

Annual Report

2024

Contents

Introduction and overview

- S** 6 About AP6
- 8 The year in brief
- 12 Managing Director's statement
- S** 16 AP6 Talks

Strategy

- S** 20 Strategy
- 23 What is unlisted/private equity?

How AP6 invests

- S** 26 Investment process
- S** 34 Ownership phase
- 38 Divestment

Return and Risk

- 42 Return target
- S** 43 Risk management

Portfolio

- 46 Portfolio

Sustainability

- S** 49 An attractive workplace
- S** 51 Sustainability 2024

Board of Directors and executive management

- 60 Board of Directors
- 61 Executive management

Fund governance

- S** 63 Fund Governance Statement
- 67 Remuneration levels etc.

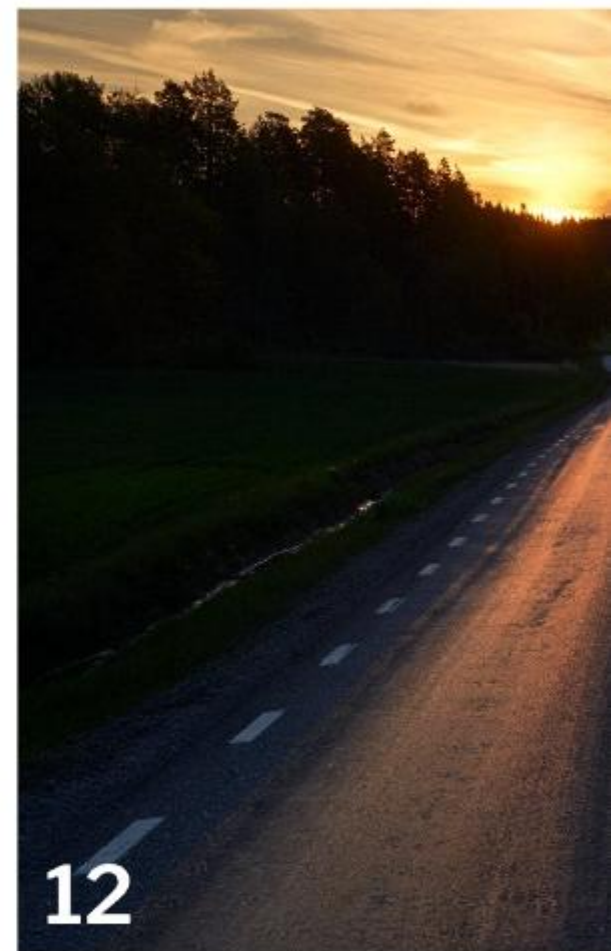
Directors' Report

- S** 69 Directors' Report
- 76 Income statement
- 76 Balance sheet
- 77 Notes
- 87 Auditor's Report

Appendix

- S** 91 Sustainability
- 105 Definitions and explanations

- S** The Sustainability Report is integrated into the Annual Report, indicated by the letter S.



Managing Director's statement

Investing in private equity funds requires a thorough analysis to select the fund managers that have the ability to create value in the investments time and again.



16 AP6 Talks in 2024

Conversation series focusing on pressing issues such as anti-corruption work.



20 Investment strategy

Investments in unlisted assets require a very long-term strategy. AP6 identifies and selects fund managers considered to have met the return and sustainability criteria.



49 Attractive workplace

It is of strategic importance for AP6 to provide an attractive workplace in order to recruit and retain talented employees.



51 Sustainability 2024

Additional steps towards integrating sustainability topics into our activities and portfolio, including professional development and digital support.

Introduction and overview



About AP6

Since its inception in 1996 AP6 has contributed SEK 66.7 billion to the pension assets of the Swedish public. AP6's fund assets have grown from SEK 10.4 billion to reach SEK 77.1 billion at the end of 2024. This is equivalent to total value growth since the start of 641 percent and average annual growth of 7.4 percent. The Fund has generated positive net earnings every year for the past 13 years.

Invests in unlisted assets

AP6 is part of the pension system of the Swedish state and, along with the other AP funds, its assets are referred to as buffer capital. AP6's assignment is to manage funds entrusted to it in the private equity market (unlisted assets) according to the law that governs the Fund's operations, the Sixth Swedish National Pension Fund Act (2000:193).

Fund assets are to be invested such that the long-term high return and adequate risk diversification requirements are met. There are significant differences between investing in unlisted shares/unlisted companies, often called private equity, compared with listed shares/companies. An unlisted company is not listed on a marketplace (stock market) where the company's shares can be publicly traded. Unlike a listed company, an unlisted/private equity firm is an illiquid investment. An unlisted/private equity firm has a smaller number of owners who run and develop

the company. The majority of private equity investments are made in large privately owned companies. If the owner/owners wish to sell the company or their shares in it, the various parties involved must reach an agreement directly, or the company must be listed on a stock exchange.



Long investment horizon

Since 2012 AP6 has pursued a successful investment strategy that has generated a high return for the AP fund system. The strategy, which is based on an international private equity portfolio of indirect investments in high-quality funds and co-investments, has been built over many years and has developed in different stages. The transformation of the portfolio

was completed in 2019 and it's current composition reflects the long-term strategy. It thus takes a long time – often several years – to transform a strategy within private equity where the portfolio consists of privately owned, unlisted companies. Since its inception in 1996 AP6 has generated a return of SEK 66.7 billion, the majority of which was created within the framework of the current strategy.

To manage the illiquidity associated with investing in privately owned companies, a private equity fund needs to have a very long investment horizon. Institutional investors who invest in the fund commit to injecting capital throughout the life of the fund for a predetermined investment period. Investors then receive distributions as the companies in the fund are divested. This is why an investment in a private equity fund is called a fund commitment.

It may take 10–15 years before a fund is fully divested and the investors receive full dividends on the capital they provided. The



corresponding period for a co-investment – where AP6 invests together with a private equity fund in one of the fund's companies – is in general three to eight years. A co-investment is normally structured in the same way as an investment in a fund, i.e. as an indirect investment. In other words, the principal owner (the PE fund) is responsible for running, developing and, when the time is right, divesting the company.

Closed-end fund

The conditions for private equity investments are entirely different from those for asset management involving listed equities. For a private equity investor the way in which liquidity is managed is particularly important. Not meeting the commitments in a fund can be very costly and can jeopardise the entire remaining investment. This is why this asset class is generally better suited for larger and institutional investors with a long-term perspective. It is also the reason why AP6 is a so-called closed-end fund, where the legislator is aware that it is not possible to extract liquidity on an ongoing basis in the same way as from other AP funds. AP6 is required to engage in extensive currency hedging, which has a major impact on liquidity in times of volatile exchange rates. This is difficult to manage in an illiquid portfolio. For this assignment, long-term and stable conditions for investment in unlisted assets are essential.

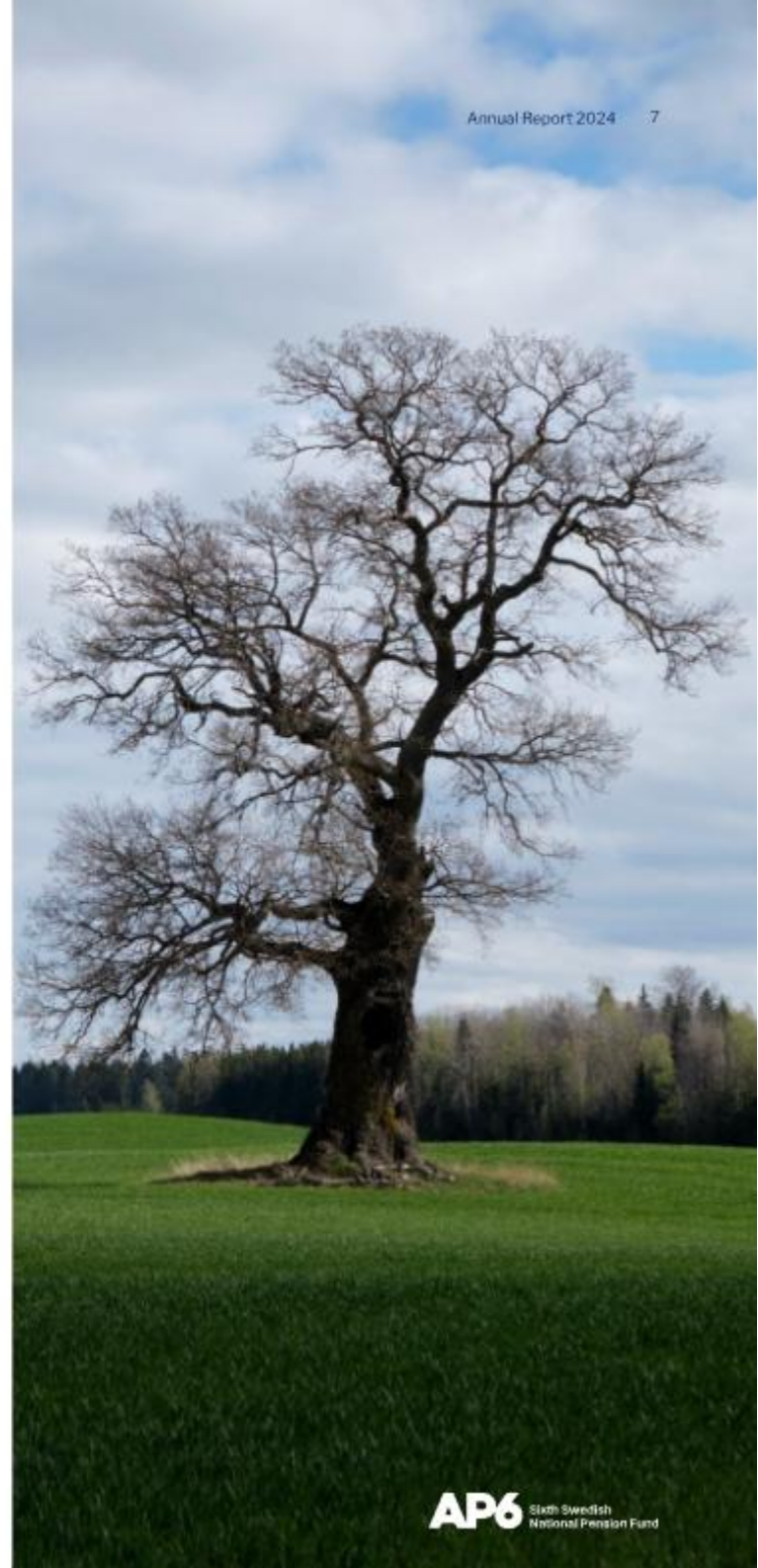


Sustainability

AP6 has a long-term focus and a systematic approach to responsible investment and integration of sustainability into all parts of its investment activities. According to the Sixth Swedish National Pension Fund Act (2000:193), AP6 is to manage fund assets in an exemplary manner through responsible investment and ownership.

Integrating sustainability helps to identify both risks and opportunities in investment activities and is essential in order to generate a lasting high return. Paying attention to sustainability factors is also essential in order to maintain public trust in AP6 as an actor managing assets in the state pension system. AP6's sustainability approach is adapted for investment in private equity and is integrated in the investment and ownership phases. The approach is characterised by processes for requirements, evaluation, monitoring and dialogue.

“ The conditions for private equity investments are entirely different from those for asset management involving listed equities.”



The year in brief

AP6 increased its managed capital to SEK 77.1 billion to deliver a positive net profit of SEK 6.4 billion. The average five-year return amounted to 15.5 percent, exceeding the target return of 7.0 percent.



Profit for the year

AP6 shows a strong net profit of 9 percent for 2024. All sub-portfolios returned to having a positive return during the year and managed assets amount to SEK 77.1 billion.

