



**Code of Conduct
for
Sixth AP Fund**

Introduction

The Sixth AP Fund (AP6) is part of the Swedish pension system and it manages some of the buffer capital (AP1-4 and AP6).

There is a special mandate for the Sixth AP Fund (AP6) decided by the Riksdag (Act 2000:193). AP6 shall, within the scope of what is beneficial to insurance for income-based retirement pension, manage the funds it has been entrusted with by investing in the venture capital market, i.e. in unlisted companies. The investments shall be invested in a way that meets the requirements for a long-term high return with adequate risk diversification.

AP6 is a closed fund. It means that AP6 does not have any inflows or outflows of capital to the pension scheme. Accordingly, AP6 must manage both costs and new investments using the funds that it was originally allocated, along with the profits generated each year.

Besides complying with all applicable laws and regulations, AP6 must, as a Swedish state-owned pension fund, act in accordance with the country's values as regards democracy, human rights and sustainable development. These values are expressed in the Swedish constitution and in the various international conventions that have been ratified by Sweden. As a state-owned investor of pension fund assets, AP6 must also act in a way that instills public confidence in its ability to manage pension funds. AP6 shall be a role model when it comes to ethical behavior, sustainability and responsible investments.

The Code of Conduct is an overall policy and derived from it are a number of other policies, guidelines and instructions.

Responsible investments

Sustainable investments are a prerequisite for generating a long-term high return
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. As a Swedish, state-owned pension fund, AP6 has both a responsibility, and the prerequisites, for putting sustainability requirements on its investments.

By systematically integrating sustainability aspects into AP6's investment activities, it is possible to generate returns for future pensioners in a responsible way.

AP6 applies a materiality perspective to sustainability, which means that the focus is on areas that are relevant to the particular situation. This is necessary because, as regards sustainability, each investment has unique challenges and opportunities depending on the industry and geographic location of its activities.

AP6 has identified certain industries and products, which, by their very nature, contradict or risk violating international norms and thus should be ruled out as investments.

Human rights, labor rights, the environment and anti-corruption

AP6 is a signatory of the UN Principles for Responsible Investment (PRI). As such, it is obligated to comply with these principles. In brief, the Principles for Responsible Investment

require that affiliated investors are active owners. They must also ensure that sustainability is an integral part of their corporate governance activities, which involves stating certain requirements. Affiliated investors must also actively promote the Principles for Responsible Investment throughout the investment industry, such that they become the practical tools they were intended to be. AP6 is also a signatory of the UN Global Compact, which is directed at companies. The UN Global Compact contains ten principles that cover human rights, labor rights, the environment and anti-corruption. The principles are based on the Universal Declaration of Human Rights (UDHR), the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration, the UN Convention against Corruption and the UN Framework Convention on Climate Change.

AP6 has accordingly 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 labor or child labor
- 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

Sustainability testing

Before making an investment, AP6 tests sustainability as an integral part of its evaluation of the potential investment. The sustainability test must cover all relevant areas based on a materiality perspective. The sustainability test shall be part of the basis for the decision to invest. Respect for international standards on human rights, labor rights the environment and anti-corruption are obvious requirements for all investments made by AP6.

There are sustainability challenges in all sectors that need to be identified and dealt with. With such testing, serious sustainability risks may be identified, motivating a decision to not go through with the investment. A sustainability test may also reveal sustainability issues that do not present obstacles to investment because it is possible to implement relevant measures that foster further value growth in the investment.

Excluding certain industries and products

AP6 has exclusion criteria whereby certain industries and products have been identified that have been assessed as contradictory to, or at risk of violating international norms. These exclusion criteria cover involvement with weapons, tobacco, narcotics, pornography, thermal coal and bituminous sand according to definitions and boundaries in the Appendix to the Investment Policy.

Owner impact

AP6 primarily invests in Private Equity via Private Equity funds. It also makes co-investments and for those, AP6 obtains indirect ownership in the underlying company. Owner impact is thus, primarily exercised by the management team for the underlying holdings. As an

exception, AP6 makes direct investments and thus obtains direct ownership in a specific company. Its owner impact is then exercised via traditional corporate governance activities. Regardless of the type of investment (direct or indirect), there must be models for stating requirements, monitoring and controls pertaining to sustainability, along with deviation reporting and corrective measures. AP6's ability to impact the decisions and behavior of a holding depend on its ownership role and ownership share. The ability to impact should be in the form of guidance when developing models for stating requirements and monitoring.

