



Sophia Bendz, Investment Partner Atomico, was one of the many who participated in AP6's seminar, "Gender and Diversity in Nordic Private Equity – Are we on track?"

Sustainability Report

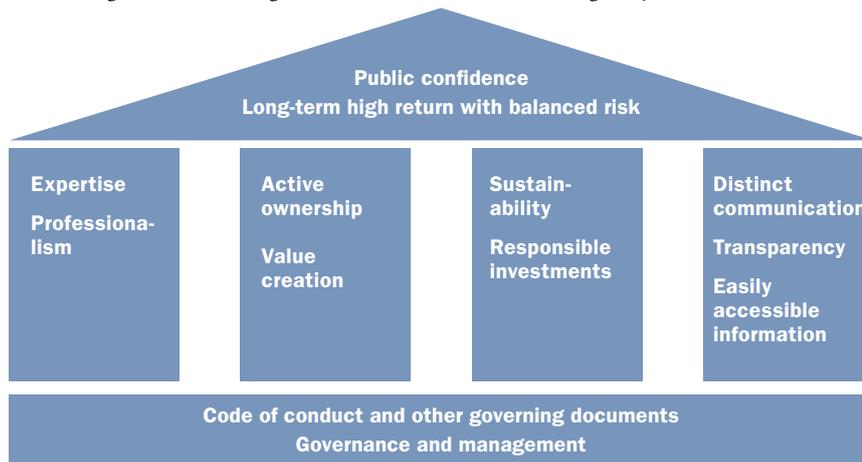
Gender equality and diversity is one of AP6's focus areas. As part of AP6's efforts to increase gender equality and diversity in the private equity sector, a round table discussion was organized where Nordic PE firms participated and shared their experiences.

AP6 has continued to further develop existing tools and processes for responsible investments. The annual ESG assessment of private equity funds has since its launch in 2014, proved itself as being a valuable process of monitoring and engagement.

Stakeholder engagement and materiality analysis

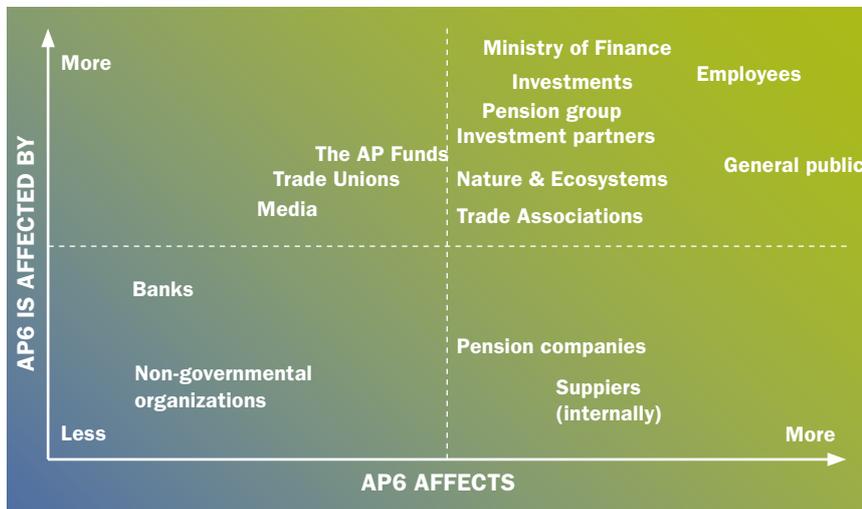
One fundamental expectation on a state-owned pension fund such as AP6 is for the organization to be run in accordance with the Sixth AP Fund Act (2000:193), where the goals for investing activities have

been defined. Various stakeholder groups in society also have expectations on AP6. In 2017, AP6 held discussions with many of its stakeholder groups to learn more about their expectations. Similar stakeholder dialogues will be held regularly.



AP6's model for meeting the requirements of legislators and stakeholders

To meet its stakeholders' requirements and expectations, AP6 has a model that is based on its code of conduct and investment strategy. Four pillars stem from that foundation, which are the specific competencies and values required. The foundation and pillars create the conditions for AP6 being able to deliver a long-term high return and maintain public confidence.



AP6's most important stakeholders, adopted by its Board of Directors

The upper right quadrant contains the stakeholders who have the biggest impact on, and who are most impacted by, AP6. AP6 held in-depth stakeholder discussions with each group in 2017. (Some stakeholder organizations were included as representatives for "the Public" and "Nature & Ecosystems").

STAKEHOLDER ENGAGEMENT

Stakeholder engagement in 2018 did not reveal any major changes to stakeholders' expectations on AP6 as a state-owned pension fund manager. AP6 has therefore continued to assume its efforts on the in-depth stakeholder discussions of 2017.

It revealed that there was variation in the knowledge levels and expectations of AP6's stakeholders. As expected, those with the most knowledge, were AP6's partners who work with unlisted investments. Every stakeholder group, however, showed great interest in AP6's operations.

MATERIALITY ASSESSMENT

The 2017 stakeholder dialogue generated valuable information that was used by AP6's Board and management to prepare the materiality assessment. It was adopted in 2017 and both the Board and management feel that it still provides a correct summary of the most important issues that AP6 should address. The conclusions are reflected in the business plan created by management for 2019.

Materiality assessment

Creating a return for pensioners and maintaining public confidence are prerequisites for AP6's existence.

