



FOR GOVERNMENT EMPLOYEES



KÅPAN TJÄNSTEPENSIONSFÖRENING

Sustainability Report 2022



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

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

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Presenting Kåpan

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

The insurance products that the Society offers are the occupational pension insurances Kåpan Tjänste, Kåpan Valbar, Kåpan Extra, Kåpan Flex and, since April 2022, Kåpan Aktieval. All insurances are part of the pension agreement PA 16 in the government agreement area and membership of the Society requires the person to be covered by this agreement.

The Society's goal is to generate good long-term returns within the framework of balanced risk and sustainable asset management that makes it possible to pay a good level of pension from the Society to members. We strive to promote environmental and social attributes in the investments but this is not an overriding aim.

Sustainability Report

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

Kåpan tjänstepensionsförening (Kåpan, or the Society) has been tasked by the parties to collective agreements in the government agreement sector with managing the compulsory components of occupational pensions and functioning as the default supplier for the part of the pension where there is a choice. The assignment from the parties is to deliver stable, good pensions to the Society's more than 850,000 members.

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

Kåpan's sustainability work

The Society aims to deliver long-term stable pensions to its members at the lowest possible cost while at the same time contributing to long-term sustainable development in society. To achieve this, Kåpan takes into account environmental, social and corporate governance aspects of operations and

in asset management (also called sustainability factors or the English acronym ESG¹).

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

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

¹ ESG (Environmental, Social, Governance) is a common term for sustainability criteria in investments and stands for criteria relating to the environment, social conditions and corporate governance.

The Society's
managed assets in
2022 were

132,438
(136,690)
m

The Society has
just over

850,000
members



Investment

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



Insurance

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



Organisation

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

Kåpan's sustainability work – summary

The Society's sustainability work is presented in its entirety in this sustainability report starting with an overall summary of strategy and outcomes for 2022.

Investment

Strategy	Outcome 2022
Kåpan tries as far as possible to avoid investing in companies that breach international norms.	Divested a fund where dialogue around a number of norm-breaking companies did not achieve a result.
Kåpan does not invest in holdings involved with controversial weapons.	No holdings.
Kåpan avoids investing in government bonds issued by nations that are judged to deny their citizens basic democratic rights.	No holdings.
Kåpan strives to invest in companies, bonds and funds that have a high sustainability profile and actively work to achieve a transition to sustainable operations.	The listed equity portfolio's total ESG ranking has risen to 7.45 (7.01). The number of green bonds amounts to 12.5% (11) of the bond portfolio.
Kåpan supports the Paris Agreement and has as a long-term goal that the greenhouse gas emissions of our measurable investments shall be net zero by 2045 at the latest.	Listed holdings' carbon footprint change from previous year. Equities -29% Fixed income -20%.
Kåpan does not invest in companies with more than 5% of sales from coal and oil (extraction, processing and refining, and energy production).	Two emerging markets funds have been divested since a number of companies did not comply with the fossil criteria.
Kåpan acts responsibly by advocating when possible positive change within environment, social factors and corporate governance.	Voted at 163 general meetings and participated in 149 advocacy dialogues. Participated in nine advisory boards within alternative investments.

Insurance

Strategy	Outcome 2022
Kåpan shall offer low charges.	0.05% of insurance capital.
Balance between the Society's commitments, assets and risk.	Solvency ratio 245% (229).
Kåpan measures customer satisfaction.	4.7 of 5.
Thrifty use of resources and consideration for the environment.	Reduced paper mailshots corresponding to 110 trees.

Organisation

Strategy	Outcome 2022
Kåpan shall be an equal-opportunity employer.	50/50 in the Board, management and employees.
Thrifty use of resources and consideration for the environment.	Green leases on the Society's premises (green electricity, waste sorting, cycle garage, charging points for electric vehicles, beehives on the roof). Business travel should as far as possible be by train:
Promote good business ethics.	All personal attend annual training in business ethics.



Investment

Responsible asset management

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

Kåpan works with investments in different asset classes to spread risks and increase opportunities for long-term stable returns. Sustainability is integrated into the entire investment process and the Society works with sustainability in all asset classes but in different ways since the conditions are different. The Society's asset distribution is described below together with our process for integrated sustainability work and the outcome of this during 2022.

Distribution of assets

The Society's managed assets at year-end amounted to just over SEK 132 billion. 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.

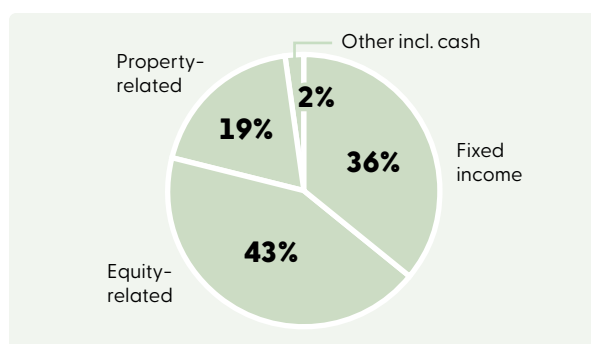
The Society's property-related investments are unlisted holdings in commercial properties, forest and land as well as infrastructure investments through various funds.

The bands according to the investment guidelines decided by the Board in October 2022 are:

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

Taken overall, this approach to investment means that almost half the capital is placed at low risk in fixed-income securities and the remaining half in equities that have a higher risk. The remainder of the Society's capital is invested in property and other types of assets to complement the risks inherent in fixed income and equities.

Distribution of Kåpan's assets at year-end



Kåpan's sustainability work – starting point

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

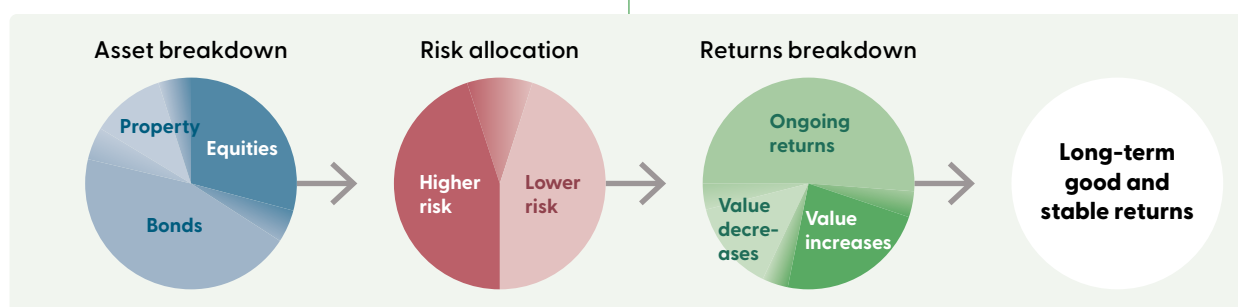
Our investments must comply with a number of basic principles widely rooted in Swedish society based on decisions made by the Swedish parliament and government. The starting point is that companies respect human rights, labour laws, the environment and anti-corruption measures based on the principles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

For an in-depth description of international principles and conventions, see page 19.

Process for sustainability work in investment operations

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

The society's asset management model



Kåpan Fastigheter

At the end of 2022, the Society acquired SBB's share of Svenska Myndighetsbyggnader and thus became the 100% owner of the company. In conjunction with the acquisition the company's name was changed to Kåpan Fastigheter AB.

Kåpan Fastigheter's strategy is to be a secure long-term property owner with niche skills. The portfolio includes 34 police stations, eight court premises and a prison. The Swedish Social Insurance Agency, the Swedish Migration Agency and the Swedish International Development Cooperation Agency are other examples of tenants. The properties are geographically located throughout the country from Kiruna in the north to Svedala in the south.

- It is a big responsibility and we take our assignment as property owners seriously, not least when it comes to security issues and being flexible within our portfolio," says Cecilia Vestin, Managing Director of Kåpan Fastigheter.

The focus is now on building the organisation from the ground up, getting to know the portfolio and understanding tenants' needs.

- We are long-term property owners that want to develop our properties in a sustainable and attractive way and grow together with our tenants," Cecelia continues.

During the past year there were several examples of investments aimed in improving the properties and making them more efficient. As an example, solar panels have been installed on a property in Härnösand with the County Administrative Board of Västernorrland as tenant. The installation is calculated to generate an annual energy saving of 44,000 kWh. Kåpan Fastigheter also has three ongoing new builds according to the Sweden Green Building Council's Silver level. This means that considerable demands are made on the building with a special focus on the indoor environment. Among other things sun screening, noise levels and ventilation must be much better than average and the building must have a lower energy consumption.

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



61
properties

over
600,000
sqm
lettable
space

more than
500
tenants

property
value, SEK
14
billion



New police station in Kiruna which will be completed in 2023.



The Adjunkten property in Härnösand.

Norm-based screening

Kåpan continuously screens the listed holdings to ensure that they do not breach global standards relating to the environment, human rights, working conditions and anti-corruption and are not involved in the manufacture or distribution of controversial weapons.

Outcome 2022

The Society has for some time held dialogues with two external managers due to their funds' investments in four companies that are norm-breaching according to Kåpan's analysis. This has not given any result which has contributed to these two equity funds being divested during the year. In the directly owned global equity portfolio one company (Amazon) has been flagged as norm-breaching during the year due to suspicion of corruption.

