



RI TRANSPARENCY REPORT

2019

AP6

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Public							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	🔒	n/a	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Description of approach to RI	✓	Public	✓					✓	
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	🔒	n/a	✓			✓		✓	
PE 04	Formal commitments to RI	🔒	n/a				✓			
PE 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 06	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 07	Encouraging improvements in investees	✓	Public	✓	✓					
PE 08	ESG issues impact in selection process	✓	Private	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Public	✓	✓					
PE 16	Approach to disclosing ESG incidents	🔒	n/a						✓	
PE End	Module confirmation page	✓	-							

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Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
-------	-----------	--------	-----------------	---------

OO 01.1 Select the type that best describes your organisation or the services you provide.

- ☒ Non-corporate pension or superannuation or retirement or provident fund or plan
- ☐ Corporate pension or superannuation or retirement or provident fund or plan
- ☐ Insurance company
- ☐ Foundation
- ☐ Endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Family office
- ☐ Other, specify

OO 02	Mandatory	Public	Peering	General
-------	-----------	--------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

Sweden

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ☒ 1
- ☐ 2-5
- ☐ 6-10
- ☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

32

OO 03	Mandatory	Public	Descriptive	General
-------	-----------	--------	-------------	---------

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
- ☒ No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2018

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		34	700	000	000
Currency	SEK				
Assets in USD		3	863	624	575

☐ Not applicable as we are in the fund-raising process

OO 06	Mandatory	Public	Descriptive	General
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OO 06.1 Select how you would like to disclose your asset class mix.

☒ as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	39	37
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0

Inclusive finance	0	0
Cash	0	24
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

☐ as broad ranges

OO 06.2	Publish asset class mix as per attached image [Optional].
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OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].
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☐ Yes

☒ No

OO 06.5	Indicate whether your organisation uses fiduciary managers.
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☐ Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

☒ No, we do not use fiduciary managers.

OO 09	Mandatory	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
----------------	--

	Developed Markets
--	-------------------

97

	Emerging Markets
--	------------------

3

	Frontier Markets
--	------------------

0

	Other Markets
--	---------------

0

	Total 100%
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100%

Asset class implementation gateway indicators

OO 12	Mandatory	Public	Gateway	General
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OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- ☒ Private Equity

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- ☒ Private Equity

Closing module

- ☒ Closing module

Peering questions

OO PE 01	Mandatory	Public	Descriptive	General
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OO PE 01.1

Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

OO PE 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**OO PE
02.1**

Indicate the level of ownership you typically hold in your private equity investments.

- ☐ a majority stake (>50%)
- ☐ 50% stake
- ☐ a significant minority stake (between 10-50%)
- ☒ a minority stake (<10%)
- ☐ a mix of ownership stakes

**OO PE
02.2**

Additional information. [Optional]

AP6 has for several years focused on significant minority stakes (10-50%). Lately, the number of co-investments with <10% ownership has increased to the point that the typical ownership level is rather <10%. However, AP6 still holds, and seeks to hold, a number of investments with a significant minority stake (10-50%)

AP6

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Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Active ownership / engagement policy <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☐ Your investment objectives that take ESG factors/real economy influence into account
- ☒ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☒ Climate change
- ☒ Understanding and incorporating client / beneficiary sustainability preferences
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

AP6's mission is to generate a long-term high return with adequate risk diversification. Sustainable development is fundamental to the well-being of future generations, i.e. future beneficiaries of AP6, as well as fundamental to the creation of wealth. AP6's basic outlook is that good business ethics, along with environmental, social and economic sustainability are prerequisites for running a business successfully and generating a high return.

AP6's role in the Swedish AP pension system is to invest in the Private Equity (PE) market, which is the market for unlisted assets. Investing in unlisted companies requires specialist expertise and well-developed models for exercising the role of active owner. AP6's investment strategy is based on combining specialist expertise in order to invest both indirectly (through external funds) and directly in unlisted companies.

AP6 has signed the UN Principles for Responsible Investment (PRI) along with the ten principles of the UN Global Compact. According to AP6's investment policy and ownership policy, AP6 commits to integrating sustainability into its investment activities. This involves follow-up and evaluation in line with accepted international conventions in the areas of human rights, labour rights, environment and anti-corruption. AP6's Code of Conduct and ownership policy specifies the approach to responsible investment.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

AP6 has developed processes to uphold the principles for responsible investment (PRI), including the integration of ESG in selection, appointment and monitoring of both direct and indirect private equity holdings. The most important parts relate to ESG due diligence before investing, and ESG monitoring during the life of the investment.

AP6's Code of Conduct and Ownership Policy details AP6's responsible investment approach. In the Code of Conduct, AP6 has committed to ensuring that the companies and funds it has invested in:

- Respect human rights and are not involved in any abuses of human rights
- Respect and maintain the freedom of association and right to collective bargaining
- Are not involved in forced labour or child labour
- Respect the principle of non-discrimination
- Minimize their use of resources and any negative impact on the environment
- Contribute to solutions on global environmental challenges
- Identify and take action on climate-related risks and opportunities
- Counteract all forms of corruption, including extortion and bribery

☐ No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC

Voluntary

Public

Descriptive

General

SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Climate change challenges the basis of economic prosperity through undermining the climate stability necessary for human life and activity. For AP6, as part of the Swedish public pension system, tasked with the provision of pensions to future pensioners, climate related physical and transitional risks can negatively affect long term returns. Likewise, climate related opportunities can positively affect returns. Therefore, considering climate change related effects on AP6's investments is required and prioritised.

Which these climate-related risks and opportunities are depend on the nature of the investment. For some companies extreme weather events can cause interruptions in the value chain. Rising temperatures can affect raw material prices and thus the cost of production. Other risks include a forceful policy response through e.g. a high price on carbon emission and brand reputation risks. Climate-related opportunities span across cost savings through energy efficiency, taking advantage of changing consumer preferences towards sustainable business practices, and product innovation.