It requires:

- Expertise and professionalism of AP6 employees
- Disciplined, systematic value-creation within the scope of a clear investment strategy
- Active efforts with responsible investments based on a wide sustainability perspective encompassing human rights, labor rights, the environment and anti-corruption
- Good business ethics and morals
- Distinct communication and easily accessible information about operations
- Openness and transparency

Responsible investments

SUSTAINABILITY IS AN INTEGRAL PART OF AP6'S INVESTMENT ACTIVITIES AND HOW IT GENERATES VALUE



For AP6, responsible investments and sustainability are prerequisites for delivering a long-term high return. Sustainable development is fundamental to the well-being of future generations and for generating an economic return to future pensioners. As a Swedish, state-owned pension fund, AP6 can and should be a forerunner for responsible investments and sustainability. The Deputy MD leads sustainability efforts, which are coordinated by the Sustainability Manager. Investment Managers are responsible for day to day integration of ESG in companies and funds.

Since 2013, sustainability has been an integral part of AP6's investing activities, e.g. as a component of the review and follow-up on investments. As an investor in various types of businesses, sectors and geographic locations, it is necessary to have a broad approach to sustainability that is based on international agreements on human rights, labor rights, the environment and anti-corruption.

AP6's Code of Conduct provides the foundation for its responsible investment activities. Each year, the Board sets specific sustainability goals for investing activities. Performance fell in 2018 on three goals. The share of companies with a code of conduct fell from 100 to 92 percent. In the portfolio of Direct Investments, 40 % of the companies publish a sustainability report (last year, 44 %). In that same portfolio, 31 % of companies reported GHG emissions and documented climate-related risks & opportunities (last year, 37 %). In each instance, the reason for the decline

has to do with divestment of companies that had well-established sustainability routines. Furthermore, for three of the new investments made during the year, the companies did not have a code of conduct. Efforts are however underway at those companies to review and improve governing documents associated with

sustainability.

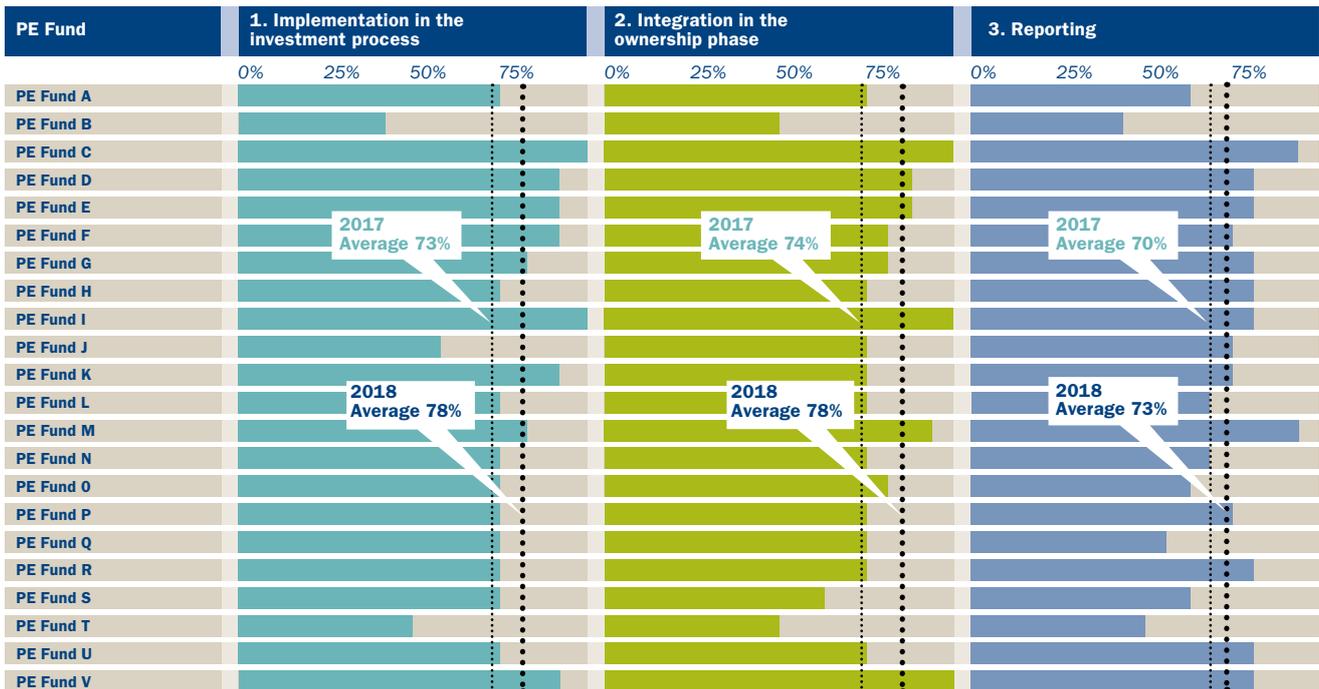
Performance improved in 2018 on two goals. The share of funds reporting in accordance with PRI or similar increased from 56 to 72 percent. Also, the share of funds working with climate impact, climate strategy, etc. increased from 54 to 57 percent.