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

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

Positive selection – screening

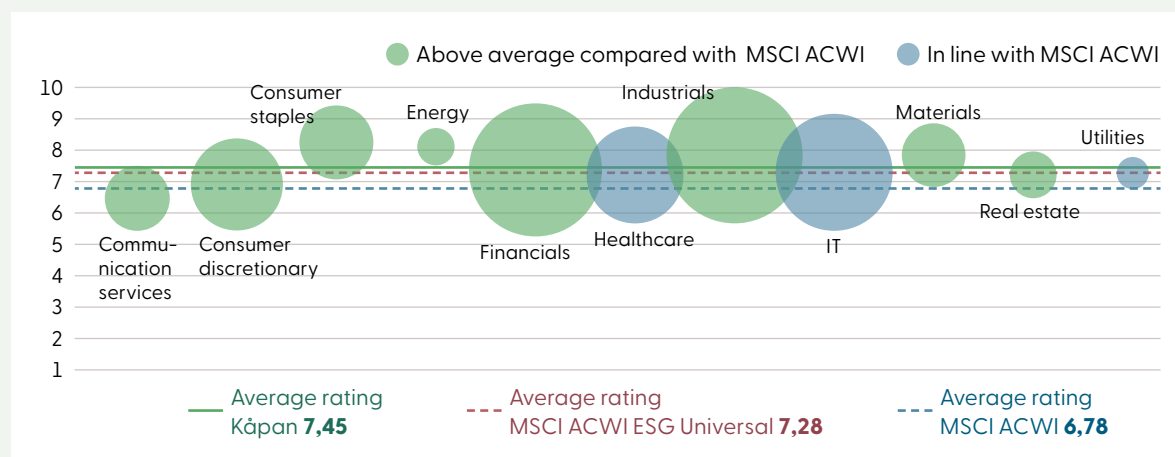
Kåpan strives to invest in companies and funds that have a high sustainability profile or which can show an ambitious aim to work towards a sustainable transition. Depending on the type of asset class, the Society has different strategies and tools for achieving this. For listed companies we use positive screening where we primarily screen our equity holdings. Kåpan uses ESG Ratings (sustainability ranking) according to the method from analysts MSCI. This method aims to measure a company's resilience to long-term economically relevant sustainability risks and opportunities by ranking and assessing companies in the same sector based on a number of sustainability criteria. On the environment side, there are underlying considerations within, for example, climate change, carbon dioxide emissions, water stress, toxic emissions, and waste. In the social category, assessments are made in areas such as labour management, health and safety, product safety and quality. Within corporate governance the board composition, remuneration, ownership structure, reporting and business ethics are analysed and assessed.

We strive to invest in companies that manage these sustainability risks and opportunities well and thus receive a high sustainability rating compared with others in the same sector. In the same way we avoid investing in companies with the lowest sustainability rating.

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

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



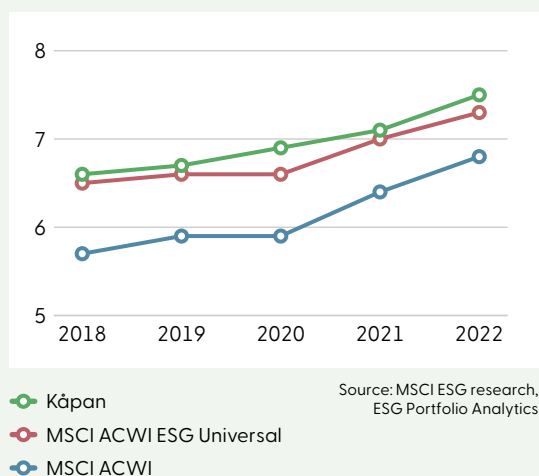
Source: MSCI ESG research, ESG Portfolio Analytics

Outcome 2022

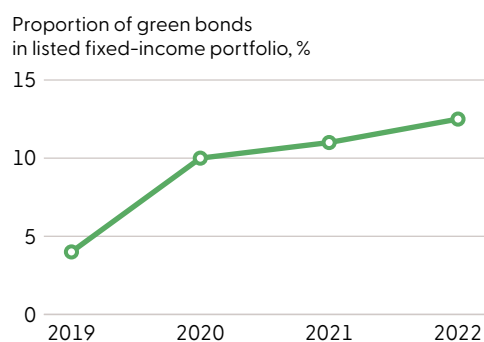
The Society's aim is that the sustainability rating for the listed equity holdings shall improve over time and the long-term goal is that the Society's portfolio shall have a weighted average sustainability rating higher than our sustainability screened index MSCI ACWI ESG Universal. The listed equities sustainability rating has improved to 7.45 (7.06) at the annual review and is 2.3% higher than the index. We also report development against an unscreened index, MSCI ACWI. In this comparison the Society has a 9.9% higher sustainability rating than the index. The Society has taken several measures during the year that contribute to the higher sustainability rating. A significant change is that three funds in emerging markets have been divested and the capital reallocated to two funds with a higher sustainability profile.

The Society has an investment in Meta and the company was downgraded to the lowest sustainability rating in MSCI ESG at the end of 2022. The company is on the Society's watch list (see below under exclusion).

Development of ESG rating, listed equities



Example of positive selection, other investments



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

Advocacy

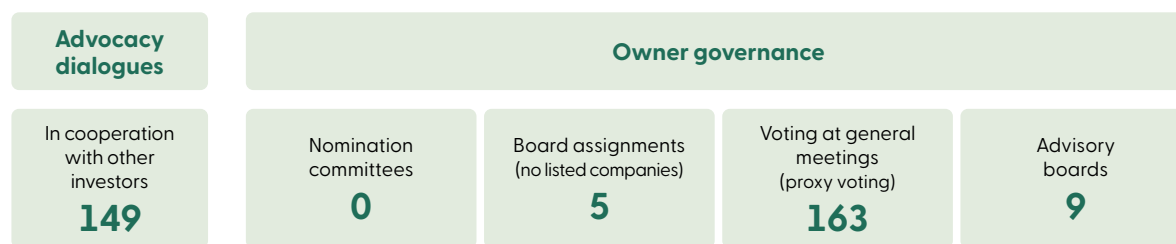
Advocacy is a key part of the Society's shareholder engagement and varies depending on the investment and its size. The work includes dialogues, voting at general meetings, membership of nomination committees, board assignments and participation in advisory committees.

Dialogues are carried out in most cases in collaboration with other investors through ISS Pooled Engagement and are both proactive and reactive. Dialogues are often initiated by suspicion of or verified failure to respect the international norms and conventions which the Society supports. The aim of these dialogues is to ensure that the company remedies the defects and takes action to prevent similar incidents occurring again.

Owner responsibility through voting at general meetings is exercised in most cases through proxy voting. If the Society votes in person or by proxy 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 addressed at the general meeting. The Society is often a minor owner in each company which means that participation in boards and nomination committees is restricted to a few companies where Kåpan has a larger shareholding. In some of the Society's unlisted holding within venture capital and property, we take key owner responsibility by participating in the funds' advisory boards. We work in these boards with knowledge support and as an advisory discussion partner for issues related to the funds' operations. In the event of conflicts of interest, the advisory board is required to make a decision through a voting procedure.

For a more in-depth description of the Society's shareholder engagement, please see the report *Aktieägarengagemang 2022*: on [kapan.se](https://www.kapan.se).

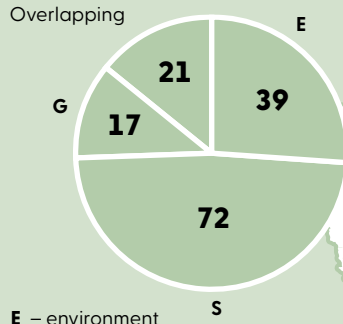
Kåpan's shareholder engagement 2022



Advocacy dialogues

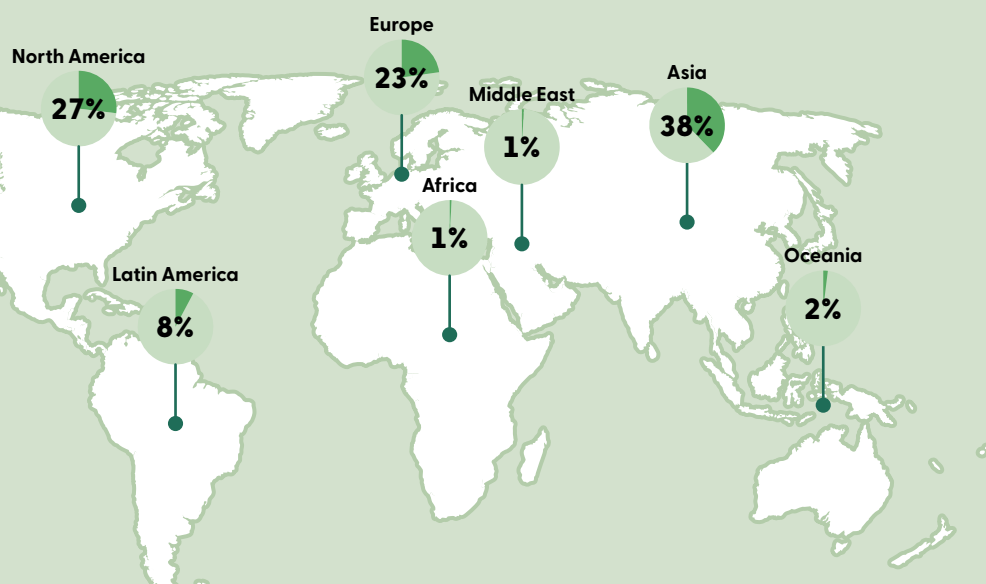
Dialogues, number

Overlapping



E – environment
S – social issues
G – corporate governance

Geographic distribution



Voting 2022

Summary

Number of annual meetings	163
Share of direct-owned holdings' market value	74%
Number of agenda items	3 694
Share of votes for boards' proposals	90%
Share of votes against boards' proposals	10%
Number of shareholder proposals	242
Number of votes against ISS Sustainability policy	6

Geographic distribution of annual meetings

Country	Share
USA	47%
Sweden	33%
Switzerland	3%
Japan	2%
Ireland	3%
France	1%
Canada	2%
Germany	1%
Netherlands	1%
United Kingdom	1%
Other	6%
	100%

Outcome 2022

Kåpan's advocacy dialogues. During 2022 the Society held 149 advocacy dialogues in cooperation with other investors. In some companies dialogues were held about several norm-related incidents and 199 incidents were raised with these companies. The response rate was high and the quality of responses was positive for the majority of the dialogues. The year's dialogues focused on trade-union rights and consumer rights. A number of dialogues were initiated due to suspicion of corruption linked primarily to bribes. In environment several dialogues were aimed at companies with a focus on preventing depletion of biodiversity.

