	190
Industrivärden	177
Swedish Orphan Biovitrum	165
Securitas	156
Fabege	144
Autoliv	141
Axfood	135
Elekta	120
SSAB	119
Kindred Group	112
Dometic Group	111
Billerud Korsnäs	99
Saab	88
JM	82
Intrum	79
Millicom International Cellular	67
Volvo Car	64
Arjo	61
Electrolux Professional	60
Stillfront Group	54
Stora Enso	43
Hexpol	32

Global equities – base portfolio

	Assessed value, SEKm
Apple	1,111
Microsoft	1,048
Alphabet	728
Amazon	587
Nvidia	395
Meta Platforms	298
Home Depot	244
Johnson Controls International	174
JP Morgan Chase & Co	173
Bank of America	166
Visa	162
ASML Holding	160
Adobe	159
Coca-Cola	157
Nestle	156
Johnson & Johnson	155
Unitedhealth Group	153
Lowe's Cos	147
Cisco Systems	147
NextEra Energy	145
Mastercard	144
Accenture	141
PepsiCo	140
Walt Disney	140
Citigroup	137
Morgan Stanley	135
Salesforce	131
Intuit	127
Toronto-Dominion Bank	126
Bank of Nova Scotia	126
Schlumberger	124
Ferguson	123
Agilent Technologies	122
Thermo Fisher Scientific	121
Trane Technologies	120
Intel	119
Procter & Gamble	118
American Express	118
Bank of New York Mellon	117
3M	116
Applied Materials	115
Netflix	114
Diageo	113
International Business Machine	112
Baker Hughes	112
Starbucks	111
Linde	111
Eli Lilly & Co	110
Nike	110

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

Global equities – base portfolio

	Assessed value, SEKm		Assessed value, SEKm
McDonald's	110	Schneider Electric	71
Verizon Communications	109	Boston Properties	70
LVMH Moët Hennessy Louis Vuitton	108	HP	70
Axa	108	Sumitomo Mitsui Financial Group	70
ServiceNow	104	ING Groep	70
PNC Financial Services Group	104	Booking Holdings	69
Pay Pal Holdings	103	Autodesk	68
Sony	102	BNP Paribas	68
Manulife Financial	102	Eaton	67
Marsh & McLennan Companies	102	S&P Global	66
MetLife	101	Sika	66
Halliburton Company	100	Intesa Sanpaolo	65
Abbvie	100	AIA Group	65
Regency Centers	99	Chipotle Mexican Grill	65
Qualcomm	98	Broadcom	64
Target	97	American Tower	64
Gilead Sciences	96	Cigna	63
Lam Research	96	CVS Health Corporation	63
Advanced Micro Devices	95	United Parcel Service	63
Deere & Co	95	Keysight Technologies	63
State Street	94	Norsk Hydro	62
Comcast	92	Transdigm Group	62
Merck & Co	91	Workday	62
Colgate-Palmolive	89	Micron Technology	62
Goldman Sachs Group	89	Kimberly-Clark	61
Novo Nordisk	88	AstraZeneca	61
HCA Healthcare	87	Laboratory Corp of America Holdings	61
Royal Bank of Canada	86	DBS Group Holdings	61
Zoetis	86	General Mills	61
Texas Instruments	86	Zurich Insurance Group	61
Roche Holding	85	Sanofi	61
AT&T	85	IDEXX Laboratories	61
PPG Industries	85	TE Connectivity	60
Allianz	84	Estee Lauder	60
Toyota Motor	83	Transurban Group	59
Oneok	83	Vail Resorts	59
Aptiv	82	Siemens	58
SAP	81	CAE	58
Welltower	81	Secom Company	58
Edwards Lifesciences	80	Anthem	58
Amgen	79	Berkshire Hathaway	58
Caterpillar	78	ABB	58
L'Oreal	78	Daimler	58
Weyerhaeuser	77	Newmont	58
Omron	77	Koninklijke DSM	57
Bristol-Myers Squibb	76	Australia & New Zealand Banking Group	57
TJX Companies	76	Oracle	57
Costco Wholesale	75	Block	56
RELX	75	Sherwin-Williams	56
Camden Property Trust	74		
Eversource Energy	73		
Pfizer	73		