Climate related risks are factored into investment strategies through the integration in due diligence and monitoring of direct investments as well as indirect investments.

Furthermore, AP6 typically avoids investments in fossil fuel on the basis of climate change and the transition to a low carbon economy. As per 31st December 2018, energy related investment accounted for 1.7 % of the value of AP6's PE portfolio.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
-----------------------	--

☒ Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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The likelihood and impact of climate change related risks are assessed in due diligence of investments. In these assessments, likelihood and impact during the holding period of the investment, and exit potential is considered.

AP6 has not, as of yet, analysed the likelihood and impact of climate-related risks in the total portfolio.

☐ No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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☒ Yes

☐ No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
------------------------	---

☒ Yes

	Describe
--	----------

AP6 has since 2015 an internal strategy for

- 1) increasing awareness regarding climate-related risks and opportunities in the investment portfolio
- 2) increasing carbon transparency in the investment portfolio (encouraging measurement and reporting of carbon emissions where material)

During 2019, AP6 plans to review the strategy from 2015 to include a more forward looking approach aligned with the TCFD recommendations.

☐ No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- ☒ Public PRI Climate Transparency Report
- ☒ Annual financial filings
- ☐ Regular client reporting
- ☐ Member communications
- ☒ Other

	specify
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Sustainability report

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- ☒ Policy setting out your overall approach

	URL/Attachment
--	----------------

- ☒ URL

	URL
--	-----

https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

- ☒ Attachment (will be made public)

	Attachment
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[File 1:AP6-Code-of-Conduct_2.pdf](#)

- ☒ Formalised guidelines on environmental factors

	URL/Attachment
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- ☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment (will be made public)

	Attachment
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[File 1:AP6-Code-of-Conduct_2.pdf](#)

☒ Formalised guidelines on social factors

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment (will be made public)

	Attachment
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[File 1:AP6-Code-of-Conduct_2.pdf](#)

☒ Formalised guidelines on corporate governance factors

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment (will be made public)

	Attachment
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[File 1:AP6-Code-of-Conduct_2.pdf](#)

☒ Fiduciary (or equivalent) duties

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment (will be made public)

	Attachment
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[File 1:AP6-Code-of-Conduct_2.pdf](#)

☒ Screening / exclusions policy

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment (will be made public)

	Attachment
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[File 1:AP6-Code-of-Conduct_2.pdf](#)

☒ Other, specify (1)

	Other, specify (1) description
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Active ownership / engagement policy

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/Ownership-Policy-AP6_2.pdf

☒ Attachment (will be made public)

	Attachment
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[File 1:Ownership-Policy-AP6_2.pdf](#)

☐ We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- ☒ URL

URL

https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

- ☒ Attachment

File Attachment

[AP6-Code-of-Conduct_2.pdf \[226KB\]](#)

- ☒ Time horizon of your investment

URL/Attachment

- ☒ URL

URL

https://www.apfond6.se/wp-content/uploads/2018/12/Ownership-Policy-AP6_2.pdf

- ☒ Attachment

File Attachment

[Ownership-Policy-AP6_2.pdf \[874KB\]](#)

- ☒ Governance structure of organisational ESG responsibilities

URL/Attachment

- ☒ URL

URL

<https://www.apfond6.se/en/board-of-directors/>

- ☒ Attachment

	File Attachment
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[AP6_AR_2018.pdf \[2328KB\]](#)

☒ ESG incorporation approaches

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment

	File Attachment
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[AP6-Code-of-Conduct_2.pdf \[226KB\]](#)

☒ Active ownership approaches

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/Ownership-Policy-AP6_2.pdf

☒ Attachment

	File Attachment
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[Ownership-Policy-AP6_2.pdf \[874KB\]](#)

☒ Reporting

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment

	File Attachment
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[AP6-Code-of-Conduct_2.pdf \[226KB\]](#)

☒ Climate change

	URL/Attachment
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☒ URL

	URL
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☒ Attachment

	File Attachment
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[AP6-Code-of-Conduct_2.pdf \[226KB\]](#)

☒ Understanding and incorporating client / beneficiary sustainability preferences

	URL/Attachment
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☒ URL

	URL
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https://www.apfond6.se/wp-content/uploads/2018/12/AP6-Code-of-Conduct_2.pdf

☒ Attachment

	File Attachment
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[AP6-Code-of-Conduct_2.pdf \[226KB\]](#)

☐ We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Business decisions must always be made in the best interests of AP6. Employees may never use their position or influence for any other purpose than promoting the best interests of AP6. Personal relationships and considerations may never influence the decision-making process. This applies to potential benefits for employees, but also to benefits that may befall relatives and friends. To avoid conflicts of interest, employees may not conduct work outside AP6 in any form (in another employed position, on a consultancy basis or in the form of board work) without informing and receiving the consent of AP6's President. Even non-remunerated activities may be inappropriate. In the event of the slightest risk of conflict of interest, the employee must immediately inform their superior of the circumstances.

☐ No

SG 04	Voluntary	Public	Descriptive	General
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SG 04.1

Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

☒ Yes

☐ No

SG 04.2

Describe your process on managing incidents

Indirect investments: Incident reporting is a sub-category of pre-investment sustainability due diligence as well as monitoring after commitment. AP6 requires adequate and swift incident reporting and incident management action plan.

Direct investments: AP6 requires adequate and swift incident reporting from directly owned companies to the board of directors, which then has the overall responsibility to secure that the incident is well managed. AP6's internal follow-up of incidents is conducted every four months.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc basis
- ☐ It is not set/reviewed

SG 06	Voluntary	Public	Descriptive	General
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SG 06.1

List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- ☒ Provide training on ESG incorporation

Key performance indicator

KPI: Hours of training related to ESG.