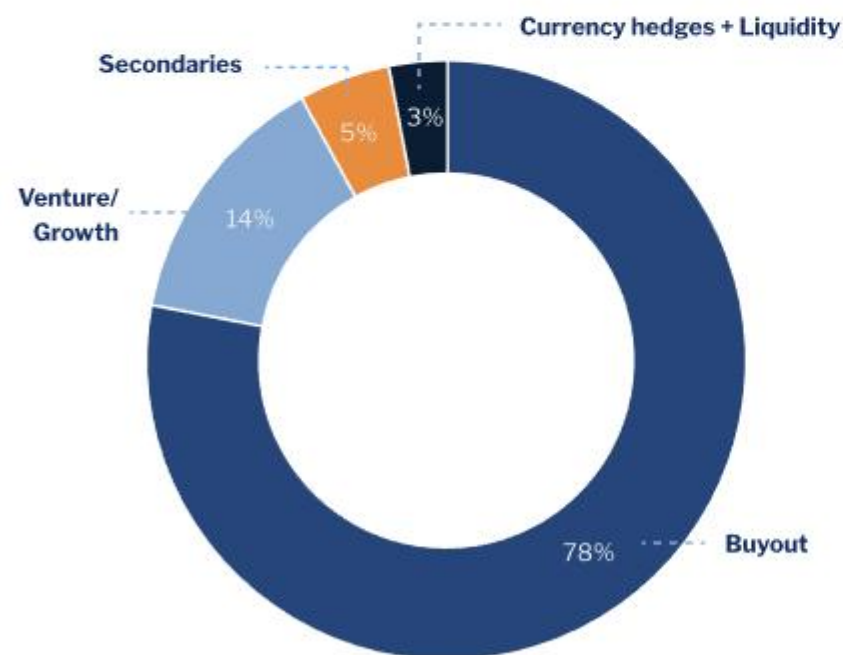
Combined with outstanding commitments where the investment is pending, the total exposure exceeds SEK 100 billion. AP6 has contributed an accumulated profit of SEK 66.7 billion to the pension system.

The average net return over five years is 15.5 percent compared with the target of 7 percent. All sub-portfolios have an average return that is well above 15 percent. The buyout portfolio return is 21.9 percent, the venture/growth portfolio is 18.8 percent and the secondary portfolio is 17.3 percent on average over five years. The average five-year return, excluding liquidity effects, is 21.3 percent.



Sixth Swedish National Pension Fund manages SEK 77,1 billion

Through funds, a total of around 1,000 companies are managed, around 60 of them are co-investments



Return after costs 2015-2024

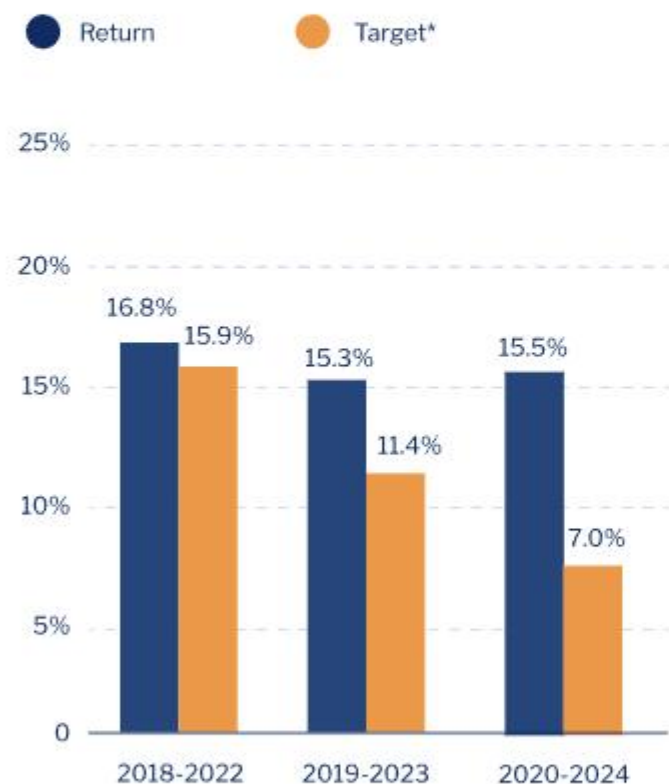
● Profit (SEK m) — Return (%)



Return over 10 and 5 years and in 2024

Year	2015-2024	2020-2024	2024
Buyout	17.9%	21.9%	15.9%
Venture/growth	20.9%	18.8%	10.6%
Secondary	15.7%	17.3%	17.5%
Fund total	12.6%	15.5%	9.0%
Return target / Benchmark	10.4%	7.0%	-3.0%

Return after costs, rolling five years, compared to return target



* Target based on data from Burgiss (See Directors' Report for detailed description). Development of operations is measured over rolling five-year periods.

Profit by segment 2020-2024

SEK M	2020	2021	2022*	2023*	2024*	Average return %
Buyout	6,974	16,600	7,029	3,242	8,736	21.9
Venture/growth	748	4,293	303	-1,422	988	18.8
Secondary	-139	1,018	504	34	499	17.3
Liquidity management, risk management and internal expenses*	66	264	-6,526	223	-3,860	-
Profit	7,649	22,175	1,310	2,077	6,363	15.5

*From the beginning of 2022, profits for the respective segments are recognised excluding currency hedges. The totals of these are included in Liquidity management, risk management and internal expenses.

Investments

The transaction pace in the private equity market was slightly higher in 2024 compared with 2023, but is not yet at normal levels. Distributions are lower and fund raising cycles are longer than in a normal market. There has been a classic so-called flight-to-quality, where high-quality fund managers have found it easier to attract investors, while others have found it harder to attract capital. Due to limited full divestments in the funds' portfolios the distributions to investors have been lower than normal. Activity in the portfolio in terms of fund commitments increased in 2024, while the co-investment rate has been very limited as a result of liquidity pressure over the past two years due to the statutory hedging requirement. In 2024 the pressure on liquidity was limited but it has not yet turned the corner into positive territory with a larger cash flow. AP6 remained active in the secondary market during the year, with one transaction that provided a good boost to both profits and liquidity. Following the secondary transactions of the past two years, all in all the portfolio is in very good condition and is well-equipped to be able to develop in line with the successful strategy of an optimised portfolio and a strong combination of fund investments and co-investments.

“ The average net return over five years is 15.5 percent compared with the target of 7 percent.”

Sustainability

In 2024 additional steps were taken to integrate sustainability topics into the investment process. Among other things, a new digital portfolio monitoring tool was developed. Capacity building and dialogue in areas such as anti-corruption, nature and employee ship also helped to promote development.

Review of AP funds

Since October 2023 a review has been underway of the buffer fund system. In June 2024 the review resulted in four alternative proposals being presented for the buffer funds in Stockholm and Gothenburg. The proposals were referred for consideration in autumn 2024. On 31 January 2025 the Government Offices of Sweden announced that a proposal would be presented on reducing the number of AP funds. The Pension Group has expressed its support for the proposal. The referral to the Council on Legislation was published on 6 February 2025. In the referral the Government states that the Sixth Swedish National Pension Fund has successfully managed venture capital investments in recent years and that it is therefore vital to ensure that the expertise and experience existing within the AP6 is preserved in the merger of the funds.



MANAGING DIRECTOR'S STATEMENT

We manage the pensions of our grandchildren



Supported by a cautious but slightly improved transaction market, we created a positive return of 9.0 percent for 2024. We are reporting a positive net profit after currency hedging of 6.4 billion, which has increased our managed capital to SEK 77.1 billion. Our five-year return is 15.5 percent, which exceeds the target of 7.0 percent. AP6 has created a positive net result for the fund every individual year since 2012.

The year 2024 began in a positive sentiment when the world's central banks started signalling that they were beginning to get inflation under control and that a cycle of interest rate reduction could be initiated. The risk appetite increased and there was an expectation that the markets would normalise. The geopolitical risks were there in the background like storm clouds on the horizon on a sunny day. As usual the year did not unfold according to initial expectations. The interest rate reductions

began in the summer of 2024 while the geopolitical risks loomed in the background, but the economic development and capital markets started moving in different directions. In the US, which over a long period has had consistently higher interest rates than Europe, the economy showed a strong growth. Asia, and particularly China, had difficulties to get out of the weak business cycle. In Europe we lost confidence in our ability to recreate past growth when the former President of the European Central

Bank, Mario Draghi, released his alarming report on the future of European competitiveness, with the EU witnessing a growth struggle between the US and Asia from the sidelines. With different growth rates in the USA and EU, the conditions for the monetary policy for the FED were different than for the ECB. This in turn led to differences in stock markets development with a very strong US equity market and a strengthened US dollar versus the Euro. It is important to note that it was not a broad US equity market rise but a rise completely dominated by the so-called magnificent seven equities (Apple, Nvidia, Microsoft, Alphabet, Amazon, Meta and Tesla), driven by strong growth expectations in AI. The magnificent seven equities rose by 60 percent in 2024 which has created huge concentration risks as their index weight has become a third of S&P 500, and almost a quarter of MSCI World by the end of the year. This concentration risk, driven by significantly increased valuations for a few tech shares, has created a considerable global equity market risk going forward.

Unlike the dramatic development for the listed equity markets, the private equity market did not bounce back to a normal transaction pace during the year. Despite a well-functioning credit market in 2024,

a strong recovery in the transaction pace is yet to come. Private equity, which is essentially about value-creation and acquisitions or exits of individual companies, requires that sellers' and buyers' valuation expectations are met, unlike for listed equities where there are usually a large number of transactions closing every day. As the expectations of sellers and buyers have not matched, full exits have often instead turned into partial sales of companies, albeit at good levels. The transaction pace was, however, considerably higher than the previous year, especially in the autumn 2024, but needs an additional boost to come back to a normal transaction pace.

In this market climate, AP6 has created a total net return of 9.0 percent for 2024 with all sub-portfolios contributing positively with high returns. The employed capital, excluding liquidity and currency hedging effects, returned 15.2 percent, with the Buyout portfolio returning 15.9 percent including co-investments that returned a full 21.1 percent. The Secondary portfolio delivered a strong return of 17.5 percent, and the Venture portfolio is back to a positive return of 10.6 percent. Of the SEK 6.4 billion in net return 2024, around 42 percent is realised gains. Summing up, the average net return over five years is

15.5 percent. The corresponding figure for capital employed is 21.3 percent and for the sub-portfolios: Buyout 21.9 percent (including co-investments at 26.0 percent), Venture 18.8 percent and Secondary 17.3 percent.

The effect on liquidity of the statutory currency hedging was limited in 2024. But the negative liquidity effect of close to SEK 10 billion in 2022 and 2023 continued to have an impact on the Fund's ability to make co-investments in 2024. We continued our efforts to strengthen our liquidity during the year, with selective secondary transactions where we were able to sell with a good return for the pension system. We have cautiously started working on making new co-investments since mid-autumn 2024. Our liquidity improved in 2024, amounting to SEK 3.7 billion at the end of the year. We are not back to normal, but we expect continued improvement in liquidity in the first half of 2025.

In 2024 there has been reason to reflect over our Swedish pension system. Since the beginning of the 1990s I have managed pension assets in various roles. I often highlight the importance of the political decisions made several decades ago in creating a strong equity tradition in

Sweden. It has created an understanding that high risk generates high returns in the long term and is therefore suitable for pension commitments which are very long term in nature. This market approach was also the reason why multiple private equity firms were able to be launched in Sweden in the 1990s supported by pension capital within buyout and venture. Many of these firms have become successful at a European or global level.