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

Global equities – base portfolio

	Assessed value, SEKm		Assessed value, SEKm
Humana	55	Hong Kong Exchanges & Clearing	42
First Republic Bank	55	Twilio	42
HSBC Holdings	55	CyberArk Software	41
Novartis	54	Geberit	41
Infineon Technologies	54	Lonza Group	41
Equinix	54	Dexcom	41
Daikin Industries	53	Taylor Wimpey	41
Chubb	53	Analog Devices	41
Air Liquide	53	Las Vegas Sands	41
Aviva	53	Biogen	40
Vertex Pharmaceuticals	52	National Grid	39
Nordea Bank	52	Mitsubishi UFJ Financial Group	39
DuPont de Nemours	52	National Australia Bank	39
Charles Schwab Corporation	51	Becton Dickinson and Company	39
Hitachi	50	Kao Corporation	39
Activision Blizzard	50	Volvo	37
American International Group	50	Wesfarmers	37
GlaxoSmithKline	50	Takeda Pharmaceutical	37
CSL	50	Covestro	37
Adidas	49	FedEx	37
CGI	49	Mondelez International	37
Illumina	49	Prysmian	36
Tokio Marine Holdings	48	Expedia Group	36
Parker-Hannifin	48	Kingfisher	36
MercadoLibre	48	Progressive Corporation	36
Vodafone Group	48	Bridgestone	36
Rockwell Automation	47	Lendlease Corp	36
Fujitsu	47	Honda Motor Company	36
Abbott Laboratories	47	Us Bancorp	35
Sysco	47	Vestas Wind Systems	35
Centene	47	Uber Technologies	35
Danaher	47	Prosus	35
Unibail-Rodamco-Westfield	46	Bayerische Motoren Werke	35
Systemex	46	Westpac Banking	34
CME Group	46	Reckitt Benckiser Group	34
Molson Coors Beverage Co	46	Nintendo	33
Walgreens Boots Alliance	46	Cognex	33
Daiwa House Industry	45	Sandvik	33
Roper Technologies	45	Alcon	33
Shopify	45	Ross Stores	33
Moderna	45	Keyence	32
Okta	45	Zscaler	32
Fiserv	44	Panasonic	32
SEEK	44	Baxter International	32
Marvell Technology	44	Palo Alto Networks	31
Cognizant Technology Solutions	44	Constellation Brands	31
Halma	44	Anheuser-Busch InBev	30
eBay	44	Woolworths Group	30
Deutsche Post	44	Illinois Tool Works	30
Neste	43		
Mizuho Financial Group	42		
Pernod Ricard	42		

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

Equity funds

Global equities – base portfolio

	Assessed value, SEKm
Fortinet	30
DocuSign	30
Regeneron Pharmaceuticals	29
Roku	29
Amphenol	29
RingCentral	28
Sumitomo Electric Industries	28
Unilever	28
SoftBank Group	28
Industria de Diseno Textil	27
Ford Motor	27
Eisai Company	27
Medtronic	27
Borgwarner	26
Emerson Electric Company	26
Carlsberg	26
Enphase energy	26
Heineken	25
Mitsubishi Electric	25
EDP Renovaveis	25
Church & Dwight Company	24
Rio Tinto	24
Verisk Analytics	24
Prudential	24
Enagas	24
SolarEdge Technologies	24
Wix	24
United Overseas Bank	23
Zoom Video Communications	23
Mckesson	22
Compagnie de Saint Gobain	21
Exelon	21
DSV	19
Shiseido Company	18
Canadian National Railway	18
Adyen	18
Henkel AG & Company	18
BASF	18
Stryker	17
Charter Communications	17
CSX	17
Norfolk Southern	17
Upm-Kymmene	16
Canon	16
Experian	16
Global Payments	16
Canadian Pacific Railway Ltd	15
Daimler Truck Holding	14
Orsted	13
JB Hunt Transport Services	13
Siemens Energy	12