Progress achieved

During 2018, each employee received approximately 3 hours of training on ESG, specifically the UN Sustainable Development Goals.

A majority of employees participated in a specific training on the UN Sustainable Development Goals (SDGs). The training was an interactive session focused around investors' and companies' (negative and positive) impact on the UN SDGs, and included real investment opportunities examples.

- ☐ Provide training on ESG engagement
- ☐ Improved communication of ESG activities within the organisation
- ☒ Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Provide concrete feed-back on performance and best practice to GPs participating in AP6's annual ESG evaluation (indirect/fund investments).

Progress achieved

A majority of GPs participating in the annual ESG assessment, has received structured feed-back on performance and best practice.

- ☒ Improved ESG incorporation into investment decision making processes

Key performance indicator

ESG part of due diligence process in all investments.

Progress achieved

100% of all investments were preceded by an ESG due diligence.

- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)
- ☐ None of the above

Financial performance of investments

- ☐ Increase portfolio performance by consideration of ESG factors
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)
- ☒ None of the above

ESG characteristics of investments

- ☐ Over or underweight companies based on ESG characteristics
- ☒ Improve ESG ratings of portfolio

Key performance indicator

Increase ESG average score in annual ESG assessment in indirect portfolio (fund investments).

Progress achieved

Increased ESG average score in annual ESG assessment for 2018 in indirect portfolio (fund investments).

- ☐ Setting carbon reduction targets for portfolio
- ☒ Other, specify (1)

Other description (1)

ESG policy

Key performance indicator

All main investments should have an ESG or RI policy or a Code of Conduct.

Progress achieved

Nearly all main investments had an ESG or RI policy or a Code of Conduct.

In the indirect (fund) portfolio, 100 % of investments had an ESG or RI policy or a Code of Conduct.

In the direct portfolio, 92 % of investments had an ESG or RI policy or a Code of Conduct. Three of the investments made during 2018 did not have a group wide ESG or RI policy or a Code of Conduct, but were in the process of establishing such.

- ☐ Other, specify (2)
- ☐ Other, specify (3)
- ☐ None of the above

	Other activities
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- ☐ Joining and/or participation in RI initiatives
- ☐ Encouraging others to join a RI initiative
- ☐ Documentation of best practice case studies
- ☐ Using case studies to demonstrate engagement and ESG incorporation to clients
- ☒ Other, specify (1)

	other description (1)
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AP6 also sets targets relating to climate change

	Key performance indicator
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Direct investments: % of investments measuring and reporting CO2 emissions, and mapping climate-related risks and opportunities
Fund investments: % of investments addressing climate change

	Progress achieved
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Direct investments: 31% of the value of investments correspond to companies that measure and report CO2 emissions and map climate-related risks and opportunities

Fund investments: 57 % of the value of investments correspond to GPs that are addressing climate change in various ways, e.g. through integration in due diligence, carbon emissions reporting

- ☐ Other, specify (2)
- ☐ Other, specify (3)
- ☐ None of the above

SG 06.2	Additional information.
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Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Internal Roles (triggers other options)

Select from the below internal roles

- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify
 - Deputy Managing Director**
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The Sustainability Committee of AP6's Board of Directors assists the Board in sustainability and ESG related matters. The Sustainability Committee meets at least twice a year. The Sustainability Committee prepares in collaboration with management:

- The annual sustainability action plan
- Criteria and measures for evaluating the sustainability approach
- Guidelines for annual sustainability reporting.

In terms of operations, the Deputy Managing Director leads the sustainability and responsible investment effort, which are coordinated by the Sustainability Manager.

The Sustainability Manager works closely with the investment team, where the Investment Directors are responsible for ESG due diligence and day to day integration of sustainability / ESG into the portfolio companies and funds.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
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	Number
--	--------

1.5

	I confirm I have read and understood the Accountability tab for SG 07
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I confirm I have read and understood the Accountability tab for SG 07

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Board members or trustees
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- ☒ Oversight/accountability for climate-related issues
- ☐ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
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- ☒ Oversight/accountability for climate-related issues
- ☐ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

	Other Chief-level staff or head of department
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- ☒ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

	Portfolio managers
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- ☒ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

	Investment analysts
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- ☐ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

	Dedicated responsible investment staff
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- ☒ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

	External managers or service providers
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- ☐ Oversight/accountability for climate-related issues
- ☒ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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AP6 board of directors has set climate related targets regarding carbon transparency as well as climate related strategy and risk management. Performance in relation to the targets is assessed annually and presented to the board of directors.

Climate-related risks and opportunities are an integrated part of AP6's investment process. Due diligence of direct and indirect investments should include climate change due diligence as appropriate. When climate-related aspects of an investment are material, this should be part of the decision material presented to the investment committee, and ultimately, to the board of directors before investment.

AP6 furthermore carries out an annual climate analysis of the portfolio, including a carbon footprint of the portfolio, which is presented to the board of directors on an annual basis.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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Climate related risks and opportunities are an integrated part of AP6's investment process and thereby part of the oversight responsibilities of management level roles, specifically CIOs and Deputy Managing Director, who is responsible for responsible investments on a management level.

Due diligence of direct and indirect investments should include climate change due diligence as appropriate. When climate related aspects of an investment are material, this should be part of the decision material presented to the investment committee (management level), and ultimately, to the board of directors.

AP6 board of directors has set climate related targets regarding carbon transparency as well as climate related strategy and risk management. Management is responsible for the oversight of activities enabling the performance against those targets, through assigning an annual climate analysis of the portfolio, which includes a carbon footprint of the portfolio.

**SG 07.8
CC**

Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.