Kåpan's voting. The Society voted at all 56 companies in the Swedish equities portfolio and prioritised the 100 largest holdings in the global directly owned equities portfolio. For these companies the Society voted at annual meetings and a number of extra general meetings. The companies at which we voted account for 74% of the market value of directly owned equities. The Society chose to vote exclusively via electronic proxy using ISS ESG's proxy voting service.

Exclusion

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

Kåpan's exclusion criteria include:

- Companies that breach international norms.
- Coal and oil, companies where more than 5% of sales come from extraction, energy production, processing and refining of coal and oil².
- Tobacco, companies where more than 5% of sales come from production or distribution of tobacco (applies mainly to directly invested listed holdings).
- Companies with the lowest sustainability ranking in their sector (MSCI ESG – CCC rating).
- Government bonds issued by nations that have not adopted basic democratic principles.

² With reservation for a few companies which we currently assess to be in transition and with reservation for the list of transitioning companies being updated based on the companies' climate work and commitments.

Outcome 2022

Two global equity funds were divested due among other things to a number of holdings being judged to be norm-breaching. In 2020 the Society decided not to invest in fossil holdings associated with oil and coal (see criteria above) and all holdings in the directly invested portfolios were divested in 2021. The remaining holdings associated with emerging market funds were divested in 2022.

Sustainability process for unlisted holdings

In addition to investments in listed holdings, the Society has investments in unlisted equity holdings in various types of venture capital funds and global fixed-income funds. In property we invest primarily in unlisted companies with commercial properties, forest and land, and infrastructure through different funds. Our internal managers have close regular contact with the managers of the 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 fund managers' strategy and for there to be a long-term approach to these issues. We continuously monitor the funds' agenda for improving and developing efforts with and responsibility for sustainability issues.

Other advocacy work, initiatives and collaborations

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

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

Signatory of:



Read more about UN PRI at unpri.org

The Society reported to UN PRI for the first time in 2021 and in autumn 2022 we received an evaluation of how well our sustainability work conforms to the principles. The report and evaluation are split into a number of modules of which the first includes among other things governance, policies, advocacy and owner responsibility as well as managing and monitoring climate risks. The remaining modules cover the Society's asset classes. For a comprehensive reference to the UN PRI report and the Society's response see [Kapan.se](https://www.kapan.se).

Evaluation

Evaluation is carried out by module, where each mandatory question is worth 100 points and which are then weighted to a maximum of two times depending on the depth and breadth of sustainability work in progress or completed for that question. The Society's score is calculated as a proportion of the module's total points. The points are converted to a numerical scale where five stars corresponds to the highest ranking for each module. Kåpan's result is reported below for those modules we reported on. The comparison group we are evaluated against (median value) is European asset managers with between SEK 100 billion and SEK 500 billion.

The evaluation gives us a clear indication of where we can make improvements and how we can clarify

Kåpan's PRI rating

	Peer group	Kåpan	Rating
Investment policy and owner engagement (management, climate risk management, etc.)	68	54	★★★
Owner engagement, internally managed holdings	67	52	★★★
Listed holdings			
Internally managed corporate bonds	53	53	★★★
Internally managed secured bonds	46	60	★★★
Internally managed equities	73	85	★★★★★
Fund-managed equities – active	77	84	★★★★★
Fund-managed equities – passive	76	84	★★★★★
Unlisted holdings			
Private equity	72	80	★★★★★
Property	71	80	★★★★★
Infrastructure	72	80	★★★★★

our sustainability work. During 2022 we took action for more transparent reporting of processes and outcomes, for example our reporting of climate-related risks and opportunities now follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-related Financial Disclosures, TCFD: Kåpan supports the TCFD initiative. TCFD is a set of recommendations to companies and investors for how operational climate financial risks and opportunities should be reported. Read more at [tcf.org](https://www.tcf.org).

SWESIF SVERIGES FORUM FÖR HÅLLBARA INVESTERINGAR

Sweden's Sustainable Investment Forum, SWESIF: An independent, not-for-profit network for organisations that work with sustainable investments in Sweden. Through membership of Swesif we learn more and monitor developments with sustainability work in the sector as well as becoming involved in advocacy work centred on sustainability issues. Read more at [swesif.org](https://www.swesif.org).



The Investor Agenda, Global Investor Statement to Governments on the Climate Crisis: Kåpan has, together with just over 600 other actors signed The Investor Agenda 2022 which ahead of this year's climate conference in Egypt (COP27) challenged all governments to heighten their climate ambitions and carry out policies needed to enable a transition to net zero emissions by 2050 or earlier.

Read more at theinvestoragenda.org

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

The climate impact of investments

We support the climate goals of the Paris Agreement to limit global warming and the Society has set a long-term objective that the carbon footprint from our measurable investments shall be net zero by 2045 at the latest. In order to ensure that we achieve this and 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 and during the year we have placed a greater focus in our management model on reducing the carbon footprint of the investments. Within the directly owned companies, we invest to the greatest possible extent in companies that are working to reduce their carbon footprint. One key measure is also to invest in companies that are developing solutions and technologies that can reduce the global carbon footprint over time. In recent years we have therefore increased the proportion of green bonds in the fixed-income portfolio which means financing operations that have a specific goal to achieve a reduced negative impact on climate and environment. Within alternative investments, we have had a significant holding of forest and land for several years now and in recent years we have increased our investments within renewable energy which is of decisive significance in the climate transition and the possibility of achieving the Paris Agreement's climate goals.

Reporting of climate-related risks and opportunities

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

Reporting in accordance with TCFD

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

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

1. Governance

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

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



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

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

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

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

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

2. Strategies

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

- To reduce or refrain from investing in industries or companies where Kåpan's assessment is that the transition risk is high and where there is a low probability that the industry or companies will change their business models in a sustainable direction (mainly applies to coal and oil).
- All listed companies' GHG emissions are measured and reported. Kåpan has started work on following up and measuring whether the listed companies have set targets for reduced emissions, how the companies meet

their targets and whether these can be assumed to be sufficiently ambitious to meet the requirements in the Paris Agreement.

- For listed holdings a positive selection is made on the basis of a risk-based sustainability rating. Where possible we choose companies with high sustainability ratings and reject those with the lowest ratings within each sector. Kåpan uses the MSCI ESG Rating method. The method measures a company's resilience to financial, economically relevant sustainability risks, where climate risks are included in the sustainability risks measured. The factors measured are environment and climate-related risks (E), social risks (S) and corporate governance risks (G).
- As far as possible, investments that contribute to reduced climate-related risks and a sustainable society are prioritised. This is done primarily by green bond investments and in the Society's alternative investments within renewable energy as well as sustainably managed properties and forests.
- Conducting advocacy where the Society judges that we together with other investors can contribute to a company taking necessary measures to transition their operations to reduce emissions of carbon dioxide and therefore climate-related risks.

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

In 2022, Kåpan took part in a stress test performed by the European Insurance and Occupational Pensions Authority (EIOPA). This analysis included 187 European occupational pensions companies to test their resilience in an unfavourable climate scenario.

The climate risk scenario resulted in a fall of 12.9% in the value of the portfolio assets for all companies included in the assessment which can be compared with the result for Kåpan which was an estimated fall of approximately 10% of the Society's total assets. EIOPA's 2022 assessment was based on data from year-end 2021.

The Society used the same calculation model to evaluate the resilience in the Society's strategy based on holdings and carbon dioxide data at year-end 2022. The result of this assessment was an estimate decrease of just over 9% in the Society's total assets. For an explanation of the climate scenario and results, see page 16.

3. Risk Management

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

Kåpan's process for identifying, assessing and managing climate-related risks is integrated with the Society's process for sustainability work in investment operations. Management of climate-related risks mainly takes place through the activities described in the strategy section above.

Kåpan conducts an annual analysis of the financial impact that the climate-related risks and opportunities from investments involve on the basis of climate risk scenarios. The result from this analysis is part of the evaluation of our strategy for management of climate-related risks and can contribute to further develop and improve our strategy and management.

4. Metrics and Targets

In order to assess and manage relevant climate-related risks and opportunities, the Society has set up short- and long-term climate targets and for a number of years we have measured and reported the carbon footprint of listed investments. The challenge, however, is to find metrics with a forward-looking perspective in order to ensure that our investments transition at the pace required to achieve the goals and limit the risk. This is something that the Society has started to work on and we will continue to develop in the years ahead. See page 16.

TARGETS

● Climate targets

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

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

● Sustainability rating target

Short-term: The sustainability rating for listed holdings to improve from today's level over time.

Long-term: Kåpan's holdings to have a weighted average sustainability rating that is higher than the Society's selected index MSCI, All countries world index ESG Universal. For outcome, see page 8.

Carbon footprint 2022

Kåpan's listed equities portfolio, scope 1 and 2	2022	2021	2020	2019	2018
1. Total carbon dioxide emissions (tonnes CO ₂ e)	102 300	143 300	258 000	351 600	315 400
Change from previous year	-29%	-44%	-27%	11%	-13%
Kåpan compared with index 2022*	-62%				
2. Relative carbon dioxide emissions (tonnes CO ₂ e/market value in SEKm)	2,1	2,7	6,1	9,0	10,3
3. Portfolio weighted average carbon dioxide intensity (tonnes CO ₂ e/SEKm in sales)	5,4	5,8	10,1	12,2	14,6
Change from previous year	-7%	-43%	-17%	-16%	-16%
Kåpan compared with index 2022*	-65%				
Reported CO ₂ e data, share of market value (%)	89%	91%			

* Equity index is MSCI ACWI

Source: MSCI Climate Risk Report

Kåpan's listed fixed-income portfolio, scope 1 and 2	2022	2021
1. Total carbon dioxide emissions (tonnes CO ₂ e)	47 100	39 160
Change from previous year	20%	n/a
Kåpan compared with index 2022*	-10%	-28%
2. Relative carbon dioxide emissions (tonnes CO ₂ e/market value in SEKm)	1,3	< 1
3. Portfolio weighted average carbon dioxide intensity (tonnes CO ₂ e/SEKm in sales)	2,5	2,1
Change from previous year	17%	n/a
Kåpan compared with index 2022*	-13%	-18%
Reported CO ₂ e data, share of market value (%)	86%	90%

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

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

Directly-owned properties (Kåpan Fastigheter)	2022	2021
Carbon dioxide emissions in tonnes CO ₂ e from electricity	4 006	3 971
Carbon dioxide emissions in tonnes CO ₂ e from heating	3 111	3 236
Total tonnes CO₂e	7 117	7 207
Electricity (kWh)	32 959 615	33 195 263
Heating (kWh)	43 802 970	46 865 821
Total (kWh)	78 612 546	81 988 333
Cold water (m ³)	157 810	565 086

Reported data refers to 52 of 61 properties.