A few countries in Europe chose this path of highly active asset management for their pension systems and can now happily reflect over the fact that the active side of their balance sheets has improved the solvency of their pension systems. Other countries in Europe chose a different path and are financing their pension systems with pay-as-you-go through their public budgets or through low-risk assets such as fixed income investments.

AP6 has gone through a considerable change since the start in 1996, with the strategy change in 2012 having the most significant impact on the Fund's development. The Act from 2000 currently governing AP6 states that fund assets are to be managed in a way that provides the greatest possible benefit to the income-based pension system which is aligned

with what is stated for the other buffer funds. AP6's assets are to be invested in private equity assets and to be managed such that the long-term high return and adequate risk diversification requirements are met. Based on the Act, including the 2007 amendment that allowed investment outside Sweden, the partially new Board initiated an extensive transformation of AP6's organisation and investment strategy in 2011. The new strategy, which was implemented in 2012, is the foundation for the successful management of AP6's assets to this day, 13 years later, even though gradual development of the strategy continues. The internal change process initiated in 2011 remain in the internal culture to this day, with a strong focus on cost efficiency. Since that time AP6 has had a limited internal cost basis of around SEK 100 million. In 2024 the



internal costs amounted to just under 0.14 percent of the fund assets.

AP6's strategy and operations are continuously developed from the foundation that was created in 2012. I have the pleasure of leading AP6 as Managing Director since 2019. When I joined AP6 I was impressed by the thorough investment processes and investment documentation produced. I am even more impressed today. AP6 is an organisation that never stops developing; there is an inherent drive to constantly improve processes, analysis and methods to create quality in everything that the Fund does. The Fund's operations have gone through a transformation also in the recent years. We have developed a long-term strategy with sub-portfolios which are combined with thorough selection processes for individual investments to create an optimised portfolio able to deliver a good total return over time regardless of market climate. We have taken steps in line with the portfolio strategy to utilise the profound expertise we have within strategic fund evaluation as well as company valuation to create a model where funds and co-investments are integrated into a common flow for a complete evaluation of each investment opportunity. We have strengthened the integration of sustainability in our

investment flows with the highly qualified sustainability team that supports the investment directors and the analysts in the investment organisation with their analyses. We are internationally recognised for our sustainability work in the private equity market and for our investment approach of having a high-quality fund programme created by an active investment process, in combination with internal expertise enabling swift evaluation and execution of co-investment opportunities. We have further enhanced our forecast models, evaluation/scorecard models and our ongoing portfolio monitoring processes. The entire process is based on analysis at the underlying company level, which we have system support to handle.

The way AP6 operates is unique. Few international peers operate in the same way. This is what constitutes AP6's structural capital. It is based on our investment philosophy of selecting high-quality investment teams with proven ability to create long-term value in their investments, committing to their funds, and selectively doing co-investments with them in a systematic and quality-assured process where multiple specialists are involved in the decision process at various levels. AP6 has developed from being a

very professional investor in fund and co-investments to being a high-quality institutional investor specialised in international private equity.

The rationale for how we operate is based on how to assess risk. Financial theory since the 1950s is based on analysing return data for securities that have a market where they can be traded. Most portfolio theory models are based on assumptions about risk and return in statistical calculations of correlation,

“ AP6 is an organisation that never stops developing ; there is an inherent drive to constantly improve processes, analysis and methods to create quality in everything that the Fund does.”

variance and expected returns based on price data for individual shares, portfolios and markets with high periodicity. From the listed market's perspective of private equity, the risk is very high due to the illiquidity risk. Applying analysis methods created for listed securities to assess risk and returns for unlisted assets, risk leading to wrong conclusions. Private equity is about creating value growth through active

corporate governance in individual companies over the long term. Valuation of unlisted assets involves an assessment of cash flows because in the end it is the realised gains that are of interest to end-investors. Valuation of funds and underlying investments is based on various cash-flow multiples to assess how much (defined as multiples of invested capital) and how fast investors can get their investment returned. Investing in private equity requires a thorough analysis to select the managers with the ability to repeatedly generate value in the investments. It is just as important to select attractive fund managers and co-investment as to reject investment opportunities. AP6's investment process is based on identifying value creation potential and all types of risks. Our model, where the investment process is initiated by those closest to the market in a compiled project team and where the

investment case is challenged in several decision layers from different perspectives by people with various competencies, secures that there are very few risks that are not identified in the process. In the end it is about avoiding the mines to achieve a good total return. AP6's portfolio has created a positive net return every year since 2012.

In conclusion, I would like to say a few words about the transformation we have been working on internally over the last few years. There has been a strong focus on leadership and employeeship, and in 2024 we involved all our employees, focusing on leadership within their own roles. Thank you to all my colleagues for your commitment and hard work on this programme.

In parallel with all the work within AP6, a legislative proposal has been developed to incorporate AP6 into AP2. I have a positive



view of the Government recognising AP6's successful investment management within private equity. To give room for the accumulated skills and expertise within AP6, AP2 will, after AP6 is incorporated, have increased opportunities to invest in unlisted assets until the end of 2036.



Gothenburg, February 2025

Katarina Staaf

Managing Director of AP6



AP6 and anti-corruption

The Swedish Agency for Public Management (Statskontoret), an expert agency within anti-corruption among other things, was invited to AP6 Talks in 2024. AP6 applies a broad approach to anti-corruption. The Code of Conduct describes the core values and the approach that applies for both individual employees and for AP6 as an investor. Additional rules and guidelines exist for the Fund and the investment activities.

An important point of departure is the Fund's role as an investor of public pension assets. AP6 is accountable to the Ministry of Finance. Trust in public administration requires that an organisation such as AP6 does not allow itself to be influenced by non-relevant requests or considerations in its mission to invest the capital it is entrusted with. AP6 applies a broad definition where corruption is defined as using a public position to achieve improper advantages for oneself or others. Corruption can be in the form of unlawful actions, but also improper behaviour. The Ministry of Finance and Sweden's municipalities and regions have issued guidelines on bribery and conflicts of interest for public sector employees. These guidelines state that employees in the public sector must never abuse their position. Laws and rules can

provide answers and guidance on many issues, but not for every individual case. Personal accountability is therefore important as well as an individual's own ability to navigate the complex issues that can arise. AP6's Code of Conduct is based on the values of the Swedish state and describes the core values and approaches that apply to AP6 employees. There are complex choices and decisions to make every day. The Code helps employees act in line with AP6's values. The Code of Conduct is a general governing document that is supplemented by more detailed instructions and handbooks. There is an employee handbook that addresses, among other things, how to focus on anti-corruption applying various rules and approaches. For example, employees are not to accept gifts. Invitations are to be assessed based

Examples of documents that inform AP6's anti-corruption work:

- Code of Conduct (Sixth Swedish National Pension Fund, AP6)
- Ethics, bribes and conflicts of interest – introduction for new employees (AP6)
- Bribery and conflicts of interest – guidelines for public-sector employees (Ministry of Financial, Sweden's Municipalities and Regions)
- The values of the Swedish state (Swedish Agency for Public Management)
- An anti-corruption culture (Swedish Agency for Public Management)



on whether they are reasonable and relevant to the performance of the individual's duties. Anti-corruption is included in the investment department's evaluation processes, and the assessment of risks, routines and processes is integrated and used to inform decision-making. Assessment includes risks relating to the industry, geography, business model and operations.

AP6 Talks

Conversation series in which the AP6 employees discuss current and urgent topics in deep dives.

Corruption risk analysis

Based on the anti-corruption work over many years by the Swedish Agency for Public Management, AP6 conducted a workshop to address various risk scenarios across the organisation.

The Swedish Agency for Public Management has expertise in governance, management and organisation. The agency has had multiple corruption-related assignments from the Government since 2011. The Agency has identified four key areas for anti-corruption efforts. These are management and organisation, risk awareness and risk management, anti-corruption measures and finally knowledge and wisdom. Examples of corruption risk areas can be divided into two categories. One includes general areas such as procurement and purchasing, consultants, recruitment, information management and IT security, gifts, entertaining, travel and sidelines. The other category includes areas of risk more specific to AP6's activities, such as outgoing and incoming payments, oversight, permits and certification. There are several risk factors that affect anti-corruption efforts. These include the type of workplace culture that exists, the level of knowledge of corruption-related matters and which rules are in place. There may be too few or too many rules, and this can affect whether an organisation perceives the rules as relevant or not. Based on the review by the Swedish Agency for Public Management of different methods of approaching anti-corruption, AP6 carried out a corruption risk analysis across all of its departments and units. The Fund grouped together identified risks and assessed the potential harm and likelihood, and described appropriate steps deemed

able to prevent the risks from occurring. The results were compared with the existing processes and routines applied by the Fund for some time. The conclusion was that the Fund has stable and well-established methods that are considered efficient for anti-corruption work. It was also

deemed important to review routines and process on a regular basis for further prevention of corruption risk. All of the various groups emphasised the importance of a sound organisational culture, where employees regularly discuss various scenarios relating to corruption risk.

Corruption risk analysis workshop – a few examples

Risk relating to the fund managers' processes

The fund companies' use of payments made from AP6 to the respective fund team; criteria for investments in companies and selection of advisors

Preventative measures

Review of fund managers' routines and processes to identify potential risks relating to management and governance

Risk of undue gains for employees

Conferences, invitations and offers that are not connected to AP6's activities; actions where individuals gain advantages for themselves, colleagues or other related parties

Preventative measures

A sound organisational culture with clear governance, robust decision process and routines, continuous training, transparency and dialogue

Risk relating to cronyism in recruitment

Personal relationships that only an individual or a few individuals know about Risk of cronyism in connection with appointing replacements for a certain length of time

Preventative measures

Clear recruitment process with multiple individuals involved. Frequent use of external consultants/ recruitment firms



Strategy

AP6's strategy

The long-term strategic focus is on investing internationally in private equity funds within the areas of buyout, venture/growth and secondary, and to make co-investments in buyout in a well-balanced portfolio.

The investment philosophy is to build a well-diversified portfolio of high-quality fund managers within buyout, venture/growth and secondary to make qualitative co-investments jointly with the buyout funds.

Both fund investments and co-investments are in the form of indirect investment.

Investment strategy

Private equity investments require a very long-term approach and strategy. The illiquid nature of this asset class requires a long investment horizon. These are companies that will be transformed and developed, often in industries where there are opportunities to reinforce or achieve economies of scale. This requires knowledge, time and resources. The investment strategy pursued by AP6 has proved to be successful and has contributed good returns to the national pension fund system. A fundamental component of the strategy is to identify and select the best fund managers within each segment. The aim is to establish long-term investment

relationships and to continue to invest with the selected fund managers provided that the yield requirements are met, AP6 is able to co-invest with them, and they share AP6's values and approach to sustainability. In addition to this is a common vision around sustainability and core values. AP6's approach is for fund manager relationships to be characterised by a long-term investment perspective and cooperation – for the benefit of both parties.

“ A fundamental component of the strategy is to identify and select the best fund managers within each segment.”





Strategy changes initiated in 2012 indicated a clear focus on combining investments in funds with co-investments. Since its inception in 1996 AP6 has contributed SEK 66.7 billion to the pension assets of the Swedish public, most of it within the framework for the strategy that was introduced in 2012. AP6's fund assets have grown from SEK 10.4 billion to reach SEK 77.1 billion at year-end 2024, which is equivalent to total value growth since the start of 641 percent and annual average growth of 7.4 percent. The equivalent growth rate over the past 10 years of 12.6 percent, and the past five years of 15.5 percent illustrates the return capacity of the strategy. AP6 has generated positive net earnings every year for the past decade. In autumn 2020 AP6 carried out an evaluation of the investment portfolio and the Fund's strategic focus. This review confirmed the strategy is being applied within the existing investment portfolio and this was verified by an external party. It also concluded that AP6's portfolio

development is strong and that the current investment focus should continue with a few minor adjustments.