- ☒ Incorporation of TCFD in Annual Report
- ☐ Incorporation of TCFD in regular client reporting
- ☐ Request that investment managers complete PRI Climate indicators
- ☐ Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

Promoting responsible investment**SG 09****Mandatory****Public****Core Assessed****PRI 4,5****SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

1. Participation in the PRI working group on a PE Monitoring and Reporting Guidance and providing a case study to the publication
2. Participated as speaker at the PEI/PRI conference in London, June 2018
3. Actively promoted PRI within the private equity sphere.

- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ AFIC – La Commission ESG
- ☐ BVCA – Responsible Investment Advisory Board
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

☒ CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

☒ CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Code for Responsible Finance in the 21st Century
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☒ Invest Europe Responsible Investment Roundtable

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

1. Member of the affiliate network of Invest Europe (formerly EVCA) Responsible Investment Roundtable
2. Member of Invest Europe (formerly EVCA) Responsible Investment Roundtable working group on climate change

- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Sustainable Insurance
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
Swesif (Swedish Forum for Sustainable Investment)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Other collaborative organisation/initiative, specify
- ☒ Other collaborative organisation/initiative, specify
Institutional Limited Partners Association (ILPA)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

We are an active member of ILPA and participate in their educational offerings, conferences and roundtable discussions on a regular basis. In addition we have a representative on their Industry Affairs and Standards Committee, which has monthly meetings and reports directly to the ILPA board.

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.

%

68

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

SG 10.2

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

☐ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

☐ Provided financial support for academic or industry research on responsible investment

☒ Provided input and/or collaborated with academia on RI related work

Description

Collaboration with Stockholm and Gothenburg Schools of Economics sharing experience from RI within the PE sector.
Participated in interviews with several under-graduate students producing academic papers related to responsible investments.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other

☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

Both due diligence and monitoring of indirect investments in private equity funds include a strong focus on transparency and reporting. AP6 uses an ESG scorecard with three modules of which one module focuses on reporting, including reporting to investors as well as the broader public. AP6's annual carbon footprint also encourages transparency of carbon data and climate strategies.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☒ Other

specify

Continuously

☒ Spoke publicly at events and conferences to promote responsible investment

Description

Due to limited resources AP6 carefully prioritises which events and conferences to speak at. During the year AP6 spoke publically at the PEI/PRI RI forum in London. In addition AP6 spoke at a number of occasions in a more informal setting, e.g. AP6's Roundtable on Gender and Diversity in Nordic Private Equity.

Frequency of contribution

- ☐ Quarterly or more frequently
 - ☐ Biannually
 - ☐ Annually
 - ☐ Less frequently than annually
 - ☒ Ad hoc
 - ☐ Other
- ☐ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI

Description

AP6 actively encourages (not requires) investees to sign the PRI. The benefits of being a PRI signatory are highlighted in due diligence and monitoring of GPs.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☒ Other

specify

Continuously

- ☒ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

During 2018 AP6 participated in a number of stakeholder consultations by investment organisations and portfolio companies.

AP6 also participated in FSB Task Force on Climate-related Financial Disclosures (TCFD) survey on implementation of the TCFD recommendations.

Frequency of contribution

- ☐ Quarterly or more frequently
 - ☐ Biannually
 - ☐ Annually
 - ☐ Less frequently than annually
 - ☒ Ad hoc
 - ☐ Other
- ☐ Wrote and published articles on responsible investment in the media
- ☒ A member of PRI advisory committees/ working groups, specify

Description

1. Member of working group on PE monitoring and reporting guidance

Frequency of contribution

- ☐ Quarterly or more frequently
 - ☐ Biannually
 - ☐ Annually
 - ☐ Less frequently than annually
 - ☒ Ad hoc
 - ☐ Other
- ☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- ☐ Other, specify
- ☐ No

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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☒ Yes

If yes

- ☐ Yes, individually
- ☒ Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- ☒ Endorsed written submissions to governments, regulators or public policy-makers developed by others
- ☐ Drafted your own written submissions to governments, regulators or public-policy markers
- ☐ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

SG 11.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

provide URL

<https://theinvestoragenda.org/areas-of-impact/policy-advocacy/>

provide URL

<https://www.fsb-tcf.org/tcf-supporters/>

☐ No

☐ No

SG 11.4

Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

1. AP6 signed the 2018 Global Investor Statement on Climate Change, which calls on governments to:

- Achieve the Paris Agreement's goals
- Accelerate private sector investment into the low carbon transition
- Commit to improve climate-related financial reporting

2. AP6 publically endorsed the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD)

Outsourcing to fiduciary managers and investment consultants

SG 12**Mandatory****Public****Core Assessed****PRI 4**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate whether your organisation uses investment consultants.

- ☐ Yes, we use investment consultants
- ☒ No, we do not use investment consultants.

ESG issues in asset allocation

SG 13**Mandatory****Public****Descriptive****PRI 1**

SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- ☐ Yes, to assess future ESG factors
- ☐ Yes, to assess future climate-related risks and opportunities
- ☒ No, not to assess future ESG/climate-related issues

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- ☒ Changing demographics
- ☒ Climate change
- ☒ Resource scarcity
- ☒ Technological developments
- ☐ Other, specify(1)
- ☐ Other, specify(2)
- ☐ None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- ☐ Established a climate change sensitive or climate change integrated asset allocation strategy
- ☐ Targeted low carbon or climate resilient investments
- ☐ Phase out your investments in your fossil fuel holdings
- ☒ Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- ☒ Used emissions data or analysis to inform investment decision making
- ☒ Sought climate change integration by companies
- ☒ Sought climate supportive policy from governments
- ☒ Other, specify

	other description
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- Integration of climate-related risk and opportunity in due diligence and monitoring
- ☐ None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- ☐ Scenario analysis
- ☒ Disclosures on emissions risks to clients/trustees/management/beneficiaries
- ☒ Climate-related targets
- ☒ Encouraging internal and/or external portfolio managers to monitor emissions risks
- ☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- ☒ Weighted average carbon intensity
- ☒ Carbon footprint (scope 1 and 2)
- ☒ Portfolio carbon footprint
- ☐ Total carbon emissions
- ☒ Carbon intensity
- ☒ Exposure to carbon-related assets
- ☐ Other emissions metrics
- ☒ Other, specify

other description

Engagement with companies and asset managers on climate change related risks and opportunities.