METRICS AND OUTCOMES

● Carbon footprint

For a number of years now, Kåpan has measured the GHG emissions of the listed equity portfolio and starting in 2021 we complemented our reporting with the listed fixed-income portfolio's emissions since the coverage rate had reached an acceptable level. Starting this year, we also report the estimated emissions of our directly owned properties (Kåpan Fastigheter).

Kåpan reports GHG emissions, expressed as carbon footprint, where the gases are recalculated to carbon dioxide equivalents (CO₂e). Kåpan reports the companies' direct emissions (scope 1) and indirect emissions (scope 2). The model used in the calculations is the GHG Protocol. There are, however, some limitations with this model. One significant limitation is that the emissions calculated and reported provide a snapshot of the companies' emissions at the time of measurement.

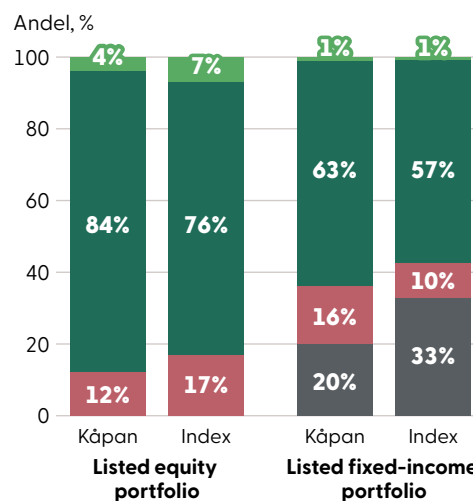
The measurement date for calculations shown below is 31 December 2022 and the analysis covers 73% of the Society's total assets.

The listed equity portfolio's total carbon dioxide emissions have fallen by 29% compared with the previous year. Compared with the benchmark index, the listed equity portfolio's emissions were 62% lower carbon dioxide emissions.

The portfolio's weighted average carbon dioxide intensity at year-end was 5.4 tonnes carbon dioxide equivalents per sales in million kronor which is 65% lower than the portfolio's benchmark index. During the year the Society continued to develop the management model in order to reduce the carbon dioxide emissions of investments. Within the directly owned companies, we invest where possible in companies that work to reduce their carbon footprint. It is also important to invest in companies that work with solutions and technologies to reduce the global carbon footprint over time. During the year we sold the holdings that did not meet our criteria for fossil holdings.

The listed fixed-income portfolio's total carbon dioxide emissions increased by 20% compared with the previous year. Compared with the benchmark index, the listed fixed-income portfolio had 10% lower carbon dioxide emissions. The portfolio's weighted average carbon dioxide intensity at year-end was 2.5 tonnes carbon dioxide equivalents per sales in million kronor which is 13% lower than the portfolio's benchmark index. The increase in carbon dioxide emissions compared with the previous year is mainly due to the fixed-income portfolio this year having a higher proportion of investments which have no coverage in the analysis. This means that a number of carbon dioxide intensive holdings have had a greater weight in the measurement and outcome. Two of the holdings in the portfolio, SSAB and Stockholms Energi, account for more than 50% of emissions. These companies have ambitious climate goals and have reduced their carbon dioxide intensity compared with the previous year.

Proportion of listed holdings with climate targets



● Listed companies with climate targets

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

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

● Estimation of listed holdings' indirect emissions

To obtain a comprehensive analysis of a company's climate impact, it is important to measure all indirect emissions that occur in the value chain (scope 3). So far there is no comprehensive and reliable data for these emissions but our intention is to report scope 3 in future. In order to gain an idea of how scope 3 relates to the emissions we report and measure today, we have included an estimation of scope 3 for our listed equity portfolio. Total emissions in tonnes of carbon dioxide equivalents indicates nine times as high emissions with this estimation of scope 3.

Breakdown of emissions listed equity portfolio

Tonne CO ₂ e	Kåpan	Index
Scope 1 and 2	102 300	273 000
Scope 3	940 000	1 660 000

● Outcome climate risk analysis

Asset class	Return climate scenario
Bonds	-6,5 %
Credits	-6,5 %
Equities	-13,5 %
Properties	0,5 %
Other (infrastructure and private equity)	-14,3 %
Portfolio return total	-9,3 %

The table above shows the result from an analysis that estimates the economic impact on Kåpan's portfolio of a climate risk scenario which is compiled by the European Insurance and Occupational Pensions Authority (EIOPA) and based on the climate transition scenario NGFS³ "delayed transition scenario". In this climate risk scenario it is assumed that no reduction in carbon dioxide emissions takes place until 2030 but that strong political measures are then implemented which then lead to lower carbon dioxide emissions and that global warming is limited to 1.8° Celsius within the century. This means that substantial transition risks are realised at the beginning of the 2030s, primarily through a sharp increase in the price of carbon dioxide globally which in turn affects valuations of companies depending on type of business or sector, while physical climate risks are assessed as relatively low. The analysis takes into account the impact on all types of investments and the assumed increase in the price of carbon dioxide is derived from climate scenarios from the UN climate panel (IPCC). Investments in equities and credits are exposed in the scenario to a sector-based decline in value due to dependence on fossil fuels, at the same time as energy prices increase sharply and market interest rates rise due to increased inflationary pressure from the investment requirement that follows the climate transition. Valuations of properties are only marginally affected in the scenario since this is a tangible asset where increased rental income can compensate for rising market interest rates.

The result from the most recent analysis performed at 31 December 2022, shows that the impact on Kåpan's portfolio is relatively limited and therefore shows that the Society's strategy has provided good resilience in relation to different climate-related scenarios.

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 metric that enables the measurement of different greenhouse gases in the same way. Expressing the emission of a given greenhouse gas in CO₂e states the quantity of carbon dioxide that would be needed to have the same climate impact.

Data includes:

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

3 NGFS = Network for greening the financial system

Examples of our sustainability initiatives

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

Circular companies contribute to a sustainable transition

For almost two years now, Kåpan has invested in Nordic *high yield* via a joint venture company managed by **Nordstjernan Kredit**. The fund invests primarily in fixed-income instruments with lower creditworthiness issued by Nordic companies. Management includes a number of companies which through their business models and operations contribute to a more sustainable society in various ways. One of the companies is Swedish **Autocirc** which is market leader within car dismantling with a focus on collision-damaged and worn-out vehicles. The company's operations are based on a circular business model where parts and material from damaged and worn-out cars are recovered for reuse directly or via renovation. As a result of this, both waste and the need for new materials are reduced when fully usable material is recycled. Recycling of second-hand parts in car repairs reduces carbon dioxide emissions by 75% compared with using newly produced parts. Autocirc currently has some 40 companies within the group and has started to expand in Europe.

Another portfolio company with a circular business model and focus on health and sustainability is **Greenfood**. The company is a food player in three different segments:

- **Picadeli** – tech-based salad bars with self-service.
- **Food Solutions** – delivers packaged wraps, salads and other ready meal alternatives through its Green Deli brand. They also supply freshly cut fruit and vegetables under their Salla Carte brand.
- **Fresh Produce** – an independent importer and distributor of fresh fruit and vegetables.

Greenfood works to make healthy food available for as many people as possible and to make it easier to eat sensibly. In this way they contribute to a more healthy and sustainable lifestyle for people. Greenfood works actively to reduce its food waste, among other things by sending waste to zoos and pet food producers as well as donating damaged apples to RSCUED which makes smoothies. The company has taken a number of other sustainable

initiatives such as changing plastic packaging to paper and relocating its operations to more climate-smart premises. The company has also joined the Science Based Target Initiative (SBTi). Nordstjernan Kredit is a major investor in Greenfood's sustainability-linked bond. The fact that the bond is sustainability-linked means that Greenfood has certain undertakings to meet during the duration of the bond:

- 55% reduction of Scope 1 and 2 emissions per tonne of sold food.
- To set and evaluate climate targets based on the highest level according to SBTi.
- 20% reduction in total food waste in Greenfood's operations.

Actis – transforming infrastructure for a better tomorrow

Actis is a global manager within infrastructure with several focus areas where sustainability is included in the investment process from start to finish. In 2022, Kåpan invested in one of Actis's funds, Actis Energy Infrastructure V. The fund's strategy is to invest in and build up projects closely linked to energy transition where the positive impact on the climate is tangible and the project thereby helps to accelerate the journey towards an emissions-neutral world.

One of the fund's investments is BluPine Energy where the aim is to build and own 4GW of renewable energy in India (solar, wind and battery storage). The investments will include government, commercial and industrial energy purchase agreements.

Sustainability is central to Actis's investment process and the investment in BluPine Energy is not just a key support in India's energy transition away from fossil fuels but also provides a platform for many other initiatives that contribute with a positive impact on the areas in which the project is conducted. These include creating fair and secure working conditions where a major emphasis is placed on skills enhancement measures as well as introducing action plans to counteract imbalances in integration and diversity in the workforce.