Based on the review, AP6's Board of Directors established a strategic direction up to 2030 focused clearly on allocation within the Fund's Buyout/Growth and Secondary segments. Within Buyout allocation is a combination of fund commitments and co-investments. Within the Venture/Growth and Secondary segments allocation only takes place through fund commitments. The combination of the different segments in AP6's portfolio creates a solid and long-term return with a good risk balance, which is consistent with AP6's mission. Reviewing and evaluation take place on a regular basis as AP6's portfolio matures and grows. Requirements and priorities in fund manager selection change over time. Long-term relationships and well-developed cooperation that can be intensified over time are among the important factors identified by AP6 in fund manager selection. Other important components of the evaluation process are co-investment opportunities for AP6 and that the fund managers share AP6's approach to sustainability.

AP6's focus when setting priorities for fund manager selection involves a comprehensive approach where sub-portfolios contribute to creating the highest possible, risk-adjusted net return for the overall portfolio. A long-term approach is key for fulfilling the investment focus in the strategy and for portfolio development. The extensive strategy modification process that began in 2012 continued for several years and was not concluded until 2019. It takes many years to transform a portfolio within private equity. Integrating sustainability into investment activities has been a conscious approach for many years. Sustainability is a central and natural aspect of the strategy. It is also essential for long-term value creation. Based on the long-term and illiquid nature that distinguishes the private equity asset class, focusing on sustainability is particularly important because there are limited opportunities to divest investments that are not meeting AP6's sustainability criteria. Evaluation of potential investments includes assessment of a number of sustainability topics.



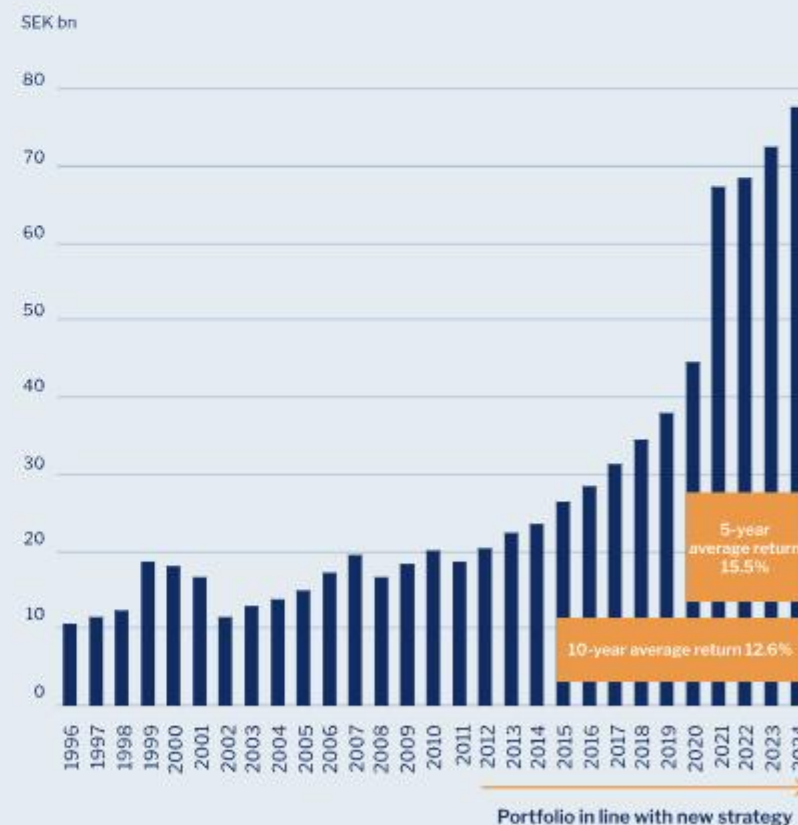
The sustainability approach is based on international frameworks for sustainability and covers human rights, labour, the environment and anti-corruption. The process is based on AP6's approach that combines setting standards, evaluation, monitoring and dialogue. It is particularly important to perform a sustainability assessment before making an investment, but during the ownership phase there are also many opportunities to promote sustainability in an industry where the business model involves active ownership.

AP6's selective choice of fund relationships allows the Fund to focus on prioritised issues and thereby indirectly impact the one thousand or so underlying companies in the portfolio. The investment strategy pursued by AP6 has proved to be successful and has contributed good returns to the national pension fund system.

“Integrating sustainability into investment activities has been a conscious approach for many years. Sustainability is a central and natural aspect of the strategy. It is also essential for long-term value creation.”

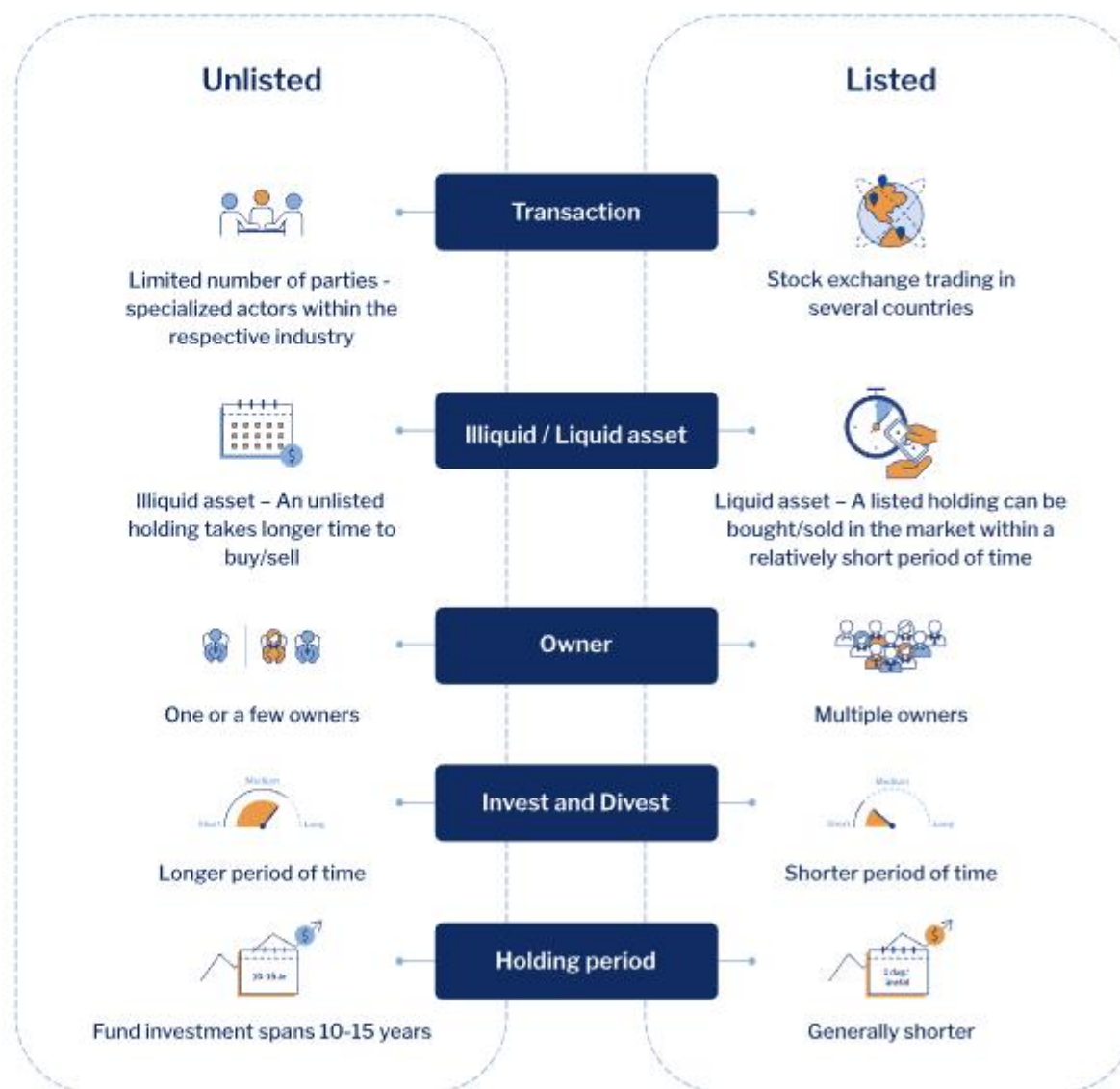
Fund asset performance since inception

Managed assets have grown from SEK 10.4 billion to SEK 77.1 billion



What is unlisted/private equity?

Investing in unlisted shares also called private equity, is significantly different from investing in and managing listed shares. As private equity firms are not listed on a marketplace (stock exchange), their shares cannot be traded in the same way. This means that an investment in private equity is considered an illiquid investment. Private equity is by definition different from public equity which is aimed at a broader public. A company that is listed on a stock exchange becomes a public company as its ownership becomes diversified when both institutional investors and the public are able to acquire shares in the company. A privately owned company has instead a smaller number of owners (or sometimes just one) who run and develop the company. If the owner/owners wish to sell the company or their shares in it, an agreement between the parties involved is signed directly as there is no marketplace (exchange) for the company's shares. The majority of private equity investments are aimed at large privately owned companies, above all when institutional investors such as AP6 are involved. To manage the illiquidity associated with investing in privately owned companies, a private equity fund has a very long investment horizon. An investment in a private equity fund is called a fund commitment. The investors commit to a predetermined amount that is provided to the fund as and when the fund acquires companies. Distributions are made to the investors when the fund divests companies. It may take 10–15 years before the companies in a fund are fully divested and the investors receive dividends on the capital they provided. In addition to a private equity fund individually acquiring companies, it may also make acquisitions in partnership with other investors through a co-investment. In general AP6 co-invests with private



equity funds with which AP6 is already an investor. There are also instances where AP6 co-invests with a private equity fund to which AP6 has committed capital. The conditions for private equity investments through private equity funds are entirely different from those for asset management involving listed equities. For a private equity investor the way in which liquidity is managed is particularly important. Not meeting the commitments of a fund can be very costly and in extreme cases can jeopardise the entire remaining investment. Consequently, private equity investments are normally best suited for large institutional investors with a long investment horizon. This is the reason why AP6 is a so-called closed-end fund, where the legislator has taken into account that it is not possible to extract liquidity on an ongoing basis in the same way as from other AP funds. Long-term and stable conditions are essential for investing in private equity. Private equity investments enable a company to evolve from one position to the next. This can involve transforming a business model, streamlining processes or improving market position by acquiring a competitor or supplier. The majority of the value creation in private equity takes place in mature companies (buyout) with an established market position. A smaller portion of private equity value creation involves developing and scaling up young companies (venture). These companies have often developed new services or products that are about to be launched on the market. The venture segment can be divided into seed, early or later stage. Later stage venture is the largest segment within venture. There is an additional segment called growth capital.

This segment is smaller and involves companies that have left the venture stage and are focusing on growth. Seed investment in brand new startups is a small category within venture.

In this description the term private equity is used as a collective term for unlisted companies at different stages – buyout, venture and growth. Sometimes unlisted companies are divided into two categories – private equity and venture. In this case the term private equity refers to the buyout segment.