- ☐ None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

- Portfolio carbon footprint
- Weighted average carbon intensity

SG 14 CC

Voluntary

Public

General

**SG 14.6
CC**

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	A means of identifying carbon and climate related risk as well as promoting carbon transparency and raise awareness of climate-related risk and opportunity	% of investments measuring carbon emissions and mapping climate-related risks and opportunities	
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Align with TCFD recommendations and provide an additional means of assessing the carbon intensity of the portfolio	tCO ₂ e/MSEK	Emissions are allocated to the investor based on an investor's ownership of a company, and a corresponding amount of the companies CO ₂ e emissions. This approach is developed for public equity analysis and has in the case been applied to private equity. Reported emissions and estimated emissions from portfolio companies have been used.
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	A means of promoting carbon transparency in PE	tCO ₂ e	Emissions are allocated to the investor based on an investor's ownership of a company, and a corresponding amount of the companies' CO ₂ emissions. This approach is developed for public equity analysis and has in the case been applied to private equity. Reported emissions and estimated emissions from portfolio companies have been used.
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	A means of promoting carbon transparency in PE	tCO ₂ e/MSEK	Emissions are allocated to the investor based on an investor's ownership of a company, and a corresponding amount of the companies' CO ₂ emissions. This approach is developed for public equity analysis and has in the case been applied to private equity. Reported emissions and estimated emissions from portfolio companies have been used.
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	A means of promoting carbon transparency in PE	tCO ₂ e/MSEK (market value) and tCO ₂ e/MSEK (revenue)	Emissions are allocated to the investor based on an investor's ownership of a company, and a corresponding amount of the companies' CO ₂ emissions. This approach is developed for public equity analysis and has in the case been applied to private equity. Reported emissions and estimated emissions from portfolio companies have been used.
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets	A means of mapping carbon and climate related risk in the portfolio	% of PE AUM invested in companies within the sector Energy	

	<input type="checkbox"/> Minority of assets			
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**SG 14.7
CC**

Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target		Portfolio companies corresponding to 80 % of the value in the direct portfolio should measure carbon emissions and map climate-related risks and opportunities	File 1:AP6_AR_2018.pdf
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target		Investments in PE funds corresponding to 80 % or the value in the indirect portfolio should address climate change through e.g. climate strategy, carbon footprinting	File 1:AP6_AR_2018.pdf
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- ⊙ Process for climate-related risks is integrated into overall risk management

Please describe

AP6 carries out an annual risk assessment, where each risk and its risk driver are analysed. The likelihood of materialisation of each risk, as well as the impact of such is discussed together with an assessment of mitigating factors. Finally the level of net risk is assessed and confirmed. Management reports the result of the risk assessment to the audit committee, and in relevant cases to the sustainability committee, of AP6's board of directors.

Specifically regarding sustainability risks, these are primarily related to the investment portfolio and can entail a number of risks depending on e.g. sector and geography, including the risk of breaches of international norms on human rights, labour rights or anti-corruption, risk for environmental degradation or climate change risk. AP6 manages sustainability risk in the portfolio, based on AP6's Code of Conduct and ownership policy, through systematic diligence and monitoring of investments from a sustainability perspective. The annual adoption (by the board of directors) of specific sustainability goals further contributes to managing sustainability risk.

Since 2015, AP6 carries out an annual climate analysis of the portfolio, including a carbon footprint. Another feature of the climate analysis has been an in-depth analysis of how companies and private equity funds are managing the issue of climate change in their activities and investments. The conclusion of the analysis is on the one hand that AP6's portfolio is not carbon intensive, mainly due to sector focus, and on the other hand that

there is a need for raising awareness about climate related risks and increasing climate transparency at individual investees. The annual climate analysis is presented to the board of directors, which annually sets sustainability targets for AP6, including targets relating to climate change. Medium and long-term climate risk is mainly mitigated through awareness building and through promoting climate transparency.

AP6 has further integrated climate change into the ESG due diligence and monitoring of companies and PE firms as a means of detecting climate related investment risk. As a result some investments (mostly energy related) have been rejected based on climate change related considerations. Additionally, AP6 looks positively at companies that can provide products and services in a low-carbon economy, and companies with an ambitious approach to energy efficiency.

☐ Process for climate-related risks is not integrated into our overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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☐ Yes

☒ No

Asset class implementation not reported in other modules

SG 17	Mandatory	Public	Descriptive	General
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SG 17.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
---------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Cash	<p>AP6 has a strict investment policy, adopted by the board of directors, in order to monitor financial and ESG risks.</p> <p>AP6 has incorporated ESG into our external manager selection and appointment process for the management of cash.</p>

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
---------	--

☒ Yes

SG 18.2

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

In 2017 AP6 added a feed-back component of AP6's annual ESG assessment of PE funds. During 2018, this feed-back was further established and covered a majority of assessed PE funds. The feed-back is provided in a specific ESG assessment follow-up meeting, where the following is shared in both oral and standardized written format:

- Overall observations from AP6's annual ESG assessment of PE funds
- PE fund specific conclusions from the AP6's annual ESG assessment
- Examples of best-practice in the portfolio

The feed-back component has proven to be very appreciated by participating PE funds as feed-back on ESG appears to be scarce in the industry.