In depth

International principles and conventions

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

UN Global Compact

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

Human Rights

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

Labour

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

Environment

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

Anti-corruption

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

UN global goals for sustainable development – Agenda 2030

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

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

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

OECD Guidelines for Multinational Enterprises:

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

Oslo and Ottawa Conventions

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

UN principles for responsible investments (UN PRI)

The six principles promote responsible investment

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



Insurance

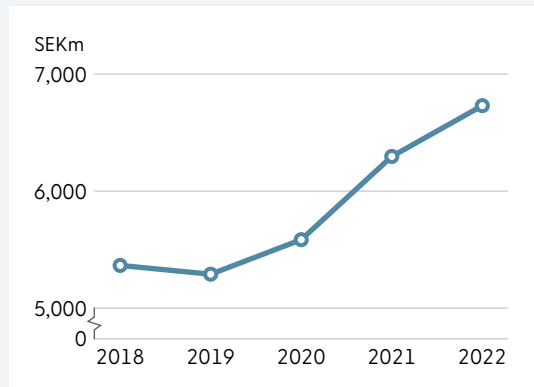
Sustainable traditional insurance

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

Kåpan works solely in the government agreement sector and does not offer insurances in other agreement sectors. Nor does the society offer any unit linked insurance. Our strategic focus means that we do not put resources into marketing. We do this to keep down costs and reduce our environmental impact. We also minimise resource requirements by refraining from collaboration with various types of insurance agents in distribution of insurances. The Society does not, therefore, pay any commission or other form of sales stimulating 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.

Paid-in premiums



Secure insurance

The Society's principal business is the compulsory and default components of occupational pensions in the government collective agreement area. Members who do not make an active choice of pension manager within the agreement area will have their premiums paid into Kåpan. During the year paid-in premiums totalled SEK 6,730m. Kåpan's traditional insurance is designed to suit those who do not want to make an active choice or put time or effort into their pension savings. The aim of the design of the insurances is to give members a return that reflects the risk assessed as reasonable in relation to the long-term stability that is expected from a traditional pension insurance. Kåpan has a high proportion of members who have not made an active choice of occupational pension manager and who probably also have limited interest in pension management. For the component of pension premiums where there is a choice, the Society receives the bulk of premiums and the proportion has risen in recent years. Kåpan therefore has a responsibility for the design of the guarantees and obligations found in the insurance terms. Saving in traditional insurance is a trade-off between the security provided by the commitments made by the Society in every insurance and the possibility of taking a risk in investments that can provide a higher anticipated return.

The Society
has a very good
solvency

245%

Guaranteed interest and protection of paid-in capital

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

In recent years investment management has achieved a significant surplus which provides a buffer for the future. This buffer can be calculated in different ways but the method currently used in Sweden and by the Society is based on guidelines decided by the Swedish Financial Supervisory Authority. The value of the Society's outstanding obligations at year-end 2022 amounted to approximately SEK 53 billion which can be compared with the Society's total assets of just over SEK 132 billion. The Society's solvency ratio at year-end was 245% which exceeds the statutory level of 104% by a wide margin.

Low charges

We actively work to make our operations more efficient. Our costs as a percentage of assets under management have fallen over time and amounted to 0.05% of the insurance capital in 2022. The Society continues to try to reduce costs and thus provide a higher paid-out pension. The variable administration charge in 2022 was 0.06% of the pension capital. With effect from 1 January 2022, we do not take out a fixed charge. The cost of investment management was 0.04% of the pension capital. Taken overall, the costs that the Society charges to members' insurances are at a lower level than other players in the government agreement area.

Charges for traditional insurance for public sector employees

Insurance provider	Annual fixed charge, SEK	Variable charge as % of pension
Kåpan	0	0,10
Alecta	75	0,19
AMF	75	0,18

Source: Valcentralen.se

Fair distribution of capital and costs

Kåpan operates on the basis of two overall principles for the insurance business. The first is the precautionary principle which means finding a reasonable balance between an assessment of the expected outcome for different assumptions and the risk level of these assumptions. The second is the contribution principle which means that each insurance should bear the returns, risks and costs which the insurance is assessed to contribute to or cost the business.

In order to ensure fairness between members, Kåpan uses monthly bonus interest with ongoing distribution of the Society's surplus and deficit to all insurances. This means no surplus or deficit is retained undistributed at a collective level. The bonus interest can therefore be positive or negative.

Generation savings for fair distribution

Fairness between members is further improved by the Society's use of so-called generation savings. This means that we split the membership into different generation groups where the youngest group has a greater proportion of high-risk assets in their asset portfolio. The proportion of equities is successively reduced with age. The different groups thus have different amounts of high-risk assets and therefore different bonus interest rates. All members invest in the same assets and underlying securities. It is only the proportion of each asset class that varies between the different bonus groups.

In 2021 the Board decided to revise the generations model by merging the two younger groups and shifting the age boundaries by five years. This change was carried out on 1 January 2022. The group distribution is as follows:

- Age group 54 and younger.
- Age group between 55-64.
- Age group 65 and older.

A new product with a higher risk level

During the year the Society started a new optional product – Kåpan Aktieval. This is intended for members who wish to take more risk in their savings than we offer in our other products. Kåpan Aktieval has the same low costs as other insurances and premiums are invested in the Society's total equity-related investments including unlisted venture capital funds.

Pension – for life

For all the Society's insurances, lifelong payment has been the default option since 1 October 2020. Within the framework of each insurance and current pension agreement, members can choose a temporary payment.

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

Repayment cover means a lower pension

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

Members' integrity

Kåpan is responsible for sensitive personal data and other member information. It is therefore essential that this personal data is protected by the greatest possible security. We work among other things with training employees to ensure competence in the General Data Protection Regulation (GDPR⁴) covering protection of integrity, data security, data storage and confidentiality. Kåpan has a personal data representative who is the contact with the authorities and responsible among other things for helping the business interpret and apply current regulations for personal data processing.

⁴ The General Data Protection Regulation (GDPR) includes rules for how personal data may be processed. GDPR applies throughout the EU and aims to create a uniform and consistent level of protection of personal data.

Information to and contact with members

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

Pension savings in the Society is a compulsory component of the pension agreement in the government agreement area. Experience shows that many members have a low interest in their pension savings until it is time to retire which makes special demands on information and objectivity. This means that the Society cannot rely solely on members actively seeking information. The focus is therefore to provide complete information via the website, customer service, and targeted mailshots once a year to members who have not actively chosen a digital alternative for information.

Our long-term goal is to reduce the number of mail items and increase the use of digital channels for information and services. In 2022, the number of mailshots was approximately 1,010,000 (970,000). The proportion of digital mailshots in 2022 increased to 66% (53). A large part of this increase is due to more members regularly registering with Kivra. A small part is due to the fact that not all mailshots were digitalised in the first quarter of 2021.

In 2022 we had over 15,000 calls (17,000), 75% (67) of these calls were answered in less than three minutes. We received approximately 6,400 (6,300) queries by email or messages from Mina Sidor (my pages) and have a target of responding by the next working day at the latest, which was met to a great extent.

In 2022 we had 234,000 (251,000) visits to our website. Of these 133,000 (151,000) logged in to Mina Sidor. We can see that visits to our website decreased by 7% compared with the previous year. The proportion that log in decreased by 3 percentage points.

Many of our members choose to use our online services. Of those who chose to change repayment cover, 87% (89) did so via our online service. Of people applying for a pension in 2022, 95% (92) did so online. In 2022, 1,181 people increased their tax deduction via our online service which is the same level as the previous year.

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 asked 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

"A friendly response from a competent and knowledgeable person who could answer and explain my question."

Example of a free-text response

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

Those who contacted us in 2022 are on the whole satisfied and the satisfaction value remains at 4.7. Of the free-text responses we receive, the overwhelming number are positive. What we can see from the free-text responses is that those that call get a friendly and knowledgeable reception. They also appreciate our short response times.

"A quick and simple answer and friendly attitude"

Example of a free-text response



Organisation

Sustainability initiatives in ongoing operations

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

We work for an equal opportunity organisation

The Society has few employees. This means that committed and skilled staff are decisive for us to be able to run our business. Equal opportunity is an obvious and basic requirement. At the same time it is important that all assessments are made on objective grounds and in the first instance within a framework of skills and suitability.

Recruitment and skills development are conducted based on prioritising equal opportunity and treatment as fundamental values. The Society has an even gender distribution in the Board and in the organisation. Within the different areas of competence in the organisation, gender distribution is also even. The strategy is that Kåpan should be a society entirely without discrimination and which strives to give all employees equal rights and development opportunities.

Review of consideration for nature at Gysinge Skog. Here the protected orchid Creeping Lady's-tresses has been marked so that it is not damaged by nature conservation activities in the area.



Training

Kåpan's personnel attend annual training in business ethics as well as participating in risk assessment which covers training and development of managing the Society's risks. In addition, there are various regular group trainings to improve awareness and skills in different areas. In 2022 personnel received an informative review of how sustainable forestry is run in our directly owned forest company, Gysinge Skog.

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 more climate efficient, 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 with very low emissions of greenhouse gases, maximum 50 grammes of carbon dioxide per kilometre. 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 long-term responsibility environmentally and socially as well as for economic development by providing good, flexible working environments, improving existing climate systems, changing over to low-energy lighting, choosing green electricity, providing space for waste sorting, a bicycle garage, and in Stockholm offering tenants chargers for electric cars in the garage. The Society has chosen green leases and participates in the landlords' sustainability initiatives by monitoring and taking part in sustainability activities offered as well as working with its own plans and targets for improvements.

Kåpan's energy consumption office premises

Annual consumption (kWh)	Stockholm	Sundsvall
Operations electricity	14 500	4 109
Property electricity	16 585	2 312
District heating	29 901	6 856
District cooling	67 265	942
Totalt kWh	128 251	14 219
Totalt kWh /m²	356	165
Change on 2021	127%	6%

Premises climate impact kg	Stockholm	Sundsvall
Carbon dioxide emissions, electricity	0	0
Carbon dioxide emissions, district heating	1 615	0
Carbon dioxide emissions, district cooling	0	0
Water consumption (m ³)	85	11

During 2022 work was ongoing in the office block in Stockholm to modernise the energy centre. Usually the building provides its own cooling which was not possible during the renovation which explains the high energy consumption for district cooling.