How AP6 invests

Investment process - overview



1. Investment process

Sourcing and selection

Fund investment decisions are preceded by an extensive process that can take several years. The fund selection process is selective and focuses on high-return actors that prioritise sustainability. In co-investments (where AP6 invests together with a private equity fund in one of the fund's companies) deal sourcing is based in part on a partner perspective and in part on a company perspective. Dedicated resources in the form of specialists monitor and analyse the market to identify attractive companies.

Evaluation phase

In fund investments, broad selection criteria are used to ensure that the evaluation includes a sufficiently large number of actors. The selection process then narrows down the number of candidates. Funds are gradually eliminated from the process as market mapping progresses. The evaluation timeframe for co-investments is relatively narrow, which underscores the importance of expertise in evaluation and analysis.



2. Ownership phase

Influence and monitoring

AP6 sees the ownership phase as an opportunity to build knowledge and understanding, and to have an impact by monitoring and follow-up activities to ensure that investments are progressing according to plan in terms of return, strategy and sustainability.

Model for ESG assessment

AP6 has many years of experience in evaluating how funds approach sustainability. This is manifested in the model that AP6 has developed to measure, analyse and evaluate the fund managers' ESG efforts. Influence is exercised through cooperation, dialogue and feedback.

LPAC

An important forum when investing in private equity funds is the Limited Partner Advisory Committee (LPAC) consisting of representatives from a number of investors. The number of seats on the LPAC is limited and they are generally allocated based on the amount invested. AP6 is represented on LPACs in a number of funds in the portfolio. The LPAC provides opportunities for deeper investment relationships.



3. Divestment

Divestment provides distributions

As funds and co-investors realise holdings, disbursements to investors take place. AP6's strategy is to stay with fund partners and co-investors during the divestment process.

Closed-end fund

AP6 is a closed-end fund with no inflows from or outflows to the income-based pension system. It is therefore important to have significant expertise in the management of liquidity reserves to be able to achieve a balance between future fund commitments and ongoing inflows and outflows in investment activity.

Liquidity forecast

As the portfolio matures gradually there is a good balance between disbursements/divestments from the portfolio and capital drawdowns/new investments, even if the gross flows may be considerable. AP6 works on an ongoing basis to further develop liquidity forecasting models created based on long-term cash-flow data from the market for the purpose of monitoring future liquidity scenarios as carefully as possible.

Collective expertise, own models and processes, and strategy based on AP6's structural capital



Investment

Unique specialist expertise built up over more than two decades of investing in unlisted assets.

A broad network of contacts and long-term relationships with partners.

AP6's own models and methods for evaluating potential investments.



Sustainability

Sustainability is integrated in all investment activities.

Carefully developed models and tools are used for evaluation prior to an investment and during the ownership phase.

Resources are allocated on an ongoing basis depending on issued and needs identified.



Financial

As a closed-end fund, AP6 has developed detailed models to forecast and manage liquidity.

Experts from the Financial unit participate in the investment process to ensure transaction security etc.



Legal

The Legal unit works with the investment team during the evaluation phase.

Prioritised topics are identified early on in the process in preparation for contract negotiations.

Investment process

Fund investment

Investment in a fund takes place by committing a certain amount that is disbursed when the fund in question invests in companies. Commitments are made to selected funds in the market segments Buyout (large and mid cap), Venture/Growth and Secondary. Most (around 80 percent) of the commitments are made within buyout (large and mid cap). This involves both funds and co-investments (AP6 invests together with a private equity fund in one of the fund's companies). The buyout segment consists of mature companies with an established business model and market position.

A smaller percentage of the commitments are made to the Venture/Growth and Secondary market segments. Venture capital funds invest in companies in an early development phase where capital is required over a longer period to generate profits. This segment is characterised by significantly higher risk than buyout. AP6 is not involved in co-investment in this segment. Transactions in the secondary segment take place when investors in a fund want to sell their share before the fund is closed down. Secondary carries far less risk than buyout due to extensive diversification in the segment.

AP6's structural capital

All of the organisation's expertise is brought to bear in each evaluation of a potential investment. Integrated cooperation is based on common objectives where each function and employee has an understanding of the various elements and parameters that make up an evaluation. As AP6 is a closed-end, national pension fund without flows to or from the state pension system, the Financial unit uses detailed models for liquidity within the framework of AP6's investment volume. Decisions to commit capital to a fund involve discretionary management for 10 years or more. To ensure that the fund is managed in line with AP6's requirements, detailed legal documentation is required that covers a number of scenarios and matters to address, such as incentives, fees, common interests, transaction structure and exclusion criteria, to name a few. The Legal unit has expertise in, and many years of experience of, negotiating with fund managers active in various segments and geographies. The Legal unit works with the investment team during the evaluation phase. Internal legal expertise is supplemented by an external network of legal services.

AP6 sees its commitment to funds as a process of building long-term relationships to generate stable and lasting returns. The life of a fund is generally around 10–15 years. Given this long timeframe, AP6 chooses to invest time and energy to monitor and become familiar with a fund, focusing on its investment team and value-creation. This process can last for a number of years. Through constant review of the composition of the existing portfolio it is possible to identify the need for changes that could support continued, long-term value-creation and good risk diversification.

“ The life of a fund is generally around 10–15 years. Given this long timeframe, AP6 chooses to invest time and energy to monitor and become familiar with a fund, focusing on its investment team and value-creation.”

Market mapping

Decisions to add a fund to the portfolio are preceded by a process that starts with market mapping. Initially, broad selection criteria are used to ensure that there is a sufficiently large cohort of candidates to assess. Market mapping is a process of obtaining extensive information based on AP6's own analysis in combination with an exchange of knowledge and experience with investors who are active in the area of unlisted assets. This involves existing networks and also building new networks based on current needs. The purpose is to gather and review the experiences of various investors.





Selection

Market mapping is followed by a structured selection process. As a pension fund manager and investor in unlisted assets for more than two decades, AP6 has built up specialist expertise that it continues to deepen. This expertise has enabled AP6 to develop its own models to monitor and analyse funds. Important parameters are the funds' models for their portfolio companies' value-creation and their approach to sustainability from a portfolio perspective and at the company level. Funds are excluded from the selection process if AP6 determines that the approach to value creation and sustainability differs from that of AP6. The further along the structured selection process progresses, the smaller the number of funds remaining. The funds that advance to the evaluation phase meet all of the basic requirements. The selection process is followed by a detailed evaluation phase.

Evaluation phase

Fundamental to an evaluation of funds is a systematic review based on a uniform template, allowing comparisons to be made. Some customisation takes place depending on differences between the buyout, venture/growth and secondary market segments. A fund's strategy and market position are assessed through, for example, an evaluation of which industries and geographies the fund invests in and how well it has performed. An evaluation of investment processes and ownership involves examining structural capital, value creation and models for monitoring deviations. An examination takes place of the resources each fund has to develop its portfolio companies, how well the investments align with the fund's strategy, the length of the holding period and the fund's approach to diversification. One very important aspect is whether AP6 will have opportunities to co-invest. A fund's strategy and market position are analysed paying attention to leadership, staffing and dependence on key individuals. AP6 performs its own calculation and analysis of holding periods, portfolio returns and deviations. This creates a picture of the respective fund's value-creation and

sustainability approach. Sustainability is reviewed based on factors such as processes, resources, level of ambition, alignment with international standards and frameworks, and reporting of sustainability information according to industry standards. AP6, as an investor in various businesses, industries and geographies, requires a broad approach to sustainability, including aspects linked to human rights, labour, the environment and anti-corruption. Additional aspects that are always included in evaluation are climate, gender equality and diversity. AP6 has developed its own evaluation template for the purpose of summarising its assessment of a potential investment. In a joint review with representatives from the organisation's specialist units, the candidates are graded in each area. Finally, a balanced assessment is made of the grades received by a fund within each category. Although significant weight is attached to the overall assessment, a grade that is too low in any individual category will exclude the fund from further consideration. Once an investment recommendation is made, a decision process begins involving the Allocation Committee and the Fund Committee.





Co-investment

AP6 carries out co-investments, i.e. investing indirectly in individual companies in cooperation with fund managers to which AP6 has committed capital. AP6 is a minority investor and the fund manager has ownership and management responsibility for the company. AP6 has a co-investment strategy aimed at large and mid-cap buyout, where the majority of co-investments are made within existing fund relationships. A smaller share of investments are with other co-investors. No co-investments take place within the venture, growth and secondary segments. AP6's co-investments are distinguished by long-term fund relationships and a shared vision regarding value-creation, with sustainability being an integrated aspect. An evaluation of a co-investment is different from a fund evaluation in a number of ways. The timeframe is one. Evaluating funds can take several months; in some cases even longer. The process of evaluating a co-investment has a shorter timeframe that is measured in weeks.

It therefore requires the right type of expertise to evaluate individual companies, understand which type of market the company operates in and make a professional assessment of the risks and opportunities that increased exposure to an individual company brings. The process involves expertise in different units being engaged early on. This is necessary to ensure resource-efficient management of complex issues. AP6 has many years of experience of evaluating and investing in unlisted companies within buyout in cooperation with fund partners in the Nordics, Europe and North America. This expertise and experience allows AP6 to efficiently allocate internal resources in order to meet the requirements and expectations of fund partners operating in different industries and geographies. Unlike a fund commitment where capital is provided as and when a fund invests in a company, a co-investment involves a

lump-sum payment. AP6's Financial unit has many years of co-investment experience, where the standards are high for quality-assured processes and routines. Transaction security depends on all actors involved in a co-investment meeting the requirements of each fund partner. A delayed or stalled process increases costs and negatively impacts future co-investment opportunities. The legal negotiations in connection with a potential co-investment generally involve reviewing and negotiating contracts in a process that is significantly faster than the process for a fund commitment. Most co-investments take place with funds to which AP6 has committed capital. This enables the parties to apply existing contract terms. The Legal unit works with the investment team during the evaluation phase. Early on in the process, areas are identified where clarification and negotiation will be needed. To manage specific contract issues linked

to various segments of unlisted assets and geographies, AP6's internal legal expertise is supplemented by an external network of legal experts.

Sourcing

Deal sourcing from a partner perspective is prioritised in co-investments. Most partners are funds to which AP6 has committed capital. AP6 has relationships with several of these partners that go back many years; in some cases more than 20 years. The partners are very familiar with AP6's strategy, interests and expertise in implementing co-investments. The fact that AP6 has a well-diversified fund portfolio consisting of actors operating in various segments and geographies offers AP6 interesting opportunities to generate business from a partner perspective. The expertise and capacity of AP6's investment department to identify potential investments is considered crucial



Evaluating funds can take several months; in some cases even longer. The process of evaluating a co-investment has a shorter timeframe that is measured in weeks."



to carry out co-investments. Long-term relationships and frequent dialogue make it possible to identify early on the co-investment needs and interests of partners. Deal sourcing also takes place from a company perspective. Dedicated resources within the organisation, in the form of very experienced specialists, monitor and analyse the market to identify attractive companies. In a parallel process AP6 checks in with potential fund partners on an ongoing basis. Finding the right fit is based on AP6's strategy and the focus and interests of potential partners. All on all this is a complex process that requires being very familiar with the portfolio structure, strategy and priorities of the candidate. Long-term relationships and mutual trust are very important. Co-investments – regardless of deal sourcing approach – take place in a competitive environment that has multiple actors active in unlisted assets.