☐ No

Communication

SG 19**Mandatory****Public****Core Assessed****PRI 2, 6****SG 19.1**

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

Selection, Appointment and Monitoring

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL	
	<p>Disclosure to public and URL</p> <p><input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes</p> <p><input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf</p> <p><input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership</p> <p><input type="checkbox"/> Other</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>
	<p>URL</p> <p>https://www.apfond6.se/wp-content/uploads/2019/03/AP6_AR_eng_2018.pdf</p>

Private equity

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL		
	<div>Disclosure to public and URL</div> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other	
	<div>Frequency</div> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
	<div>URL</div> https://www.apfond6.se/wp-content/uploads/2019/03/AP6_AR_eng_2018.pdf	

AP6

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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ESG people/oversight

							Private equity		
Assess ESG expertise of investment teams							<input checked="" type="checkbox"/>		
Review the oversight and responsibilities of ESG implementation							<input checked="" type="checkbox"/>		
Review how is ESG implementation enforced /ensured							<input checked="" type="checkbox"/>		
Review the manager's RI-promotion efforts and engagement with the industry							<input checked="" type="checkbox"/>		
Other							<input type="checkbox"/>		
None of the above							<input type="checkbox"/>		

Process/portfolio construction/investment valuation

						Private equity		
Review the process for ensuring the quality of the ESG data used						<input checked="" type="checkbox"/>		
Review and agree the use of ESG data in the investment decision making process						<input checked="" type="checkbox"/>		
Review and agree the impact of ESG analysis on investment decisions						<input checked="" type="checkbox"/>		
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)						<input checked="" type="checkbox"/>		
Review and agree manager's ESG risk framework						<input checked="" type="checkbox"/>		
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives						<input type="checkbox"/>		
Review how ESG materiality is evaluated by the manager						<input checked="" type="checkbox"/>		
Review process for defining and communicating on ESG incidents						<input checked="" type="checkbox"/>		
Review and agree ESG reporting frequency and detail						<input checked="" type="checkbox"/>		
Other, specify						<input type="checkbox"/>		
None of the above						<input type="checkbox"/>		

SAM 02.3

Indicate the selection process and its ESG/RI components

- ☒ Review ESG/RI responses to RfP, RfI, DDQ etc.
- ☒ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ☒ Review publicly available information on ESG/RI
- ☐ Review assurance process on ESG/RI data and processes
- ☒ Review PRI Transparency Reports
- ☒ Request and discuss PRI Assessment Reports
- ☒ Meetings with the potential shortlisted managers covering ESG/RI themes
- ☒ Site visits to potential managers offices
- ☐ Other, specify

SAM 02.4

When selecting external managers does your organisation set any of the following:

SAM 04.1

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- ☐ Sets standard benchmarks or ESG benchmarks
- ☒ Defines ESG objectives and/ or ESG related exclusions/restrictions
- ☐ Sets incentives and controls linked to the ESG objectives
- ☒ Requires reporting on ESG objectives
- ☒ Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ None of the above

SAM 04.2

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

- ☒ Private equity

Benchmark

- ☒ We do not set benchmarks

ESG Objectives

- ☒ ESG related strategy, specify

The side-letter to the LPA typically includes reference to AP6's Code of Conduct and responsible investment policy as well as AP6's commitment to the PRI and the UN Global Compact. Accordingly, the side-letter typically requests the GP to pay attention to the incorporation of environmental, social, and governance factors into the investment and ownership processes to align portfolio companies' operations and strategies with universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

- ☐ ESG related investment restrictions, specify

- ☒ ESG integration, specify

The side-letter typically requests the GP to pay attention to the incorporation of environmental, social, and governance factors into the investment and ownership processes to align portfolio companies' operations and strategies with universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

- ☐ Engagement, specify
- ☐ Voting, specify
- ☐ Promoting responsible investment
- ☐ ESG specific improvements

- ☒ ESG guidelines/regulation, principles/standards, specify

The side-letter to the LPA typically includes reference to AP6's Code of Conduct and responsible investment policy as well as AP6's commitment to the PRI and the UN Global Compact.

- ☐ Other, specify

	Incentives and controls
--	-------------------------

☒ We do not set incentives and controls

	Reporting requirements
--	------------------------

- ☐ Ad-hoc/when requested
- ☒ Annually
- ☐ Bi-annually
- ☐ Quarterly
- ☐ Monthly

SAM 04.3	Indicate which of these actions your organisation might take if any of the requirements are not met
-----------------	---

- ☒ Discuss requirements not met and set project plan to rectify
- ☐ Place investment manager on a “watch list”
- ☒ Track and investigate reason for non-compliance
- ☐ Re-negotiate fees
- ☐ Failing all actions, terminate contract with the manager
- ☒ Other, specify
Require an action plan from the manager
- ☐ No actions are taken if any of the ESG requirements are not met

Monitoring				
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SAM 05	Mandatory	Public	Core Assessed	PRI 1
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SAM 05.1	When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates
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						Private equity		
ESG objectives linked to investment strategy (with examples)						<input checked="" type="checkbox"/>		
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund						<input checked="" type="checkbox"/>		
Compliance with investment restrictions and any controversial investment decisions						<input checked="" type="checkbox"/>		
ESG portfolio characteristics						<input type="checkbox"/>		
How ESG materiality has been evaluated by the manager in the monitored period						<input checked="" type="checkbox"/>		
Information on any ESG incidents						<input checked="" type="checkbox"/>		
Metrics on the real economy influence of the investments						<input type="checkbox"/>		
PRI Transparency Reports						<input checked="" type="checkbox"/>		
PRI Assessment Reports						<input checked="" type="checkbox"/>		
RI-promotion and engagement with the industry to enhance RI implementation						<input type="checkbox"/>		
Changes to the oversight and responsibilities of ESG implementation						<input checked="" type="checkbox"/>		
Other general RI considerations in investment management agreements; specify						<input checked="" type="checkbox"/>		
None of the above						<input type="checkbox"/>		

If you select any 'Other' option(s), specify

AP6's annual ESG assessment of PE funds also monitor:

- How GPs support portfolio companies regarding ESG during ownership, e.g. through training, provision of templates and guidance, facilitating knowledge sharing between companies.
- How GPs report to investors and the broader stakeholder base (public reporting) about the RI/ESG approach.