Suppliers

The Society's main supplier, SPV, is an authority which is responsible to the Swedish parliament and government. Kåpan strives to have the authority make optimal use of its resources within the limits of current regulations. Suppliers of IT services to the business are responsible for ensuring that operations and maintenance are resource efficient and that redundant hardware is recycled in accordance with current regulations and contracts.

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

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

Sustainability work is an integrated part of the organisation

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

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

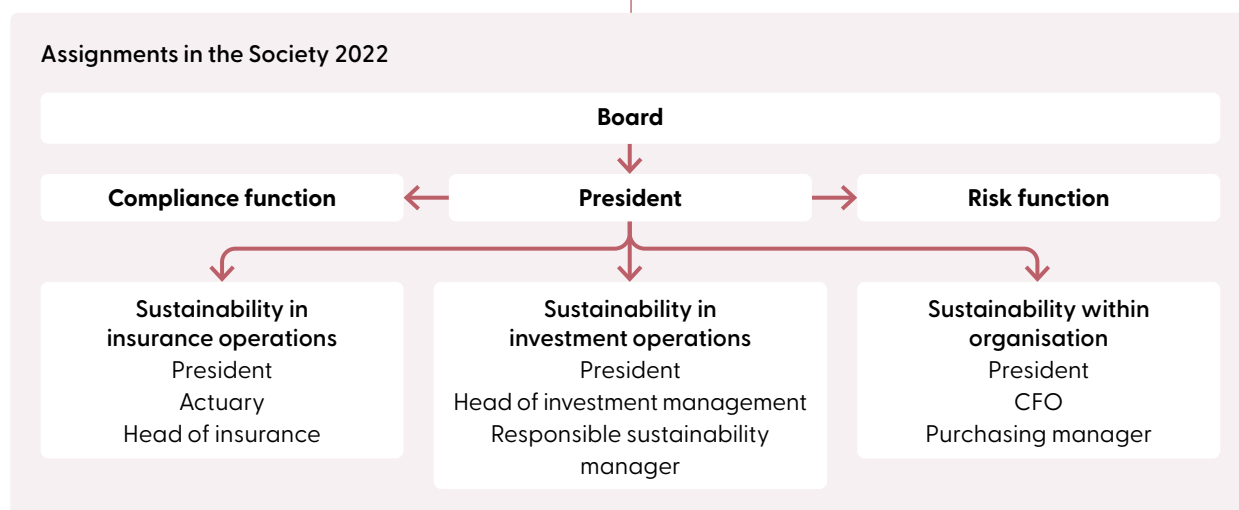
Council of Administration

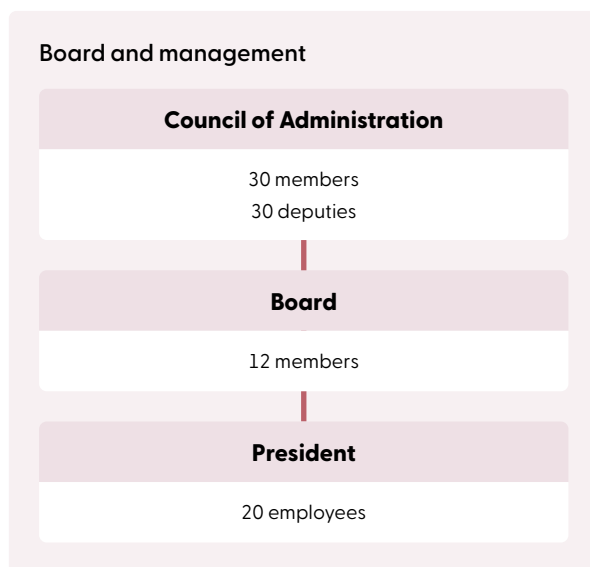
According to the statutes, the Society’s highest decision-making body is the Council of Administration. The Council has thirty members and the same number of personal deputies. The members are appointed by the parties in the government sector with half being appointed by the Swedish Agency for Government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

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

Board

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





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

Laws and regulations

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

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

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

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

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

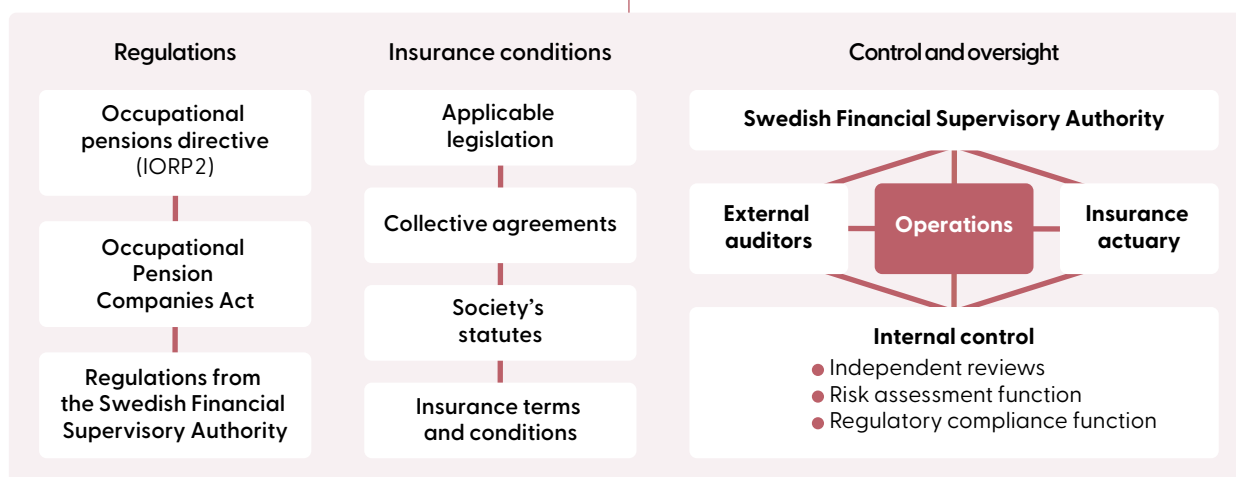
Insurance conditions are determined by the current collective agreement and the statutes. The statutes are available on kapan.se and information on applicable pension agreements will be found on arbetsgivarverket.se or on one of the trade unions' websites.

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

The Society's operations are continuously reviewed through internal controls which make risk assessments and specific analyses which are presented to the Board. Additionally, the Council of Administration appoints at least one ordinary authorised public accountant and at least one deputy authorised public accountant to review operations on behalf of the Council of Administration. The auditors present the results of their review to the Council of Administration each year. The Financial Supervisory Authority exercises oversight of the business.

Stakeholders

Kåpan's most important stakeholders are the Society's members and the parties to the collective agreements in the government sector, primarily Kåpan's founders the





Swedish Agency for Government employers (Arbetsgivarverket), the Public Employees' Negotiation Council (OFR/S, P, O), the Swedish Confederation of Professional Associations (SacoS) and the Service and Communication Union (Seko).

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

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

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

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

The Society's total long-term value creation

The value creation contributed by the Society is a long-term positive return on the Society's investments combined with a falling level of costs due to high operational efficiency. The biggest actual costs that affect pension

payments are the tax on returns and costs of investment and insurance management. Unlike many other players in the pensions sector, the Society has marginal costs for marketing.

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

About the sustainability report

This sustainability report covers all operations within the Society. This year's report has not been subject to an external audit. This sustainability report summarises the Society's sustainability work. The Society's operations are limited and relate to a restricted group of members and only one insurance product. The development of rules, guidelines, instructions and other governance documents is often suited to regulation of operations in extensive global and commercial businesses and the proportionality principle is often difficult to apply to the society's stakeholders.

This sustainability report has been approved by Kåpan's Board.

Regulatory changes

Occupational Pension Companies Act

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

EU legislation

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

effect on 1 January 2023. The ambition is that the regulation should make it easier for end-investors to make well-informed decisions related to sustainable investments. The Society's assessment is that Kåpan's insurances promote sustainable attributes in accordance with the regulation's definitions. We will successively implement the delegated act on provision of sustainability related information during 2023.

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

Insurance distribution

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

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

The law gives members increased protection among other things through rules on increased transparency and clearer information on insurance products. Starting in the first quarter of 2021, financial advisers must understand and take into account a customer's sustainability preferences in their advice.

List of holdings

at 31 December 2022

Bonds and other fixed-income securities

Green bonds

	Maturity date	Assessed value, SEKm
Swedavia	2025-03-12	300
Stora Enso	2025-04-29	241
Klövern	2024-04-16	213
Swedish Export	2028-01-18	209
Wallenstam	2023-08-25	197
Vasakronan	2025-01-28	188
Swedish Export	2025-06-26	184
Eurofima	2025-12-03	181
Göteborgs Stad	2027-06-17	175
Akademiska Hus	2027-10-07	169
European Investment Bank	2030-09-17	160
Sveaskog	2026-03-03	143
Region Skåne	2026-06-01	135
Göteborgs Stad	2027-03-16	132
Fabege	2024-06-22	121
Atrium Ljungberg	2024-08-21	121
Region Skåne	2027-11-11	107
European Investment Bank	2027-03-02	103
Örebro Kommun	2028-03-22	102
Swedavia	2025-05-26	102
DNB Bank	2025-03-24	100
Vasakronan	2026-03-13	99
Svenska Handelsfastigheter	2023-09-25	99
Atrium Ljungberg	2024-04-02	98
Atrium Ljungberg	2025-07-01	94
Vasakronan	2025-06-04	93
Svenska Handelsfastigheter	2025-06-03	88
Sveaskog	2024-10-16	85
Världsbanken	2029-01-29	83
Stora Enso	2024-02-20	77

	Maturity date	Assessed value, SEKm
Vasakronan	2024-08-30	75
Atrium Ljungberg	2027-04-28	70
Bonava	2024-03-11	68
Nordic investment Bank	2026-10-20	67
Scania	2025-01-20	60
Region Stockholm	2030-09-09	56
Kungsleden	2027-01-15	54
Göteborgs Stad	2027-06-17	53
Sparbanken Skåne	2025-11-16	50
PEAB Finans	2024-09-06	47
Humlegården Fastigheter	2027-09-22	46
Region Stockholm	2027-04-27	44
Svensk Statsobligation	2030-09-09	43
Trelleborg Treasury	2027-03-07	33
Göteborgs Stad	2025-09-24	27
Kommuninvest i Sverige	2026-06-10	27
Volvofinans	2025-11-20	22
Fabege	2027-03-08	21
Fabege	2025-09-03	19