LONG-TERM GOALS FOR DIRECT INVESTMENTS

Area	Targets	Status
Sustainability analysis as part of due diligence	100% of all investments	100 % (100)
Code of Conduct	Must be in place for all significant holdings	92 % (100)
Sustainability report	Companies corresponding to 80 % of the value in the portfolio for direct investments should report in line with GRI or similar reporting guidelines	40 % (44)
Climate	Companies corresponding to 80 % of the value in the portfolio for direct investments should report GHG emissions and document climate-related risks & opportunities	31 % (37)
Gender equality	Equal distribution between men and women on boards of portfolio companies	17 % (17)

LONG-TERM GOALS FOR FUND INVESTMENTS

Area	Targets	Status
Sustainability analysis as part of due diligence	100% of all investments	100 % (100)
Code of Conduct	Must be in place for all significant holdings	100 % (100)
Sustainability report	Funds corresponding to 80 % of the value in the portfolio for fund investments should report in line with PRI or similar	72 % (56)
Climate	Funds corresponding to 80 % of the value in the portfolio for fund investments should address climate issues (climate impact, climate strategy or similar)	57 % (54)
Equality/diversity	AP6 will take steps to ensure that equality is a measurable objective for funds and portfolio companies	Page 14



1. How are sustainability-related risks and opportunities reviewed prior to acquisition? What processes and resources are used? How is the investment decision impacted by sustainability factors?

2. How are the portfolio companies' sustainability-related risks and opportunities for value creation managed during the holding period?

3. How are sustainability and responsible investments reported? Through, for example, public reporting and regular reporting to investors.

ESG ASSESSMENT OF FUNDS

In 2018, AP6 met with 22 fund managers as part of the annual ESG assessment of the fund portfolio. AP6 uses its own model for this, which is aligned with an industry-specific template for sustainability evaluation of fund managers in the unlisted investment asset category.

The average score in the fund portfolio increased in 2018 compared to 2017 largely because many funds improved their score in one or more areas. The overall assess-

ment is that all funds strive to actively address sustainability and many have made significant progress.

Like last year, funds with formalized ESG processes and a high level of ESG expertise received the highest scores. The evaluation also revealed that many funds have increased the focus on climate and gender. Both these areas are focus areas in AP6's sustainability approach and are integrated into the annual ESG follow-up with

fund managers, but scores are not currently awarded in these areas.

Although there is a positive correlation between the size of a fund (and thus its resources) and the score received, some smaller funds received high scores thanks to their structured, efficient ESG processes.

For each fund, detailed feedback is provided in separate meetings. The feedback includes both open discussions and possible areas for improvement.

AP6'S TEMPLATE FOR ESG ASSESSMENT AND MONITORING OF PE FUNDS.



Share of PRI's requirements that must be met in order to obtain a certain grade / Rating scale					
0%	>0-25%	>25-50%	>50-75%	>75-95%	>95%
E	D	C	B	A	A+
AP6					
Median rating					
AP6					
Median rating					
AP6					
Median rating					

■	Strategy and governance
■	Indirect investments (funds)
■	Direct investments and active ownership in unlisted companies

PRI'S ANNUAL ASSESSMENT

As a signatory of PRI, AP6 reports each year in accordance with PRI's responsible investment reporting framework. Based on the report, PRI compiles a confidential assessment report, where A+ is the highest possible rating.

In the latest assessment, AP6 received the following ratings:

Strategy and governance: A+

Indirect investments (funds): A

Direct investments and active ownership in unlisted companies: A

MEMBERSHIPS

Invest Europe (previously European Venture Capital Association, EVCA), www.investeurope.eu/

Institutional Limited Partners Association, ILPA, www.ilpa.org/

Swedish Private Equity & Venture Capital Association, SVCA www.svca.se/

Swedens Forum for Sustainable Investments, SWE-SIF www.swesif.org/

COMMITMENTS, AFFILIATIONS

UN Global Compact, UNGC, www.unglobalcompact.org/

UN Principles for Responsible Investments, UNPRI, www.unpri.org

CDP (previously Carbon Disclosure Framework), www.cdp.net

POTENTIAL INVESTMENTS THAT AP6 DECLINED BASED ON ESG ASPECTS

Each year, AP6 considers many new investment opportunities. AP6 is open to a variety of sectors but in the end, each investment is assessed based on its own characteristics. The decision to decline an investment is often due to several factors, like commercial considerations, terms & conditions, sustainability, etc. All companies face sustainability challenges. Many deal with them via an active approach to sustainability, while others need to become more engaged. There are certain types of operations, however, that AP6 avoids because they are simply not compatible with sustainable development and responsible investment activities, irrespective of how the company handles sustainability. Examples are weapons, pornography and fossil fuels.

Investment type	Investment opportunity	Motivation
Direct	Companies with exposure to the tobacco industry.	AP6 avoids exposure to the tobacco industry due to the negative health effects of these products.
Direct	Service companies in the financial sector.	Risks related to tax advice.
Fund	No investment opportunities were rejected during the year based on ESG aspects.	N/A
Secondary	No investment opportunities were rejected during the year based on ESG aspects.	N/A

EXAMPLES OF ESG-RELATED INCIDENTS IN THE PORTFOLIO, 2018

AP6 is a demanding investor in many ways, e.g. when it comes to such things as information and how potential incidents are managed. AP6 expects quick, clear feed-back from companies or funds if any ESG-related incidents arise. Below are some examples of important or serious ESG-related events in the portfolio during 2018.