	Assessed value, SEKm
Nordea EM Sustainable Enhanced Equity Fund	1,217
SSGA Emerging Markets SRI Enhanced Equity Fund	883
SHB Global Småbolag Index Criteria	854
Montanaro European Smaller Companies Fund	721
Banque de Luxembourg European Equity	408
JPMorgan Emerging Markets Opportunities	326
JPMorgan Europe Small Cap Fund	324
RBC Emerging Markets Equity Fund	317
VanEck Emerging Markets Equity	291
GS China A-Share Equity Portfolio	290
SHB Global High Dividend Low Volatility Criteria	214
Montanaro European MidCap Fund	189
Templeton EM Sustainability Fund	118

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

Unlisted holdings and alternative funds

	Assessed value, SEKm		Assessed value, SEKm
Svenska Myndighetsbyggnader AB	2,583	Antin Infrastructure Partners Fund III B	133
LSTH Svenska handelsfastigheter	2,287	Rockspring German Retail Box Fund	131
Gysinge Skog AB	1,603	ACM II Investor LP	127
Midstar Hotels AB	1,371	GMO Horizon Forestry Fund	124
JP Morgan Infrastructure Investments Fund	1,031	Klarna AB	123
SBB Kåpan Bostad AB	1,025	TA Associates XI	118
AlpInvest PE I	809	Antin Infrastructure Partners Fund II	111
Nyfosa AB	761	FSN VI	109
EQT VIII	586	Cheyne Real Estate Credit holdings Fund III	109
PWP Real Estate Fund III	558	Portfolio Advisors Priv Eq Fund V	101
Warburg Pincus Private Equity XII	540	Portfolio Advisors Secondary Fund II	95
WHITE PEAK Real Estate IV	534	WHITE PEAK Real Estate III	72
Antin Infrastructure Partners Fund III	529	Cheyne Real Estate Credit holdings Fund	68
Advent GPE IX	445	Antin Connect Co-invest	63
Welsh, Carson, Anderson & Stowe XII	431	InfraRed III	49
Newbury Equity Partners IV	385	Areim Fastigheter 2 AB	48
Profi Fastigheter IV	374	Infra Investors II LP	41
Warburg Pincus Global Growth	374	White Peak Real Estate II	27
Cubera VIII	360	Advent GPE VI	26
EQT IX	341	DIC ISquare III	26
PWP Real Estate Fund II	325	EMG I	25
Harrison Street European Property III	298	UOB Portfolio Advisors Pan Asia Select Fund II	21
Bridge Office Fund II	296	Sponsor Fund V	20
Antin Infrastructure Partners Fund IV	294	Forest Fund Brazil	17
Molpus Woodlands Fund IV	277	Portfolio Advisors Secondary Fund	16
The Sixth Cinven Fund	276	Goldman Sachs Vintage Fund V	15
Newbury Equity Partners III	248	Goldman Sach Cap Partn VI	14
Southern Pastures Limited Partnership	245	Triton III Fund	12
ACM Permanent Crops	244	Intera IV	10
Harrison Street US Property VIII	243		
Bridge Debt Strategies III	242		
Aermont Capital Fund IV	239		
InfraRed IV	238		
Welsh, Carson, Anderson & Stowe XIII	236		
Molpus Woodlands Fund III	206		
Advent Global Technology	204		
Bridge Debt Strategies II	191		
The Seventh Cinven Fund	182		
Apollo Investment Fund IX	182		
PW Growth Equity Fund II	174		
Global Energy & Power Infrastructure Fund II	172		
Global Energy & Power Infrastructure Fund III	172		
EMG III	164		
Landmark Real Estate Partners VII	144		
Newbury Equity Partners V	135		

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 2021 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the audit

My examination has been conducted in accordance with FAR's standard RevR 12 *The Auditor's opinion regarding the statutory sustainability report*. This means that my examination of the sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. I believe that the examination has provided me with sufficient basis for my opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 29 March 2022

Gunilla Wernelid
Authorised Public Accountant

KÅPAN
PENSIONER



Kåpan tjänstepensionsförening

(Government employees pension Fund)

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