SAM 05.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

Topic or issue	Mandatory ESG due diligence
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Private equity
Scope and process	<p>ESG is one of the six mandatory areas of private equity fund due diligence in AP6's fund investment process. ESG is always part of the material to the ultimate decision making body, the board of directors. The investment professional leading the due diligence process is responsible for the complete due diligence, including ESG. ESG is 1) Diligenced in a specific ESG DD workstream; 2) Part of discussions in various meetings during the DD process. The PRI LP RI DDQ forms a basis for the ESG scorecard which is an integrated part of investment decisions at AP6. An ESG deep dive meeting or call is arranged with the participation of the investment team as well as the ESG professional. Based on the discussion and available documentation, AP6 scores the ESG approach of the potential investment.</p>
Outcomes	A structured ESG evaluation before commitment provides both a basis for decision and a baseline for monitoring.

☒ Add Example 2

Topic or issue	Annual ESG follow-up with external managers
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Private equity
Scope and process	Existing external managers are contacted for an annual ESG assessment, where recent and forthcoming developments are discussed. The discussion provides a basis for an update of the ESG score from the previous year. The result of the annual ESG assessment is thereafter communicated to the GPs on both overview and individual level. The change from previous assessment and benchmark against AP6's portfolio average is also communicated. A feedback session provides hands on promotion of improved RI practices. The feedback-discussion includes 1) ESG score development, 2) ESG industry trends, and 3) examples of best practice.
Outcomes	<p>Continuous feedback-loop regarding ESG developments at the GP level, ESG industry trends, and examples of best practice provides a hands on promotion of improved RI practices.</p> <p>During 2018, the average ESG score in the ESG assessment improved due to increased scores in the three assessed areas:</p> <ul style="list-style-type: none"> - ESG integration into the investment process - ESG integration during ownership - ESG reporting

☒ Add Example 3

Topic or issue	Requests for addressing ESG at AIM and in Advisory Boards
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Private equity
Scope and process	<p>AP6's investment professionals encourage a structured address of ESG at the AIM and in Advisory Boards. Examples include:</p> <ul style="list-style-type: none"> - Promoting the integration of ESG into the main AIM agenda and into the agenda of the Advisory Board, including requesting reporting on ESG policy and process development as well as ESG incident reporting. - Promoting diversity in the AIM programme. - Giving feedback on how ESG is addressed at the AIM and/or Advisory Board.
Outcomes	AP6's assessment is that we have contributed to a of increasing focus on ESG in AIMs and Advisory Boards.

- ☐ Add Example 4
☐ Add Example 5
☐ We are not able to provide examples

AP6

Reported Information

Public version

Direct – Private Equity

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Overview

PE 01	Voluntary	Public	Descriptive	PRI 1-6
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PE 01.1

Provide a brief overview of your organisation's approach to responsible investment in private equity.

In its role as a state investor of pension funds, AP6 shall create a return for pensioners by investing in a sustainable and responsible manner. This means that portfolio holdings shall grow and create returns through efficient resource utilisation, minimum environmental footprint, and by promoting social development and fair working conditions.

AP6 invests in private equity exclusively which means that AP6's approach to responsible investment is developed specifically for investments in private equity, both direct investments and fund investments. Sustainability is an integral part of the investment process, including investment selection and monitoring. Thus, sustainability is part of the due diligence process and the investment decision. High-level ESG targets are set for portfolio companies, and monitored at least on a yearly basis. Depending on governance model, AP6 can influence portfolio companies sustainability approach through the board of directors or through engagement with other owners.

Publicly available Code of Conduct and Ownership Policy provides the basis for AP6's approach to responsible investment.

PE 02	Mandatory	Public	Core Assessed	PRI 2
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PE 02.1

Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.

- ☒ Our investment activities are guided by a responsible investment policy

PE 02.2

Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.

The publicly available Code of Conduct and Ownership Policy provide the basis for AP6's approach to responsible investment. ESG is an integrated part of investment selection, investment decisions and monitoring of investments. ESG is always part of the investment decision material to the investment committee and the ultimate decision making body, the board of directors. AP6's board of directors set high level ESG targets on an annual basis. Expectations on staff to include considerations of ESG in the evaluation of investments are therefore high.

- ☐ Our investment activities are not guided by a responsible investment policy
- ☐ We do not have a responsible investment policy

Pre-investment (selection)

PE 05	Mandatory	Public	Gateway	PRI 1
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PE 05.1

During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- ☒ Yes

PE 05.2

Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

ESG is always part of pre-investment due diligence, and the results are part of the investment decision material to be evaluated by the investment committee and the board of directors, which is the ultimate decision making body at AP6.

In the early phase of pre-investment due diligence, the investment team discusses any high-level ESG risks that may be contrary to AP6's ESG policy and standards. If such fundamental ESG issues are identified, the process is typically aborted at an early stage. If not, a more in-depth ESG due diligence would be undertaken together with the other due diligence work streams, such as legal, financial and commercial due diligence. In a co-investment situation, the partner's ESG due diligence is reviewed and discussed with the partner.

☐ No

PE 06**Mandatory****Public****Core Assessed****PRI 1,3****PE 06.1**

Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- ☒ Raw data from target company
- ☒ Benchmarks against other companies
- ☒ Sector level data/benchmarks
- ☒ Country level data/benchmarks
- ☒ Reporting standards, industry codes and certifications
- ☒ International initiatives, declarations or standards
- ☒ Engagements with stakeholders (e.g. customers and suppliers)
- ☒ Advice from external resources
- ☐ Other, specify
- ☐ We do not track this information

PE 06.2

Describe how this information is reported to, considered and documented by the Investment Committee or similar.