Investment	Event	Action taken by AP6	Status
Fund	Allegation of sexual harassment.	Dialogue on investigation, action and preventive measures.	The allegations were investigated and action was taken.
Fund	Allegation of corruption was revealed during the final stage of an acquisition process.	Ongoing dialogue with the fund manager.	An investigation was initiated via a third party.
Fund	Investigation on financial mismanagement in a subsidiary.	Dialogue on investigation, action and preventive measures.	Dismissal of a senior executive. Audit of operations and preventive measures taken.
Direct	Employee committed suicide near the workplace.	Dialogue with the company on investigation and crisis management.	Investigation by authorities and the company demonstrated that the suicide was not work-related. The company took appropriate action.
Direct	Extreme heat in Europe resulted in disruptions to operations.	Dialogue with the company on preventive measures.	Preventive measures and higher insurance coverage for similar situations is being investigated.
Direct	Senior executive accused of tax crimes alleged to have occurred while employed at another company.	Ongoing dialogue with the fund manager.	The person has moved to another position until the matter has been decided in court.

Gender equality and diversity



Exchange of experience. Anna Wahlström, Global Head of Human Resources, EQT, was one of several participants who shared her experiences during AP6's seminar on gender equality and diversity in the Nordic PE sector.

In 2018, AP6 invited all the Nordic funds in its portfolio to a round table discussion on gender equality and diversity. It was an opportunity to follow up on similar round table discussions in 2016. Focus was on sharing experiences around specific measures and results.

Currently, in the PE sector, there are many homogeneous organizations with predominately male employees, particularly among those making investments. Also, for venture capital (early phase) in particular, most of the capital is being invested in companies founded by men. There is awareness in the sector that greater diversity leads to better decisions and results over the long term. However, the road ahead still seems long. Problems arise already at university, where more men than women choose to specialize in finance. The industry's reputation for being male-dominated is a further deterrent for female professionals. Recruiting and pro-motion processes also tend to favor men and prevent progress on gender equality.

In recent years, there has been much

focus on equality and diversity in the sector. Several of the funds that AP6 invests in have taken bold steps to change their processes for recruiting, promotion and how they both identify, and make, new deals and investments. Reasons for doing so include higher awareness of the positive effects of better diversity and a desire to both recruit and retain the best talent.

One obstacle though, is that the recruiters tend to favor candidates like those already employed, perhaps making them blind to new talent. Young employees also get a negative impression of the PE sector, since it poorly reflects diversity in our society. Furthermore, investors, such as AP6, are asking for inclusion and diversity in the sector.

At AP6's round table discussions, there was great interest and openness demonstrated. Participants freely shared their experiences on what has worked, and what hasn't. Actions they've taken have included internal inclusion training, higher demands on recruiting agencies, measurable targets on recruiting and promotion,

gender-neutral recruiting processes and use of mentors.

Encouragingly, some have started seeing results, such as an increasing share of female professionals in the investment teams, particularly at junior levels.

Several PE firms also noticed that the attitudes of its employees had shifted. For example, the issue has been picked up by male employees at senior and midlevels who desire routines that make it easier for them to balance family and career. The debate and attention given to #metoo also increased the focus on gender equality and diversity during the year. The conclusion of participants at the round table discussion was that collaboration is the key to improving the image of the PE sector and attracting a wider range of candidates. Change will take time and many challenges remain, but results will be possible as knowledge and experience in the sector increases.

AP6 will continue encouraging greater gender equality and diversity in the PE sector.

This was the second time that AP6 organized a seminar on equality and diversity in the Nordic PE sector. The first was in 2016. Gender and diversity are two of the focus areas for AP6's sustainability efforts. The other focus area is climate.

Representatives from the following PE firms participated in AP6's seminar, "Gender and diversity in Nordic Private Equity - Are we on track?": Triton, Norvestor, Atomico, Northzone, FSN, Accent, EQT, Creandum and Nordic Capital.

The full report, in Swedish, is available at: <https://www.apfond6.se/en/>

Continued focus on climate change

Since 2015, AP6 has played an active role in promoting an increased focus on climate change in PE. Climate change is a threat to future economic prosperity, since it undermines the stable climate required for human activity. AP6 is part of the Swedish pension system, with the mandate of securing pensions for many generations to come. As such, climate change is a prioritised topic. Managing pension assets requires a long-term perspective and understanding that the earth's resources must be shared with future generations. Also, climate, nature and ecosystems must be in balance.

AP6 is committed to demonstrating the importance of climate change from an investor perspective. It also strives for higher transparency on climate-related areas.

BROAD PERSPECTIVE ON CLIMATE

Companies that AP6 invests in both impact, and are impacted by, climate change. The scope of this includes how the company's operations are affected by extreme weather and higher temperatures, as well as changes in taxes, fees and other legal requirements. The transition to a clima-

te-neutral economy creates opportunities such as higher energy efficiency, innovation and new business areas. This is why it's important to have a broad perspective on climate change and work with climate-related risks and opportunities, as well as company emissions.

AP6 supports the Task Force on Climate-related Financial Disclosures (TCFD), published in 2017. These are international recommendation on how companies and investors can report on climate-related risks and opportunities. The recommendations contain suggestions on climate-related information that should be included in an organization's financial reporting as regards governance, strategy, risk management, metrics and targets.

CLIMATE IS AN INTEGRAL PART OF THE INVESTMENT PROCESS

AP6's Code of Conduct states that "AP6 is committed to ensuring that the compa-



nies and funds it invests in take action on climate-related risks and opportunities". Climate-related targets have been established by the AP6 Board of Directors (see page 11).