Assessment

Various factors provide a framework for a co-investment. The structure varies depending on the type of investment, market and partner. Partners familiar with AP6's interests and expertise generally involve AP6 early on in the process. There may also be contact in the final phase and in certain cases after completion. The path to completion of a co-investment is, as mentioned above, characterised by a narrow timeframe. Critical matters are discussed between partners and participants on an ongoing basis. The transaction security requirements are high for a number of reasons. There is a risk of delays and increased costs if an actor or actors pull out towards the end of the process. Early on in the process, investors are expected to identify factors and circumstances of significance for continued participation. Based on many years of experience AP6 has highly efficient routines and decision processes adapted to the specific criteria that apply for co-investments. Access to dedicated internal resources for a thorough evaluation of potential co-investments is an important factor. Each investment is analysed and assessed based on a number of established criteria. This ensures continuity and a uniform process to assess

investments over time. Assessing the investment fit involves using a variety of parameters to determine how well aligned the potential investment is with AP6's investment strategy and portfolio. The company in question is evaluated based on a vintage perspective, holding period, exit, and a risk and return profile. Relevant partners are assessed and evaluated. An assessment is made of the effect on the portfolio in terms of diversification based on geography and sector. An analysis of the market in which the company operates is performed, as well as a review of the company's offering, customer base, competitors, business model and financial development. To test a company's resilience under different conditions, various types of yield analysis are carried out. The company's value-creation plan is analysed and assessed. In exceptional cases where an investment may involve representation on the company's board of directors, an assessment is made based on this. A sustainability assessment includes evaluating the company's impact on sustainability based on analysis of the topics that are the most material in each specific case. An assessment is also made of how sustainability aspects and topics impact the company and its value-creation plan, and what plans and measures the

company and the partner have for the ownership phase. The investment team compiles a report on each area examined and analysed. Then a collective assessment is made of the results. Once an investment recommendation is made, a process begins involving the Allocation Committee and the Fund Committee.



Decision structure

A homogeneous portfolio is constructed through AP6's investment process and is managed according to a clear portfolio strategy that includes targets and risk limits. Based on a structured and professional approach, the full range of expertise within the organisation is utilised. The strategy established by the Board of Directors is applied to all investments. The portfolio is gradually constructed through selective investment commitments and co-investments, where selection is the result of a process of identifying, evaluating and analysing. The focus is on partnering with actors who share the vision of a long-term approach to value-creation and an emphasis on sustainability. AP6 is constantly working across a broad front to identify actors with the same approach as AP6. Building long-term relationships is a key component in AP6's efforts to impact outcomes.

Allocation Committee

A fund or a co-investment which, following an evaluation, meets the criteria profile of AP6 requiring long-term and sustainable value-creation is forwarded to the Allocation Committee. Based on a portfolio

perspective, the Committee is responsible for determining which investments and divestments to prioritise and propose for implementation. A portfolio strategy has been adopted by the Board of Directors to support the Allocation Committee in its decision process. The portfolio strategy is based on an analysis of return and risk with the aim of generating returns that are high in the long term with a good risk balance. The Committee also works on an ongoing basis to evaluate the existing portfolio in relation to the long-term strategy. The Committee is chaired by the Managing Director and consists of representatives from the investment department and the CFO.

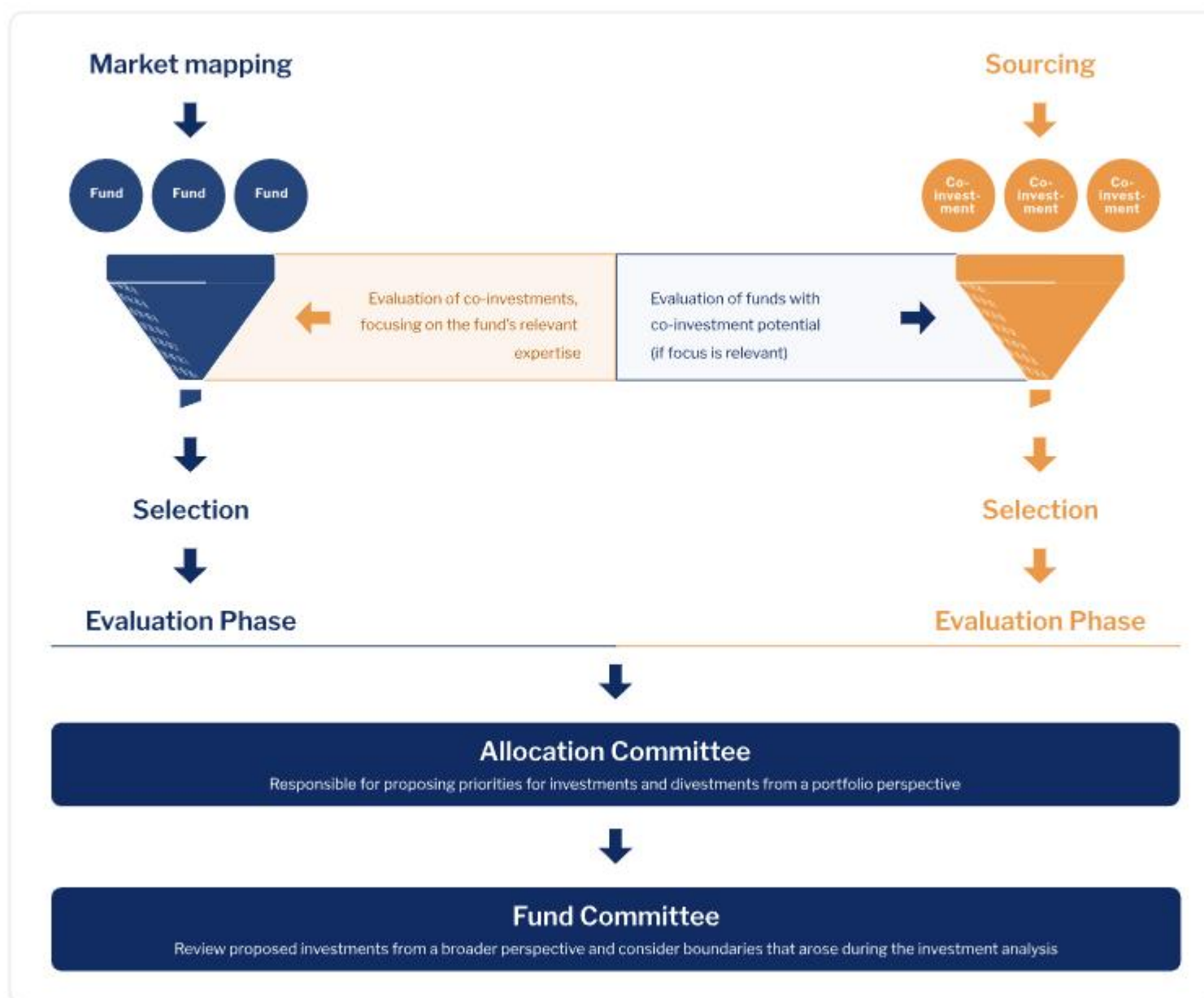
Fund Committee

After the Allocation Committee has decided to approve an investment, it goes to the Fund Committee which is tasked with reviewing proposed investments from a broader perspective. The Fund Committee is also responsible for assessing whether there is any reason not to approve an investment based on any issues that arose during the investment analysis process. These may relate to various aspects of sustainability, reputational risk,

legal aspects or operational risk. The Fund Committee is chaired by the Managing Director and consists of the Head of Sustainability, General Counsel, Head of Communications, a portfolio strategist, and heads from the investment department.

An approval decision from the Fund Committee is needed before an investment can go ahead. In accordance with the decision-making procedure at AP6 certain investment decisions are taken by the Board.





Ownership phase

AP6 sees the ownership phase as an opportunity to build know-ledge and understanding, and to exercise influence. The holding's value-creation is monitored closely by the respective investment manager. Investments are monitored to ensure they are progressing according to plan in terms of return, strategy and sustainability. Continual dialogue and relationship-building add additional knowledge over and above the normal information-sharing in quarterly reports and at annual meetings. AP6's aim is to be an active partner with expertise in managing complex transactions from various perspectives, such as commercial, financial, legal and sustainability. In connections with an investment, AP6 communicates its desires and expectations in a number of areas, such as transparency, fees, profit-sharing, key individuals' holdings, organisational structure, reporting and sustainability. Reporting is required on any incidents or material changes in a holding or among

senior executives. In the area of sustainability there may be an expectation of a higher level of ambition in reporting, as well as improved and more detailed reporting linked to various key performance indicators. AP6 exercises its influence in the area of sustainability through cooperation, evaluation and feedback. AP6 has many years' of experience in measuring, analysing and evaluating the sustainability approach of funds. For co-investments, sustainability topics are followed up within the framework of the ongoing investment monitoring process. Common to all types of investments is that any incidents are reported and followed up. In addition to reports from fund managers, AP6 also uses external tools to identify sustainability-related events in the portfolio. The LPAC (Limited Partner Advisory Committee) is an important forum when investing in funds. This committee has representatives from a number of investors.



Investor meetings and financial reporting

Owner representatives participate in investor meetings that address return and sustainability. Also covered are financial reporting and development of funds and co-investments.



Advisory committee – LPAC

The Limited Partners Advisory Committee (LPAC) consists of representatives of a number of investors in a fund. This representation enables closer monitoring of fund development. AP6 is represented on LPACs in a number of funds in the portfolio.



Cooperation and dialogue regarding co-investments

Each co-investment is an opportunity to further deepen knowledge about the fund manager's processes and ways of working as the co-investor has access to the fund manager's due diligence for the company.



ESG assessment

On an annual basis AP6 assesses the funds' efforts and progress on integration of ESG in the investment process and ownership phase, and in reporting. Communicating the assessment results helps to promote a close dialogue with fund managers.



Incident reporting

It is customary in private equity for a fund manager to report incidents of a material nature to their investors through the formal quarterly reports or in other ways. AP6 is provided with these reports and takes action if necessary.



Monitoring ESG and risk incidents

AP6's digital monitoring of portfolio holdings makes it possible to identify ESG issues, risk incidents, controversial activities and business conduct risk relating to fund managers as well as underlying portfolio companies.



The number of seats on the LPAC is limited and they are generally allocated based on the size of the committed amount. AP6 is represented on the LPAC in a number of funds in the portfolio, making it possible to follow fund development more closely. Representation on the LPAC gives AP6's investment managers the opportunity to participate in discussions at close quarters about the fund's holdings. Learning more about the respective fund team linked to strategy, teams, company acquisitions, value-creation and sustainability provides the knowledge needed for future decisions when the same fund team is ready to invest in a new fund. AP6 has many years of experience of investments in unlisted assets and uses well-established systems that have been adapted to handle large quantities of data in a resource-efficient way. Different funds use different structures and systems to report financial information, such as valuations. AP6 has developed

models and uses a number of tools to monitor and analyse the portfolio. The ownership phase in co-investments is essentially the same as for investments in funds. AP6 invests in companies (minority investments) together with the funds to which AP6 has committed capital. Opportunities to build knowledge and understanding, and to exercise influence, arise from established fund relationships and close dialogue. Co-investments where AP6's ownership share justifies representation on boards allow AP6 to exercise an influence. The aim is to monitor the company's development from close quarters in order to deepen and strengthen the relationship over time. Important focus areas are the company's value-creation strategy and how it approaches sustainability.

“AP6 exercises its influence in the area of sustainability through cooperation, evaluation and feedback. AP6 has many years' of experience in measuring, analysing and evaluating the sustainability approach of funds.”

Examples of events in the portfolio that led to dialogue in 2024

AP6 sets high standards for its partners. One area of importance is communication and management of any incidents or events of a more serious nature that could affect the value of an investment or have a significant negative impact on people and/or the environment. AP6 is keen to receive swift and clear feedback from the fund managers or companies in question regarding any such events.