ESG is always part of pre-investment due diligence. The scope varies depending on sector, geography and type of investments. Results from the ESG due diligence are always part of the material to be evaluated by the investment committee and the ultimate decision making body, the board of directors, and typically presented in a standard format.

For co-investments, an ESG assessment of the partner, together with an analysis of the partner's ESG due diligence of the target company, forms part of AP6's ESG assessment of the investment opportunity.

PE 07**Voluntary****Public****Additional Assessed****PRI 1,2****PE 07.1**

During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?

☒ Yes

	If yes
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- ☒ Formally/through a post-investment action plan or value enhancement plan
- ☒ Verbally/through dialogue
- ☐ Other, specify

PE 07.2	Describe the nature of these improvements and provide examples (if any) from the reporting year
----------------	---

AP6's investment strategy is a minority shareholder strategy. AP6 has strict internal requirements to diligence ESG during the investment process, and typically encourages continuous improvements from potential investees with regard to their management of ESG issues. Depending on the share of the investment and the level of influence in the deal, AP6 would typically work to include ESG considerations in deal documentation and/or value enhancement plan where possible. The improvements suggested/encouraged would be based on the ESG due diligence and span across ESG issues depending on sector, geography and level of ESG maturity.

However, in co-investments with <10% ownership share, the formal inclusion of ESG in a post-investment action plan of value enhancement plan would be undertaken by the lead investor. In such cases, AP6 can encourage inclusion of ESG considerations in the value enhancement plan through dialogue with the investment partner (majority shareholder).

AP6 assessment is that a majority of investment partners include ESG DD findings in the value enhancement plan or have a specific ESG action plan.

- ☐ We do not set expectations for portfolio companies on ESG-related considerations

Post-investment (monitoring)

PE 09	Mandatory	Public	Gateway/Core Assessed	PRI 2
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PE 09.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
----------------	---

- ☒ Yes

PE 09.2	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.
----------------	---

- ☒ >90% of portfolio companies
- ☐ 51-90% of portfolio companies
- ☐ 10-50% of portfolio companies
- ☐ <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 09.3	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	---

ESG issues

- ☒ Environmental

	List up to three example targets of environmental issues
--	--

	Example 1
--	-----------

Climate change / carbon emissions

	Example 2 (optional)
--	----------------------

Environmental incidents

☒ Social

	List up to three example targets of social issues
--	---

	Example 1
--	-----------

Gender and diversity

	Example 2 (optional)
--	----------------------

Health and safety incidents

☒ Governance

	List up to three example targets of governance issues
--	---

	Example 1
--	-----------

ESG policy / Code of Conduct

	Example 2 (optional)
--	----------------------

Board composition

	Example 3 (optional)
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Sustainability reporting

☐ We do not set and/or monitor against targets

☐ No

PE 10	Mandatory	Public	Core Assessed	PRI 2
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PE 10.1	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
---------	---

☒ Yes

PE 10.2

Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- ☒ >90% of portfolio companies
- ☐ 51-90% of portfolio companies
- ☐ 10-50% of portfolio companies
- ☐ <10% of portfolio companies
- ☐ 0% of portfolio companies

(in terms of total number of portfolio companies)

☐ No

PE 12**Voluntary****Public****Descriptive****PRI 2,3****PE 12.1**

Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.

Type of reporting

☒ Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated

Typical reporting frequency

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested, specify

☒ Standalone reports highlighting targets and/or KPIs covering ESG issues

Typical reporting frequency

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested, specify

☐ Other, specify

☐ No reporting on ESG issues requested and/or provided by portfolio companies

PE 12.2	Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting.[OPTIONAL]
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AP6 encourages ESG reporting and promotes reporting on material ESG issues. AP6 has no requirements regarding the format of ESG reporting or whether the reporting is integrated in the financial reporting or a stand alone ESG report. By year end 2018, companies representing 40% of the value in the direct investment portfolio published a public sustainability report. In addition, AP6 receives ESG reporting for a number of co-investments from the investment partner (often a GP). This reporting can be either integrated in formal financial reporting or in stand alone ESG reports.

Outputs and outcomes

PE 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1,2
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PE 15.1	Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.
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☒ Add Example 1

Investment Stage	<input checked="" type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit		
ESG issues	<table border="1"> <tr> <td></td><td>ESG issues</td></tr> </table> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Negative impact of tobacco on health <input type="checkbox"/> Governance		ESG issues
	ESG issues		
Sector(s)	Industrials		
Impact (or potential impact) on the investment	Investment opportunity with exposure to the tobacco industry. Considering the negative impact on health of tobacco, the investment opportunity was rejected.		
Activities undertaken to influence the investment and its response	The investment opportunity was rejected.		

☒ Add Example 2

Investment Stage	<input checked="" type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div>ESG issues</div> <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance Risks related to tax advice
Sector(s)	Financial sector
Impact (or potential impact) on investment	Investment opportunity including tax advisory services. Considering the possible negative impacts on society of tax avoidance, it was decided to keep a broad margin to any commercialised tax advice. The investment opportunity was rejected.
Activities undertaken to influence the investment and its response	Rejected investment opportunity.

☐ Add Example 3

☐ Add Example 4

☐ Add Example 5

PE 15.2

Describe how you define and evaluate the materiality of ESG factors.

AP6 defines materiality of ESG factors as quantifiable impacts on financial performance and investment returns, reputational risks and broader potential consequences on business operations (such as license to operate). However, quantifiable impacts on financial performance and investment returns are often difficult to assess.

AP6 uses e.g. the SASB Standards and Materiality map, to identify ESG focus areas for different sectors. AP6 encourages a materiality based approach to ESG among existing portfolio companies.