Climate is an integral part of AP6's evaluation process for new investments. It reviews the climate-related risks and opportunities that could impact the investment decision or ownership plan. Evaluating a partner's views on investing in fossil fuels is just one example. Another is posing relevant questions on how climate change could impact commodity prices, which could have a significant impact on a company's production costs and, in the end, the profit and return it generates for investors.

Climate is also part of AP6's continuous monitoring and follow-up on companies and funds and it's an important component of ESG reporting. The annual ESG assessment of fund managers contains questions on climate-related risks and opportunities, integration in governance and strategy, metrics, GHG reporting and more (see page 12).

CLIMATE REPORTING BASED ON TCFD'S RECOMMENDATIONS FOR CLIMATE-RELATED FINANCIAL REPORTING

Governance	Strategy	Risk management	Metrics and targets
Organization's governance of climate-related risks and opportunities	Actual and potential impact on operations, strategy or planning.	How the organization identifies, evaluates and manages climate-related risks.	Metrics and targets used by the organization to evaluate and manage climate-related risks and opportunities.
Page 15	Page 15	Page 32	Page 11 and 16

AP6 has initiated efforts to report in accordance with TCFD's recommendations. The table references the parts of the annual report containing information on the four recommended areas: governance, strategy, risk management, metric & targets. One area for AP6 to develop further is a forward looking analysis of how various climate scenarios might impact the portfolio. See also AP6's Climate Transparency Report, www.apfond6.se

Link to TCFD's recommendations: <https://www.fsb-tcf.org/publications/final-recommendations-report/>

FOSSIL FUELS

Given its mandate and focus, AP6 seldom invests in resource extraction. AP6 has very few investments in the energy sector (as of year-end 2018, 1.7 % of its total managed assets). Of that amount, most are companies that provide services/support to extraction industries. Accordingly, AP6 has very little direct exposure to extraction and distribution of fossil fuels. In general, AP6 avoids investments in fossil fuels and has, on various occasions, declined such opportunities (see 2017 Sustainability Report). The reason for this is the negative climate impact associated with fossil fuels and the risk of stranded assets. This means assets that are no longer possible to extract due to limitation imposed via a global carbon budget. There are other financial risks to consider as well.

CARBON FOOTPRINT

For the fifth year in a row, AP6 has measured the carbon footprint its unlisted investments.

Carbon footprint is one of the tools that AP6 uses for demanding higher transparency regarding carbon emissions of unlisted companies. By demanding higher transparency in this area, AP6 also helps raise awareness of the importance of climate change in a broader sense in the PE sector.

AP6 reports the carbon footprint of its portfolio based on information on the carbon emissions of the portfolio companies together with estimated emissions. It's the same method used in prior years. It is calculated as of year-end, using the latest available data on emissions, in accordance with an agreement with the other Swedish AP Funds.

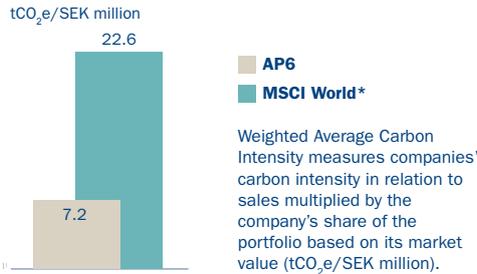
AP6's carbon footprint for 2018 corresponds to approximately 30 percent of the carbon footprint from an equally large investment as per a global index for listed companies. This is partially explained by the value for "carbon intensity – weighted average." The carbon intensity of portfolio companies is simply low, regardless of ownership share.

In spite of higher requirements from both PE firms and society at large for

gathering carbon emissions data, few companies measure and report this information. AP6 appreciates that several of AP6's fund managers systematically gathers

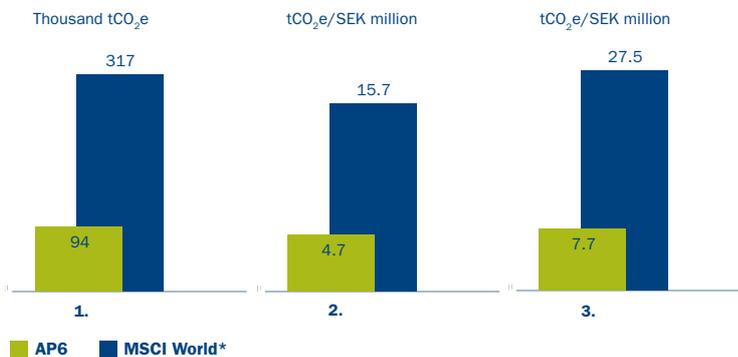
carbon emission data from their portfolio companies. However, the information is of varying quality and does not always reach AP6.

Weighted Average Carbon Intensity 2018



*The comparison is based on the exchange-traded fund, which is linked to MSCI All Countries World Index (MSCI ACWI ETF). It means that information on Holdings and weighting in MSCI's index is based on publicly available information.