Investment	Event	Action taken by AP6	Status
Indirect holding in fund	Reports on historical human rights violations within the operations of subsidiaries	Dialogue with fund managers about the situation and actions to address it	Past owners commissioned an external independent investigation and concluded that they bore some responsibility. The company and past owners have introduced preventative measures in consultation with experts. Further actions have been proposed and compensation to those who suffered harm is being explored. The company has been sold by the fund manager and is no longer in AP6's portfolio.

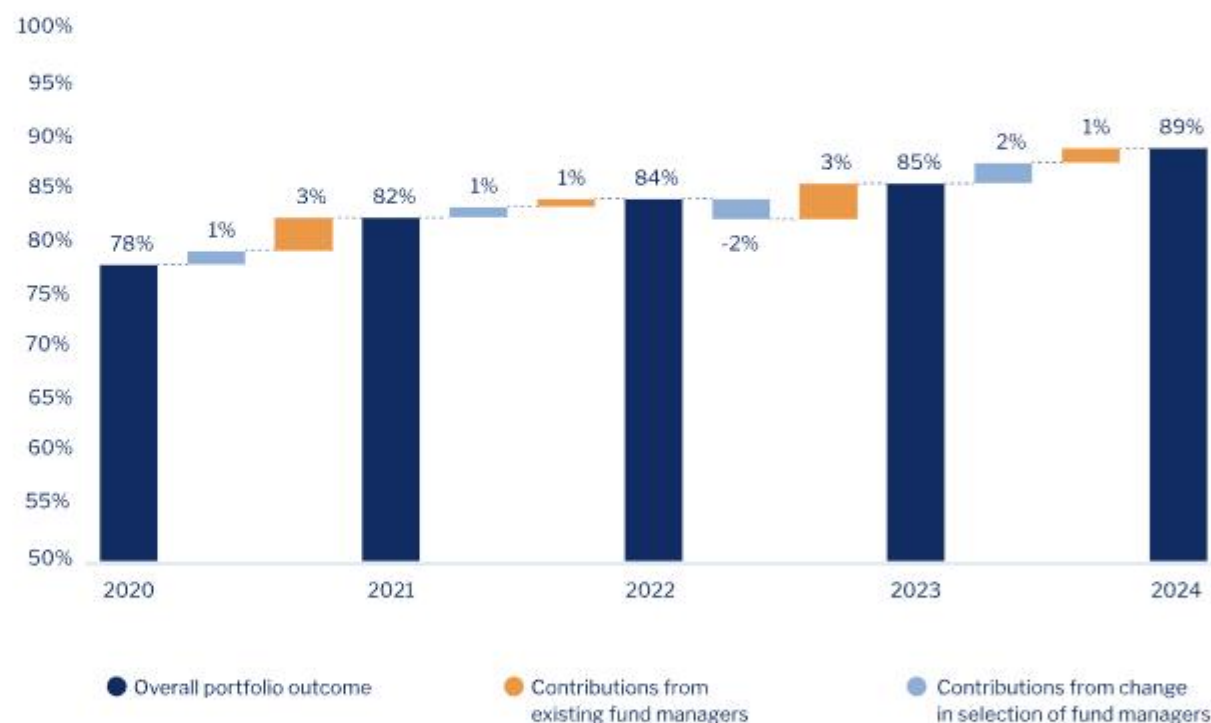


Annual ESG assessment

In 2024 positive development was noted in the area of sustainability among the fund managers in AP6's portfolio. For a number of years AP6 has annually evaluated the portfolio's degree of ESG integration and provided feedback and examples of good practices. Assessing and monitoring the fund managers' sustainability work is an important focus area for AP6 to ensure that the criteria of a long-term high return and adequate risk diversification are met. ESG integration is primarily assessed based on the fund managers' formal processes for examining the sustainability perspective when they invest in companies, how they work with companies during the ownership phase, as well as their sustainability reporting. It also examines work related specifically to AP6's sustainability focus areas. Read more on pages 52–57. Although the assessment does not evaluate the portfolio's actual impact on people and the environment, a fund manager's positive development in ESG related processes is considered to contribute to positive development for the underlying portfolio companies. The assessment uses AP6's own model which is based on an established methodology for assessing private equity managers' sustainability processes. The assessment process is constantly being fine-tuned to meet the needs as the industry develops. The 2024 assessment revealed positive development among AP6's fund managers within buyout, venture and growth. There was intensification during the year, particularly in the fund managers' work during the

ESG assessment 2024

Total result



Please note that the overall outcome for 2024 shows an increase of 4 percent despite the fact that the contribution is only 3 percent net due to rounding off.

ownership phase, as well as in reporting to investors. This was primarily driven by the portfolio's buyout fund managers. ESG integration in the ownership phase was identified as the main contributor to the result. Examples of specific actions implemented by the fund managers are providing support and tools to the portfolio companies in the form of tactical action plans or road maps for integration of sustainability topics, and joint portfolio development days with a sustainability theme. The outcome in the reporting module showed a significant increase for the first time since 2021. The processes developed by the fund managers after the EDCI industry initiative was launched, as well as higher expectations from investors and legislators, are now evident in the outcome. Efforts include improved reporting in the funds' advisory committees and at annual meetings. Further integration of ESG reporting was also observed in formal financial reporting, including at the portfolio company level. This progress is contributing to a higher level of transparency with respect to the fund managers' sustainability efforts. The overall assessment is that all fund managers have the ambition to work actively on sustainability and that progress has been made in 2024 in all three areas of the evaluation. The main drivers for ESG integration in the portfolio is considered to be opportunities for value-creation, development of rules and standards, investor requirements and industry cooperation.

Development of ESG integration

By area

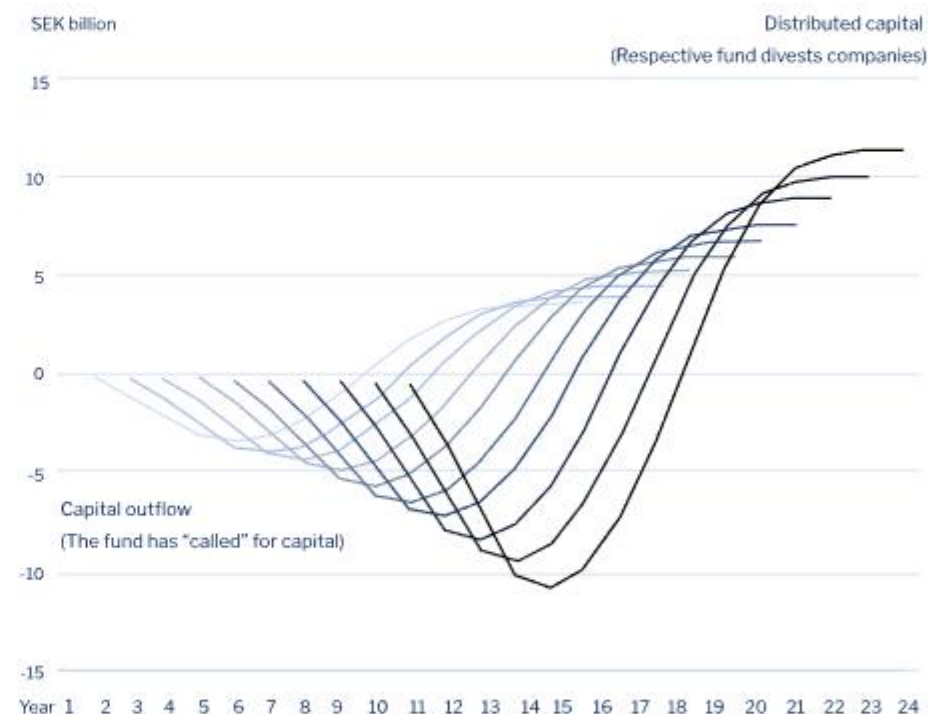


Divestment

To manage the illiquidity associated with investing in privately owned companies, a private equity fund has a very long investment horizon. The life of a fund can vary (10–15 years) and can be divided into three phases: acquisition of the company, value-creation and divestment. Institutional investors like AP6 who invest in private equity funds commit to a predetermined amount, known as the fund commitment, and undertake to provide capital when the fund invests in a company. During the divestment phase the investors receive distributions when the fund divests a company. In addition to fund commitments, AP6 co-invests – invests in companies indirectly together with fund managers to which AP6 has committed capital. AP6 is a minority investor and the fund manager has ownership and management responsibility for the company. The life of a co-investment is shorter than the life of a fund, but also generally varies (3–8 years). In the same way as with a fund commitment, the principal owner/fund is responsible for running, developing and divesting companies. This means that a co-

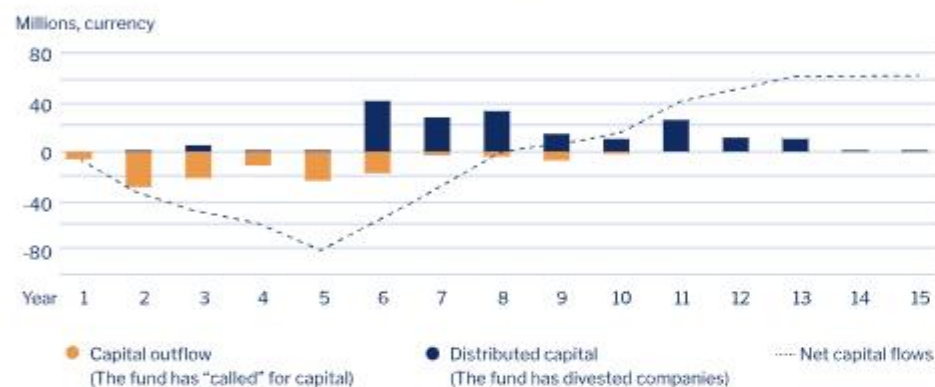
investment generally has a similar structure to a fund commitment. By AP6 investing on an ongoing basis, the portfolio achieves gradual maturity so that distributions/divestments from funds and of co-investments balance out capital drawdowns/new investment, despite the fact that gross flows can be considerable. As AP6 is a closed-end fund where returns are used for investments, it uses models to forecast liquidity. The models are constantly developed and evaluated based on long-term cash-flow data from the market. A fund commitment is an undertaking that must be fulfilled by investors. Not fulfilling a commitment can be very costly and in extreme cases may put the remaining investment at risk. These are factors that make larger, long-term institutional investors most suited to investing in private equity. This is also the reason why AP6 is a so-called closed-end fund, where the legislator has determined that it is not possible to extract liquidity on an ongoing basis in the same way as from other AP funds. For this assignment, long-term and stable conditions for investment in unlisted assets are essential.

Theoretical example – net cash flows per year and growing size of fund commitments

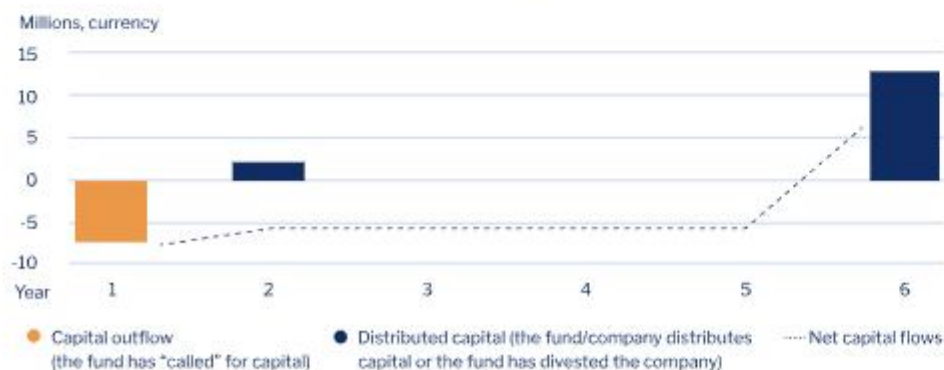


Each curve represents around 20 co-investments for the year in question. The curves show net cash flow of capital. In general the amounts in the size of co-investments grow for the purpose of employing distributed capital.