Social bonds

	Maturity date	Assessed value, SEKm
International Development Association (IDA)	2025-06-25	185

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
SEB	2026-12-16	2 418
Nordea	2026-09-16	2 347
Swedbank	2026-03-18	2 194
Handelsbanken	2027-03-01	2 039
Handelsbanken	2026-06-01	1 438
Swedbank	2027-03-17	1 403
Kommuninvest i Sverige	2027-06-15	1 355
Länsförsäkringar	2027-09-15	1 248
Nordea	2027-06-16	986
Kommuninvest i Sverige	2026-02-04	974
SBAB	2027-06-09	949
SEB	2025-12-17	845
SEB	2027-12-06	602
Kommuninvest i Sverige	2028-05-12	544
Hufvudstaden	2024-10-04	373
Ellevio	2025-02-12	370
Länsförsäkringar Bank	2025-11-17	369
Region Stockholm	2027-01-20	310
Swedbank	2025-09-16	283
Danske Hypotek	2025-12-17	278
Svensk Hypotekspension	2067-12-21	261
Landshypotek	2026-09-30	254
Fortumvärme	2025-02-24	249
Danske	2027-09-07	235
Arla Foods	2024-04-03	233
Toyota Motor	2025-04-11	202
Nibe	2024-06-03	201
Willhem	2024-09-12	200
Danske Bank	2025-09-02	198
Nordea	2026-08-25	198
Loomis	2026-11-30	196
Specialfastigheter Sverige	2027-05-27	195
SBAB	2026-09-21	194
Swedbank	2026-08-24	194
TVO	2024-02-15	191
Scania	2025-04-08	188
Länsförsäkringar Bank	2024-09-13	187
Scania	2025-01-24	186
Humlegården Fastigheter	2027-03-05	185

	Maturity date	Assessed value, SEKm
Fabege	2023-08-30	181
Afrikanska Utvecklingsbanken	2027-02-10	181
Sparbanken Sjuhärads	2025-09-01	181
Heimstaden	2025-02-25	179
SBAB	2024-10-23	179
International Bank for Reconstruction and Development	2029-03-02	178
Swedbank	2028-05-08	173
Balder	2024-01-15	170
SBAB	2030-06-12	165
Akelius	2023-10-03	161
Loomis	2023-09-18	154
Skandiabanken	2026-11-24	152
Leaseplan	2024-10-05	150
Rikshem	2027-09-06	150
Länsförsäkringar Bank	2026-02-26	149
Vasakronan	2027-09-15	149
Saab	2026-05-11	149
Specialfastigheter Sverige	2026-06-01	148
Sparbanken Skåne	2024-11-20	146
DNB Bank	2028-01-20	145
Volvo	2024-02-26	145
Hemsö	2027-05-10	144
Willhem	2027-05-10	143
Länsförsäkringar Bank	2026-10-05	140
International Bank for Reconstruction and Development	2026-03-16	136
Vasakronan	2027-05-11	133
Jyske Bank	2023-09-07	132
Nibe	2026-06-03	131
Göteborgs Stad	2027-10-21	131
SEB	2026-09-01	124
Rikshem	2025-09-02	123
L E Lundbergföretagen	2026-09-08	123
Willhem	2025-02-22	121
Sparbanken Skåne	2026-01-21	114
Sparbanken Sjuhärads	2026-02-12	112
Swedish Match	2026-02-24	110
SCA	2025-09-23	110

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
Husqvarna	2024-12-04	110
Borgo	2025-02-14	108
Heimstaden	2026-11-23	107
Malmö Kommun	2026-09-15	107
Sparbanken Skåne	2026-10-19	103
TVO	2023-01-13	103
Diös Fastigheter	2023-09-15	102
Tele2	2025-12-08	100
Specialfastigheter Sverige	2027-12-22	100
Landshypotek	2025-09-19	100
Fastpartner	2024-03-28	99
Santander Consumer Bank	2025-01-15	99
Sparbanken Syd	2024-05-27	99
Arla Foods	2023-07-03	99
Willhem	2024-10-07	99
Volvo Finans	2026-04-20	98
Swedavia	2199-11-17	98
Specialfastigheter Sverige	2026-09-14	98
Swedavia	2026-02-18	98
Jyske Bank	2025-04-12	98
Landshypotek	2025-12-09	96
Saab	2025-04-09	96
Akademiska Hus	2024-10-02	94
Sparbanken Skåne	2027-01-29	93
Castellum	2024-09-20	93
Indutrade	2027-06-09	93
Swedavia	2199-02-26	92
Länsförsäkringar Bank	2025-09-25	90
Landshypotek	2027-05-07	90
Afrikanska Utvecklingsbanken	2026-09-17	89
Länsförsäkringar	2029-09-28	89
Atrium Ljungberg	2025-04-01	89
Nordea	2027-11-25	89
Landshypotek	2027-02-01	88
Volvofinans	2026-11-23	86
Uppsala Kommun	2028-05-10	86
Fastpartner	2027-02-02	83
SSAB	2024-06-26	82
Lifco	2024-03-06	80

	Maturity date	Assessed value, SEKm
Klövern	2023-09-04	77
DNB Bank	2030-05-28	73
Gränges	2026-09-29	71
Husqvarna	2027-11-23	69
Electrolux	2025-12-08	65
Volvo	2025-05-20	60
DNB Bank	2026-09-02	60
Jyske bank	2032-08-31	58
Elekta	2026-12-14	58
Kommuninvest i Sverige	2029-05-16	55
Volvofinans	2025-02-25	51
Länsförsäkringar Bank	2028-03-01	50
Fortum Värme	2025-02-24	50
Hemsö	2024-09-23	50
Tele2	2027-05-19	49
Platzer Fastigheter Holding	2025-09-15	49
Heimstaden	2023-11-23	49
Swedavia	2199-02-17	48
Specialfastigheter Sverige	2025-12-08	45
Castellum	2027-08-27	45
Hemsö	2026-12-02	43
Castellum	2026-05-06	38
Castellum	2024-05-21	35
DNB Bank	2028-03-13	35
Indutrade	2026-11-12	33
Västra Mälardalens Sparbank	2024-08-09	32
Ellevio	2024-02-28	30
Industrivärlden	2025-02-20	30
Kungsleden	2025-06-18	29
Ellevio	2024-02-28	27
Castellum	2025-11-27	26
SBAB	2030-06-03	25
Akelius	2023-10-03	20
Sveaskog	2027-10-01	10

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

Fixed-income -related funds

	Assessed value, SEKm
Nordstjernan Nordics High Yield Fund	2 010
M&G Regulatory Capital Fund	522
M&G Global High Yield ESG Bond Fund	403
DWM Micro Loan EMD Fund	330
Napier Park European Credit Opportunities Fund	309
ICG Total Credit Fund	298
M&G Sustainable Loan Fund	256
Bridge Debt Strategies III	208
Nuveen US Loans	196
Tetragon CLO Equity Fund III LP	171
White Peak	154
Bridge Debt Strategies II	143
Tetragon CLO Equity Fund II LP	128
Guggenheim US Loan Fund	121
Napier Park ELM IV	78
Edelweiss Credit Fund II	64
Edelweiss Credit Fund III	62
Cheyne Real Estate Credit holdings Fund III	48
Cheyne Real Estate Credit holdings Fund	46
Midstar	34

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

Listed equities

Swedish equities

	Assessed value, SEKm
Investor	1 816
Atlas copco	1 772
Volvo	936
Hexagon	872
SEB	812
EQT	789
Assa Abloy	749
Sandvik	695
Astrazeneca	695
Epiroc	689
Evolution	677
Svenska Handelsbanken	655
Swedbank	596
Ericsson	563
Essity	563
Nibe Industrier	521
Nordea	498
Hennes & Mauritz	496
ABB	460
Alfa Laval	394
Boliden	331
Telia	311
SCA	253
SKF	224
Trelleborg	197
Tele2	197
Swedish Orphan Biovitrum	194
Gefinge	194
Axfood	186
Skanska	182
Securitas	178
Saab	166
Electrolux	150
Balder	150
SSAB	148
Castellum	133
Holmen	125
Industrivarden	120
Kindred Group	117

Swedish equities

	Assessed value, SEKm
Husqvarna	110
Kinnevik	99
Sinch	97
Billerud	96
Autoliv	92
Fabege	90
Elekta	69
Dometic Group	65
Samhallsbyggnadsbolaget i Norden	64
Millicom International Cellular	60
Volvo Car	52
Intrum	44
JM	35
Electrolux	33
Stora Enso	29
Alleima	28
Stillfront Group	26
Arjo	25

Global equities – base portfolio

	Assessed value, SEKm
Apple	1 009
Microsoft	876
Alphabet	529
Amazon	363
Unitedhealth Group	216
Nvidia	215
Coca-Cola	210
Home Depot	208
PepsiCo	205
JP Morgan Chase & Co	200
Schlumberger	198
Halliburton	185
Johnson & Johnson	180
Eli Lilly & Co	168
Baker Hughes	165
Oneok	160
Merck & Co	160
Visa	157
Mastercard	157
Nestle	157
Procter & Gamble	141
Meta Platforms	141
Abbvie	137
Agilent Technologies	135
Deere & Co	135
Johnson Controls International	134
Morgan Stanley	134
General Mills	134
Cisco Systems	133
Bank Of America	132
Lowe'S Cos	129
Toronto-Dominion Bank	127
ASML Holding	123
Metlife	122
Thermo Fisher Scientific	121
Novo Nordisk	121
American Express	118
International Business Machines	118
Allianz	117