Carbon footprint 2018

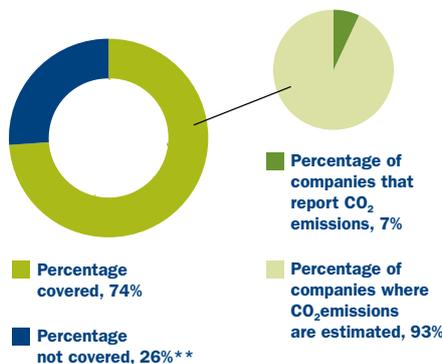


AP6's carbon footprint shown as three indicators, compared with the carbon footprint of corresponding capital invested in a global equity index (MSCI World):

1. The absolute carbon footprint of AP6's investments corresponds to the ownership share of the companies' total emissions (thousand tCO₂e)
2. Carbon intensity, shown as the absolute carbon footprint in relation to the ownership share of the companies' market value (tCO₂e/SEK million)
3. Carbon intensity, shown as the absolute carbon footprint in relation to the ownership share of the companies' market value (tCO₂e/SEK million)

Scope of carbon footprint 2018

(as a percentage of capital employed)



Percentage of reported and estimated CO₂ emissions 2018

(as a percentage of the absolute carbon footprint)



**For practical reasons, companies under a certain value or not included. The portfolio contains a large number of small ownership shares, each of which has a relatively low value. Approximately 90 companies represent 74 % of the value, and the remaining ones, approximately 400, represent 26 %.

AP6's internal sustainability

AP6's own sustainability efforts cover several areas. They include everything from applying good business ethics and morals, to sustainable business travel. AP6's must always maintain public confidence and its sustainability efforts must reflect that.

AP6's owner, represented by the Ministry of Finance, has, in collaboration with the Swedish Association of Local Authorities and Regions, issued guidelines on what constitutes bribes and conflicts of interest.

AP6 maintains a wide margin to what is allowed. The closer to the allowed limit, the greater the risk of exceeding it. AP6 has also issued its own guidelines aimed at protecting the organization's credibility and impartiality when it comes to decision making.

The guidelines are strict. For example, they state that employees may never accept gifts. Invitations to individual employees must always have a clear and relevant professional purpose. Whatever is offered in the form of meeting setting, location, food and drink should be reasonable.

An employee of AP6 must never risk acting in their own interest – or be swayed



» **“AP6 employees must never act in a way that risks damaging public confidence in how pension fund assets are managed.”**

by someone else who may influence their decision.

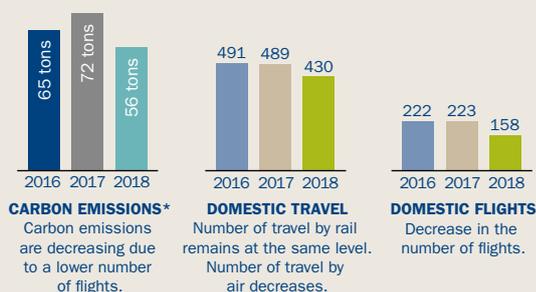
AP6 employees must never act in a way that risks damaging public confidence in how pension fund assets are managed. AP6

does not allow secondary occupations that conflict with the requirement for loyalty to the employer. Secondary occupations are regulated in the Act on Public Employment (LOA).

AP6's Ethics Committee acts as an advisory body in matters concerning the ethics, credibility and appropriateness of anything associated with AP6. This may involve everything from invitations to industry events to specific portfolio company business considerations. The Ethics Committee deals with cases both on its own initiative and on the initiative of employees. Ethical issues are also discussed on an ongoing basis within the organization. The composition of the Ethics Committee is described on page 20.

The AP6 Code of Conduct (www.apfond6.se) describes the values that apply to the organization and is aimed at employees, partners and holdings.

Environment and climate



*The calculation includes direct emissions (Scope 1), indirect emissions from purchased electricity, heating and cooling (Scope 2) and indirect emissions from business travel and commuting (Scope 3). The calculation is based on the Greenhouse Gas (GHG) Protocol, an international standard for calculating and reporting carbon emissions. Calculations do not include the added impact from high altitude emissions. A rough estimate is that the impact from high altitude emissions adds an approximate 30 tons of carbon emissions. Carbon emissions from investments (Scope 3) are reported separately on page 16.

The environmental impact from own operations is low. Business travel has the biggest impact, representing 88 % of AP6's own carbon dioxide emissions. The mode of transport must have the lowest possible environmental impact. Train and video conferencing should be used instead of flights, whenever possible. AP6 is increasing its international collaboration. Nevertheless, it managed to significantly lower its amount of domestic and international air travel, and thus its carbon emissions, in 2018. AP6 offsets the organization's emissions through carbon offsetting.

SUPPLY CHAIN

AP6 is subject to the Act on Public Procurement (LOU). AP6 continually assesses its suppliers and sustainability is just one of several important factors. AP6's suppliers consist of a dozen or so service providers based in Sweden. One procurement category is goods and services associated with office operations. This covers consumables, rental of premises, various services, etc. An important area in this sphere is providers of transport for business travel. AP6 has different objectives for stimulating sustainable travel for business purposes. Financial services in connection with the issue, sale, acquisition or transfer of securities or financial instruments are excluded from LOU.

INTERNAL FOLLOW-UP

As regards AP6's office-based operations, sustainability is followed up during the year when preparing the GRI report. The evaluation and revision of the Code of Conduct, policies and goals take place once a year. AP6 has set up an anonymous whistleblower system. No reports were received in 2018.

GENDER EQUALITY AND EQUAL PAY

It is important that people with the same skills, experience and job description have the same terms of employment. This is a prerequisite for an organization to function



properly. Salary trends are documented and monitored at all times and the results show that AP6 complies with the applicable legislation, regulations and guidelines.

DIVERSITY

A professional organization that constantly strives to improve will utilize all the skills and talents of its employees. People with different experiences and backgrounds can offer new perspectives when analyzing and evaluating things like new investment opportunities and sustainability efforts. It is therefore important that the composition of employees is diverse. As a government authority, AP6 must also strive to reflect the diversity of Swedish society.