It is important that AP's partners and the companies/funds that AP6 invests in, are aware of and understand AP6's views on responsible investments, which are explained in this Code of Conduct. The Code of Conduct shall be distributed to all of AP6's partners.

Equality and diversity

Diversity is an important factor for an organization. AP6 shall strive to have a balanced gender distribution and promote diversity in its boards of directors, on the executive management teams for investments and with its partners.

Climate

Climate change is a threat to the stable climate of our planet, which is a prerequisite for human activity. It thereby undermines the foundation for future economic growth and prosperity. Climate issues are thus a high priority for AP6 as a pension fund manager for future generations. AP6 is committed to ensuring that the companies and funds it invests in take action on climate-related risks and opportunities.

Responsible ownership as a state-owned pension fund manager

AP6 employees must never act in a way that risks damaging public confidence in the organization.

Bribes, gifts and conflicts of interest

As a government agency, AP6 must comply with the Administrative Procedure Act, which defines rules and regulations on conflicts of interest. As a state-owned pension fund manager, AP6 falls under the remit of the Ministry of Finance, which has issued guidelines on what constitutes bribes and conflicts of interest. AP6's approach is to maintain a wide margin of safety to what is allowed. The reason is because the closer you get to the allowed limit, the greater the risk of exceeding it. AP6 has adopted its own guidelines and these include a zero tolerance policy on gifts. When it comes to invitations to individual employees, the invitation should have a clear and relevant professional purpose. Whatever is offered in the form of meeting setting, location, food and drink should be reasonable. Secondary occupations are regulated in the Act on Public Employment (LOA).

Travel, etc. and securities transactions

AP6 has, in its underlying policies, guidelines and instructions, provided detailed rules about what applies for business travel and own securities transactions.

Transparency

AP6 manages pension funds and as such, it has special responsibilities as regards accessibility

and transparency. Financial reporting and sustainability reporting must be in accordance with rules and relevant standards. It must also be easy for the public and other stakeholders to have access and insight about the organization and what it does.

Stakeholders

It is important for AP6 to engage in regular dialog with its stakeholders, i.e. groups of individuals who impact, and are impacted by, AP6's activities. AP6 must regularly identify its most important stakeholders and ensure that it can maintain a regular dialog with them in an appropriate way. Engagement with AP6's most important stakeholders must also serve as the foundation for identifying AP6's most important sustainability issues. That, in turn, provides the basis for AP6's sustainability efforts and reporting to its stakeholders. Furthermore, stakeholder engagement is a way of spreading knowledge about AP6's activities and its way of working, along with getting feedback about this.

Equality and diversity

At AP6, people with the same skills, experience and job description have the same terms of employment. Diversity and gender equality are part of the recruitment specification, both in terms of fixed-term and permanent positions. A balanced gender distribution at all levels is a prerequisite for running an optimal organization.

Environment and climate

AP6 states clear requirements and sets relevant goals aimed at minimizing the negative environmental and climate impact from its operations.

Suppliers

Sustainability is included in the evaluation with all procurement processes.

Responsibility for compliance with the Code of Conduct

All employees at AP6 are responsible for complying with the Code of Conduct. AP6's management team is responsible for the overall implementation of the Code of Conduct. AP6's investment managers are responsible for clarifying the content and intent of the Code of Conduct for all of AP6's partners. Explicit or implicit approval of questionable actions that violate the Code of Conduct are not tolerated. AP6 ensures that disciplinary action is taken against those who violate this Code of Conduct. Disciplinary action could involve a warning, reporting the actions that violate the applicable laws and regulations to supervisory authorities, or, in extreme cases, termination of employment.

Deviations from and violations of the Code of Conduct

Deviations from the Code of Conduct may only be approved by AP6's Board of Directors. All of AP6's employees, holdings and partners are encouraged to report any suspected deviations or violations of the Code of Conduct to their nearest supervisor, or that person's manager. If an employee of AP6 feels that his or her accusation has not been taken seriously, or if the employee is not comfortable reporting the suspected deviation or violation to his or her manager, the employee should then follow AP6's whistleblower routine.

Annual review

The Code of Conduct is reviewed and adopted each year by the Board of Directors.