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

Global equities – base portfolio

	Assessed value, SEKm
Accenture	117
Verizon Communications	116
Goldman Sachs Group	114
Trane Technologies	114
Mcdonald'S	114
Axa	113
Amgen	113
Colgate-Palmolive	112
Newmont	112
Adobe	109
Bristol-Myers Squibb	107
Cigna	105
Caterpillar	105
Royal Bank Of Canada	104
Marsh & McLennan Companies	104
Eversource Energy	103
Bank Of New York Mellon	103
Nextera Energy	102
Citigroup	102
Gilead Sciences	102
Norsk Hydro	101
Ferguson	101
Manulife Financial	100
Bank Of Nova Scotia	100
Transdigm Group	99
LVMH Moet Hennessy Louis Vuitton	98
Texas Instruments	98
Chubb	98
3M	96
Rio Tinto	96
Broadcom	95
Comcast	94
Walt Disney	93
Linde	93
Astrazeneca	91
Intuit	91
Diageo	91
Costco Wholesale	89
Regency Centers	88

	Assessed value, SEKm
Intesa Sanpaolo	87
Qualcomm	86
Mckesson	86
Pfizer	86
TJX Companies	85
Berkshire Hathaway	85
Advanced Micro Devices	84
Starbucks	84
AIA Group	83
State Street	82
Oracle	81
Salesforce	81
Elevance Health	81
Vertex Pharmaceuticals	80
Exelon	80
United Parcel Service	80
Applied Materials	80
RELX	80
American Tower	79
Constellation Energy	79
Kimberly-Clark	79
Mitsubishi Ufj Financial Group	79
HCA Healthcare	77
Nike	76
Zurich Insurance Group	76
PPG Industries	76
Schneider Electric	75
Roche Holding	74
Transurban Group	74
Sumitomo Mitsui Financial Group	74
AT&T	74
HSBC Holdings	73
DBS Group Holdings	73
PNC Financial Services Group	73
Target	72
Toyota Motor	72
CAE	71
Sony Group	71
Humana	70

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

Global equities – base portfolio

	Assessed value, SEKm
Eaton	70
ING Groep	70
Netflix	70
Intel	70
CVS Health	68
Servicenow	68
Weyerhaeuser	67
National Australia Bank	67
Activision Blizzard	66
Keysight Technologies	65
Booking Holdings	65
Molson Coors Beverage	65
Lam Research	64
Novartis	64
Canadian National Railway	64
American International Group	64
Tokio Marine Holdings	64
Progressive	63
HP	63
S&P Global	62
Welltower	62
BNP Paribas	62
National Grid	62
United Overseas Bank	61
Neste	61
Australia & New Zealand Banking Group	61
CGI	59
Secom Company	58
Edwards Lifesciences	58
Charles Schwab	58
SAP	58
Mercedes-Benz Group	57
Las Vegas Sands	57
Ford Motor	56
Sanofi	56
Fujitsu Limited	56
Hitachi	54
Air Liquide	54
Mizuho Financial Group	54

	Assessed value, SEKm
Centene	54
Siemens	54
Chipotle Mexican Grill	53
Camden Property Trust	53
CSL	53
Sysco	53
Borgwarner	53
Idexx Laboratories	53
Autodesk	52
Dupont De Nemours	51
Parker Hannifin	50
Danaher	50
Vail Resorts	50
Fiserv	50
Shin-Etsu Chemical	49
Pernod Ricard	49
Takeda Pharmaceutical	49
Becton Dickinson And Co	49
Sherwin-Williams	48
Equinix	48
Laboratory Corp Of America Holdings	48
Honda Motor	48
Boston Properties	48
First Quantum Minerals	47
Zoetis	47
Roper Technologies	46
Enphase Energy	46
Church & Dwight	45
Koninklijke DSM	45
TE Connectivity	45
Aviva	44
Electronic Arts	44
Analog Devices	44
Sika	44
Workday	44
Aptiv	43
Micron Technology	43
Estee Lauder Companies	43
Reckitt Benckiser Group	43

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

Global equities – base portfolio

	Assessed value, SEKm
Mondelez International	43
Abbott Laboratories	42
Canadian Pacific Railway	42
Daiwa House Industry	42
Daikin Industries	41
Bayerische Motoren Werke	41
Prysmian Spa	41
Omron	41
Infineon Technologies	41
Deutsche Post	41
Westpac Banking	40
Rockwell Automation	40
Dexcom	40
Regeneron Pharmaceuticals	40
Unibail-Rodamco-Westfield	39
CME Group	39
Vestas Wind Systems	39
Ross Stores	38
Alcon	38
Walgreens Boots Alliance	38
Kingfisher	38
Biogen	37
Vodafone Group	36
GSK	36
Uber Technologies	36
Autozone	36
Hunt Transport Services	36
Cyberark Software	36
Hong Kong Exchanges & Clear	36
Moderna	35
Anheuser-Busch InBev	35
Sysmex	35
Nintendo	35
Marvell Technology	34
Bridgestone	34
Kao	34
Union Pacific	34
L'Oreal	33
Prosus	33

	Assessed value, SEKm
Covestro	33
Constellation Brands	33
Mercadolibre	33
Cognizant Tech Solutions	32
Panasonic Holdings	32
Fedex	32
Paypal Holdings	32
Emerson Electric	31
eBay	31
Wesfarmers	31
Illinois Tool Works	31
Illumina	31
SEEK	30
Lendlease Group	30
Unilever	30
Palo Alto Networks	30
Block	30
Softbank Group	29
Solaredge Technologies	29
Amphenol	29
Woolworths Group	28
Sumitomo Electric Industries	28
CSX	28
Lonza Group	28
Geberit	27
Carlsberg	26
Baxter International	26
Industria De Diseno Textil	26
EDP Renovaveis	25
First Republic Bank	24
Heineken	24
Taylor Wimpey	24
Bath & Body Works	24
Medtronic	24
Fortinet	23
Keyence	23
Mitsubishi Electric	22
Expedia Group	22
BASF	22

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
Prudential	22
Verisk Analytics	21
Global Payments	20
Shopify	20
Enagas	20
Orsted	19
Norfolk Southern	19
Shiseido Co	19
DSV	18
Compagnie De Saint Gobain	17
Upm-Kymmene	17
Canon	16
Adidas	15
Zscaler	14
Alstom	14
Henkel AG & Company	13
Daimler Truck Holding	13
US Bancorp	13
Okta	13
Eisai Co	13
Experian	13
Halma	12
Cognex	12
Adyen	11
Charter Communications	10
Siemens Energy	10
Zoom	10
WIX.COM	10

	Assessed value, SEKm
Nordea EM Sustainable Enhanced Equity Fund	1 416
Storebrand Emerging Markets	758
SHB Global Småbolag Index Criteria	754
SHB Global High Dividend Low Volatility Criteria	609
Montanaro European Smaller Companies Fund	430
RBC Emerging Markets Equity Fund	312
BL American Small & Mid Caps	304
JPMorgan Europe Small Cap Fund	297
VanEck Emerging Markets Equity	252
Montanaro European MidCap Fund	196
BL Equities Europe	156
Templeton EM Sustainability Fund	110
NCG US Small Cap Growth	52

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
Kåpan Fastigheter	6 628
LSTH Svenska Handelsfastigheter	2 707
SBB Kåpan Bostad	2 029
Midstar Hotels	1 604
Gysinge Skog	1 528
AlpInvest PE I	1 180
JP Morgan Infrastructure Investments Fund	1 163
Antin Infrastructure III	674
Bridge Office Fund II	645
White Peak Real Estate IV	618
Warburg Pincus Private Equity XII	565
EQT VIII	536
Warburg Pincus Global Growth	512
Antin Infrastructure Partners Fund IV	486
Advent GPE IX	471
EQT IX	466
Bridge SFR IV Co-invest	453
Newbury Equity Partners IV	443
Infra Investors II	440
Bridge SFR IV International	432
Welsh, Carson, Anderson & Stowe XII	411
Aermont Capital Fund IV	396
Molpus Woodlands Fund IV	372
ARA Europe RE Fund IV	372
ACM Permanent Crops	363
Harrison Street RE US VIII	341
Welsh, Carson, Anderson & Stowe XIII	339
Cubera VIII	326
The seventh Cinven Fund	314
Apollo Investment Fund IX	313
BlackRock GEPIF III	293
Revelop IV	291
Bridge Workforce Affordable Housing Fund II	288
Southern Pastures	275
Newbury Equity Partners V	254
The Sixth Cinven Fund	254
Molpus Woodlands Fund III	249
Newbury Equity Partners III	229
PWP Real Estate Fund III	218
Bridge Multifamily Fund V International	217
Harrison Street European Property III	204

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

	Assessed value, SEKm
EMG Fund III	198
Antin Infrastructure Partners Fund III	184
PW Growth Equity Fund II	183
FSN VI	181
Advent Global Technology	179
BlackRock GEPIF II	165
ACM II	142
Harrison Street RE US IX	137
GMO Horizon Forestry Fund	133
Clearlake Capital Partners VII	122
Landmark Real Estate Partners VII	103
PWP Real Estate Fund II	100
Portfolio Advisors Secondary Fund II	86
Warburg Pincus Duravant	86
Sprints Capital IV	85
AlpInvest PE II	82
White Peak Real Estate III	74
Antin Connect Co-invest	72
Portfolio Advisors Priv Eq Fund V	63
Sponsor Fund V	62
TA Associates XI	59
Antin Infrastructure Partners Fund II	57
Warburg Pincus Private Equity XIV	56
Rockspring German Retail Box Fund	55
Intera IV	53
ARA Europe RE Fund III	50
DIC ISquare III	47
Advent Global Technology II	47
Actis Energy V	38
Areim Fastigheter 2	40
Advent GPE VI	22
Klarna AB	22
White Peak Real Estate II	20
Forest Fund Brazil	20
EMG Fund I	20
Welsh, Carson, Anderson & Stowe XIV	19
Advent GPE X	14
Portfolio Advisors Secondary Fund	13
Antin Infrastructure V	13
Goldman Sachs Vintage Fund V	13



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 2022 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Stockholm, 28 March 2023

KPMG AB

Gunilla Wernelind
Authorised Public Accountant



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