For its size, AP6 has relatively few

employees, and low turnover, in a sector that is very homogeneous. This makes it particularly important to have an overall, long-term plan for diversity. Diversity and gender equality are part of the recruitment specification, both in terms of fixed-term and permanent positions. A balanced gender distribution at all levels is a prerequisite for running an optimal organization.

AP6 actively strives to increase diversity in the PE sector and during fall 2018, it held round table discussions on gender equality and diversity in the Nordic PE sector. It was follow-up on the seminar held in 2016. Besides AP6, nine Nordic PE firms participated. See page 14 for more information.

AP6 also maintains a continuous dialogue on diversity with PE firms and companies in the portfolio, and other partners. It is also a topic that AP6 discusses in international forums and seminars.

ATTRACTIVE EMPLOYER

It is of strategic importance that AP6 is an attractive employer who is able to recruit/retain employees and help them continually develop their skills. Management of public pension funds through investments in unlisted assets, places high demands on expertise and judgment. AP6 recruits employees in a competitive market. To accomplish this and be perceived as an attractive employer, AP6 strives to provide:

1. Interesting and worthwhile assignments.

AP6 is a major player in the Nordic market

Internal sustainability targets (selection)

Gender equality

- Gender balance in all departments.

Diversity

- A workplace that reflects diversity in society (ethnic, background, gender, age, etc.)

Climate

- *Business travel*; For domestic travel, at least 75 % should be by train.

Suppliers

- An evaluation is required before selecting a vendor It must always contain an evaluation of sustainability.

Action/fulfillment

For recruitment to new or existing positions, the list of finalists must be 50 % men, 50% women. Measurement is on a 3-year rolling basis, start-ing in 2018.

For recruitment to new or existing positions, AP6 must actively strive to achieve its diversity goals.

Train travel accounted for 63 % (55) of domestic travel during the year.

When selecting new suppliers, sustainability is part of the evaluation.



for unlisted companies. AP6's partners include several top ranked European and North American PE firms. It generates many interesting and challenging tasks for employees. In addition AP6 has a strong focus on active ownership and sustainability.

2. A good work-life balance.

It should be possible to combine a demanding professional role with e.g. being a parent to young children.

3. Relevant remuneration.

Within the framework of the guidelines for remuneration and benefits, staff should be able to earn a good salary and receive reasonable benefits.

PROFESSIONAL DEVELOPMENT

Continuous professional development is a key issue when it comes to retaining expertise and being regarded as an attractive employer. Skills development is planned at the annual appraisal. The amount of training per employee was approximately 38 hours in 2018, broken down into 26 hours for management and 41 hours for employees. Each employee received approximately 3 hours of training on: anti-corruption, human rights and global sustainability goals. Updates on sustainability issues occur regularly and in a variety of contexts.

WORK ENVIRONMENT AND HEALTH

The health of employees is important for AP6's development and ability to deliver a

return. Health risks may consist of stress or stress-related illnesses and ergonomic issues related to office work.

All employees are covered by occupational health services with a check-up every two years. They are also offered health insurance and a fitness subsidy. AP6 engages a consultancy firm to carry out employee surveys every second year.

Employees – composition/ key ratios

The total number of employees was 32 (31), consisting of 16 (15) women and 16 (16) men. Age distribution:

<30 years	2 people
30–49 years	18 people
50-70 years	12 people

Senior management consists of 7 people; of which 6 men and 1 woman.

Of the 32 (31) employees, 26 (25) work at the head office in Gothenburg and 6 (6) in Stockholm.

The Board of Directors consists of 5 (5) people, 3 (2) women and 2 (3) men. The Chairman of the Board is a woman.

Absence due to illness 0.9 % (3.1)
Employee turnover, recruiting 6.3 % (6.4), severance 3.2 % (9.5). The fitness subsidy was utilized by 94 % (93).

REPORT PROFILE

This is AP6's sixth GRI report and the reporting period is the calendar year 2018. AP6 has elected to report in accordance with GRI Standards at the Core level. This means that the report is based on factors relevant to AP6's operations and which AP6 can influence in different ways. The report covers every part of AP6's operations. There is no division into regions. The sustainability report is prepared once a year. No new circumstances or significant changes have occurred since the previous year. The GRI report is a component of the AP6 annual report. The GRI report has not been examined by auditors. The auditors have, however, reviewed the Sustainability Report. See page 21.

For information or comments on the sustainability report, please contact:

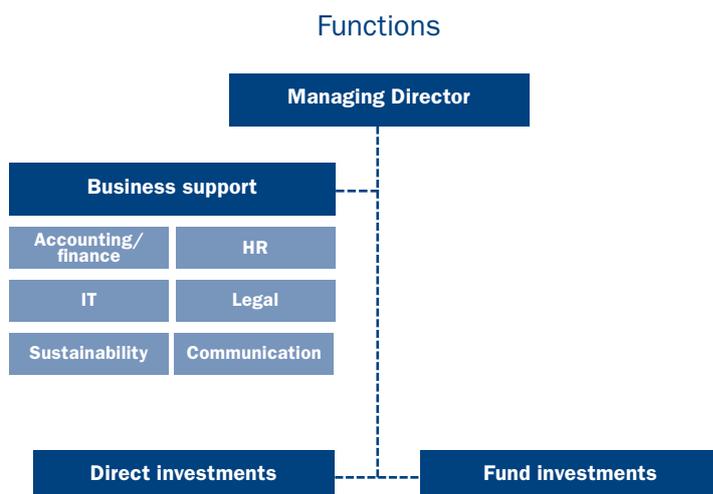
Margareta Alestig Johnson
Deputy MD, with responsibility for sustainability

margareta.alestig@apfond6.se

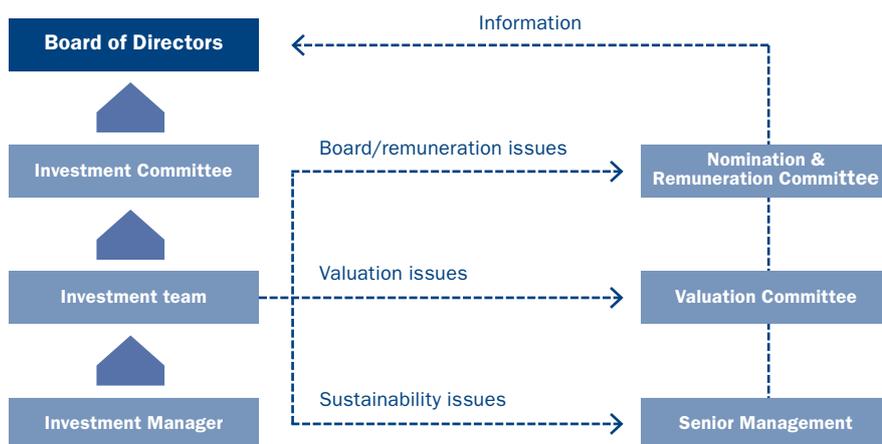


“It should be possible to combine a demanding professional role with e.g. being a parent to young children.”

Organizational chart



Decision-making processes and committees



GLOBAL COMPACT AND PRI

AP6 is a signatory of the UN Global Compact, and remains committed to implementing and integrating the principles of human rights, labor rights, environment and anti-corruption in its operations and to influencing other companies to follow the Global Compact.

The Sustainability Report also contains the 2018 Communication on Progress as regards AP6's Global Compact commitments.

AP6 is also a signatory of the UN Principles for Responsible Investment (PRI). AP6 is thus committed to considering, among other things, environment, social aspects, and business ethics prior to an investment or during ownership. AP6 also actively strives to promote the PRI principles in the PE sector.

AP6 participates in relevant PRI working groups aimed at sharing knowledge and experience regarding sustainability in the context of unlisted investments and helping promote the PRI principles in the PE sector. For more information on AP6's responsible investment activities, please see its annual report to PRI, www.unpri.org

Senior management and committees

SENIOR MANAGEMENT:

Karl Swartling (MD)
Margareta Alestig Johnson (Deputy MD)
Henrik Dahl (CFO)
Mats Lindahl (Head of Direct Investments)
Karl Falk (Head of Fund Investments)
Jonas Lidholm (General Counsel)
Ulf Lindqvist (Head of Communications)

INVESTMENT COMMITTEE:

Margareta Alestig Johnson (Chairman)
Karl Swartling
Henrik Dahl
Mats Lindahl
Karl Falk
Jonas Lidholm
Ulf Lindqvist

VALUATION COMMITTEE:

Henrik Dahl (Chairman)
Karl Swartling
Margareta Alestig Johnson

NOMINATION AND REMUNERATION COMMITTEE:

Jonas Lidholm (Chairman)
Mats Lindahl
Margareta Alestig Johnson
Karl Swartling

ETHICS COMMITTEE:

Ulf Lindqvist (Chairman)
Jonas Lidholm
Margareta Alestig Johnson

AP6 BOARD COMMITTEES

Audit Committee
Katarina Staaf (Chairman)
Alexander Ljungqvist

Remuneration Committee

Urban Lindskog (Chairman)
Katarina Staaf

Sustainability Committee

Catrina Ingelstam (Chairman)
Karin Reuterskiöld

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* N/A = Not applicable

AUDITOR'S STATEMENT ON THE SIXTH AP FUND'S SUSTAINABILITY REPORT

For the Sixth AP Fund
CIN: 855104-0721

Assignment and delegation of responsibility

The Board of Directors is ultimately responsible for the Sustainability Report for 2018 and ensuring that it has been prepared in accordance with the Sixth AP Fund's principles for sustainability reporting, which correspond to those stipulated in the Annual Accounts Act.

Focus and scope of the review

Our review was conducted in accordance with FAR's recommendation RevR 12, Auditor's report for companies preparing the statutory sustainability report. It means that our review of the sustainability report has a different focus and a much smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We feel that this review has provided an adequate basis for our opinion.

Opinion

A sustainability report has been prepared.

Stockholm, 22 February 2019

PricewaterhouseCoopers AB

Magnus Svensson Henrysson

Authorised Public Accountant

ABOUT THE SUSTAINABILITY REPORT

The report covers AP6's internal operations. It also outlines AP6's areas of influence as determined by the analysis. The analysis includes an assessment of the importance of every relevant issue, as well as identifying where this effect

occurs, internally or externally. The analysis is based on GRI's principles for selection of content.

AP6 is not subject to the requirements on sustainability reporting from 2018 stipulated in the Annual Accounts Act.

However, it has nevertheless elected to report in accordance with this law. It also means that the auditors have conducted a review of the sustainability report as prescribed by law, see the Auditor's Report on page 46.