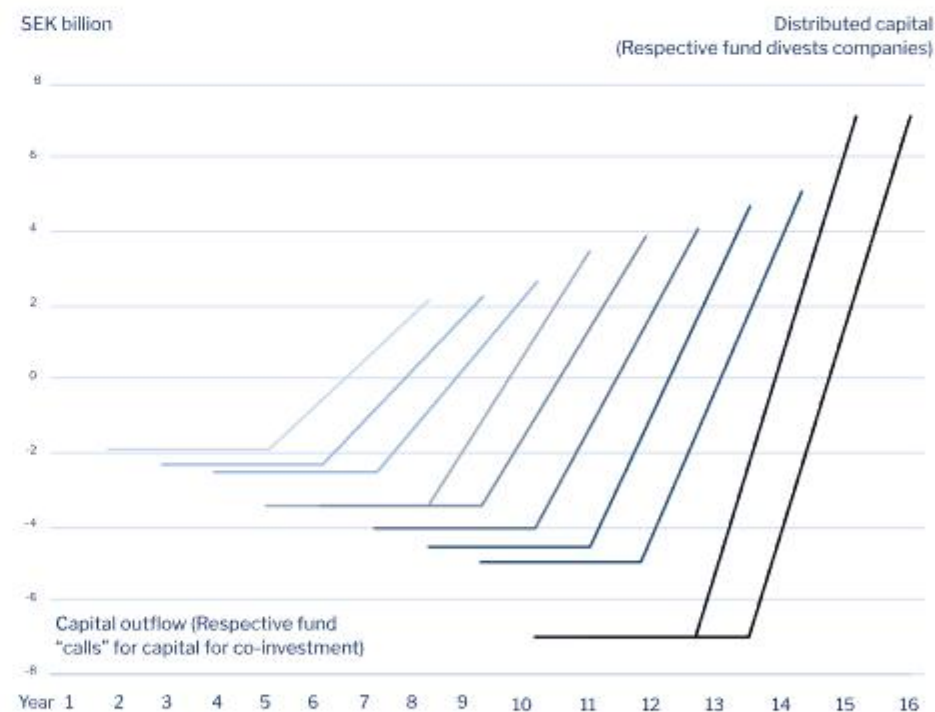
Outflows and inflows linked to an actual fund in the portfolio over a period of 15 years



Outflows and inflows linked to an actual co-investment in the portfolio over a period of six years



Theoretical example – net cash flow per year from co-investments in the portfolio



Each curve represents around 20 co-investments for the year in question. The curves show net cash flow of capital. In general the amounts in the size of co-investments grow for the purpose of employing distributed capital.

Return target Risk management



Return target

AP6's return target makes it possible to evaluate strategies and returns, and to break down the return and evaluation of various segments for the purpose of performing a full analysis of what the different parts of the portfolio are contributing when overall results are evaluated. The return target is calculated based on data supplied by Burgiss, a leader in collecting and providing data for unlisted investments. The quality and scope of the data on unlisted assets has gradually improved over the past

few years, and at year-end 2024 around 14,500 unlisted funds with around USD 12,000 billion in market value were included in the data. Data is based on reporting from the GPs, (general partners, i.e. fund managers) to their LPs (limited partners, i.e. the investors). This reporting involves calculating returns net of fees, making them comparable with AP6's returns. No geographical sampling is applied as AP6 has no such limitation in place. Return data from Burgiss is converted into Swedish kronor to be

comparable with AP6's earnings, which are reported in SEK. As a closed-end fund, AP6 has neither inflows nor outflows. To manage the difference in liquidity management a liquidity buffer is required to meet the investment commitments, which may vary over time. AP6's net returns are adjusted based on the liquidity buffer requirement to obtain a fair comparison. The amount of liquidity needed is estimated at around 10 percent of the fund assets. The return target set for this liquidity is OMRX T-Bill, which is the

internal target for AP6's liquidity management. The calculation of the target is weighted for this reason. AP6's target returns are as follows:

- 90 percent of the return target for the unlisted portfolio over the past five years (Burgiss)
- 10 percent of the return target for liquidity management (OMRX T-Bill).

Specification of AP6's total return (IRR*)

Period	Year	Total	Buyout	Venture/ Growth	Secondary	Fund total*	Return target**
1 year	2024	15.2%	15.9%	10.6%	17.5%	9.0%	-3.0%
5 Years	2020-2024	21.3%	21.9%	18.8%	17.3%	15.5%	7.0%
The Board evaluates AP6's returns over a five-year period as these represent the current strategic focus							
10 Years	2015-2024	18.2%	17.9%	20.9%	15.7%	12.6%	10.4%
Since inception (28 year)	1997-2024	10.7%	16.0%	2.0%	N/A	7.4%	N/A

Returns for the past 10 years are to some extent associated with older strategies. Returns since inception are not comparable with those from current activities.

* The effect of currency hedging is only included in the return for the item "fund total".

** Target return: Represents the return for a median fund that invests in unlisted assets. To be comparable with AP6's net return, the target has been adjusted for an estimated liquidity requirement of 10 percent. 90 percent of the target return thus consists of the performance of unlisted assets as well as 10 percent of OMRX T-bill.

Risk management

The risks in a portfolio consisting of unlisted holdings are different from those in a portfolio with listed holdings. AP6's risk management takes place in several steps and uses models and assessment templates adapted for private equity. Risks are identified and assessed annually at an overall level. Results of the assessment are compiled to create a risk profile. Essentially all types of investment activity involve risk-taking. AP6 believes that risks associated with investment decisions must be carefully considered, manageable and possible to monitor. It is important for AP6's risk profile to be the result of well-informed decisions. Risk analysis identifies the likelihood of both strategic and operational risk. This includes quantifying the costs if a risk materialises. Operational risk is managed by having a professional organisation, an effective decision structure and adequate support for measurement and control systems. Private equity assets are illiquid in nature. This is managed through, for example, a combination of investments in funds and co-investments which have different time horizons that affect distributions to investors. The qualitative structure of the portfolio is built based on a systematic model to evaluate potential risk and sustainability. Ongoing monitoring ensures

that the portfolio develops according to the long-term strategy. A risk unit and professional system support are in place to enable risk measurement and to verify compliance with the investment rules in the Investment Policy. This includes exposure risk. The portfolio's risk diversification is visualised based on factors such as geography, industry, segment (Buyout, Venture/Growth and Secondary), year and cash flow. The various segments have different return and cash flow profiles which, in the right combination, can create a better, risk-adjusted return for the overall portfolio. The choice of fund manager and co-investment is an important factor in

attaining risk-adjusted returns. AP6's objective is to create a higher return than the average return in the private equity market. One way to achieve this is by taking active risks when selecting funds and co-investments. This active risk is evaluated on an ongoing basis based on guidelines that define exposure to individual investments. Commitments to funds involve an obligation to disburse funds in the future. If these commitments cannot be met, significant value may be lost. Sufficient resilience is required to wait for the point at which the expected price is reached and assets are realised. Liquidity requirements are monitored using various simulations in the forecast models

produced. The possibility of implementing liquidity-creating measures is considered according to a contingency plan. The investment portfolio is largely invested in foreign currencies as a limited part of the market consists of holdings denominated in Swedish kronor. Balance sheet risk is taken into account when calculating currency risk. Exposure and hedging of a particular currency is monitored based on the Investment Policy.





1.

Exposure risk

Risk diversification in terms of geography, industry, segment (Buyout, Venture/Growth and Secondary), year and cash flow.

Risk-adjusted return

Different segments contribute to the risk adjusted return by the various segments having return and cash flow profiles that, in the right combination, can create a better, risk-adjusted return for the portfolio.

2.

Active risk

The goal in taking active risks in the selection of funds and co-investments is to create a higher than average return.

Risk identification through AP6's scorecard

When evaluating an investment proposal, an assessment is made of potential and risk based on established frameworks and models. This facilitates comparison between different investment opportunities.

3.

Risk assessment during the holding period

Assessment continues throughout the holding period to ensure that a fund or a co-investment develops as expected and follows the defined strategy. The outcome of this is an important factor in assessing new funds within the same fund relationship.

4.

Liquidity risk

The liquidity requirement is monitored by the risk unit in various simulations in future forecast models. Here the assumptions on long-term cash flows are taken into account, evaluated and updated on a regular basis.

Financing risk

Commitments to funds involve an obligation to disburse funds in the future. If these cannot be met, there is a risk that significant value will be lost.

Currency exposure

Balance sheet risk is taken into account when calculating currency risk. Current currency exposure is monitored and hedged based on certain limits as set out in the Investment Policy.

5.

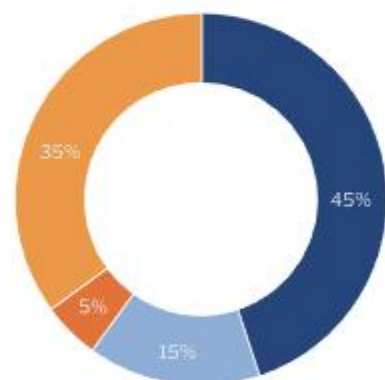
Sustainability risk

An evaluation of a potential investment includes an assessment of sustainability based on risks and opportunities among owners, companies, the market and business models. This is monitored during the holding period using AP6's model for ESG assessment, which assesses ESG integration in the investment process, the ownership phase and reporting. External tools are also used to monitor risk and negative events in the portfolio on an ongoing basis.

Portfolio

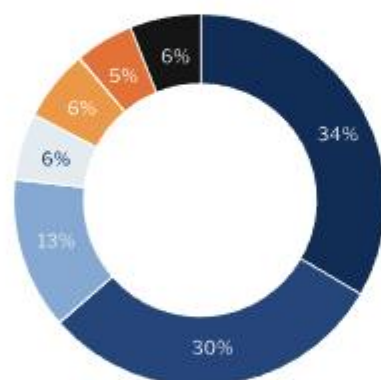
Portfolio

Capital employed of SEK 74.9 billion by market segment



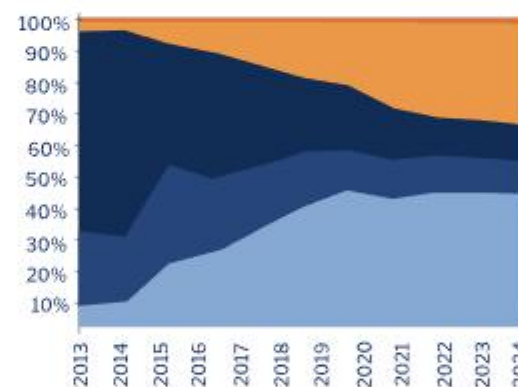
- Fund investments Buyout
- Fund investments Venture/Growth
- Fund investments Secondary
- Co-investments Buyout

Industry distribution



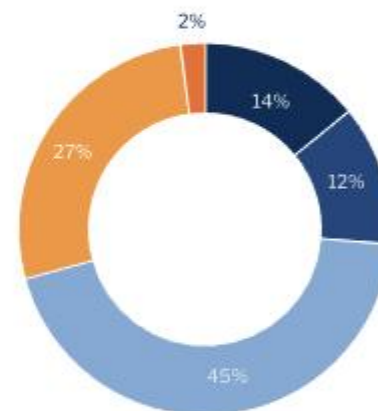
- IT
- Healthcare
- Financial
- Communications
- Other
- Industry
- Consumer discretionary

Gradual internationalisation of the portfolio

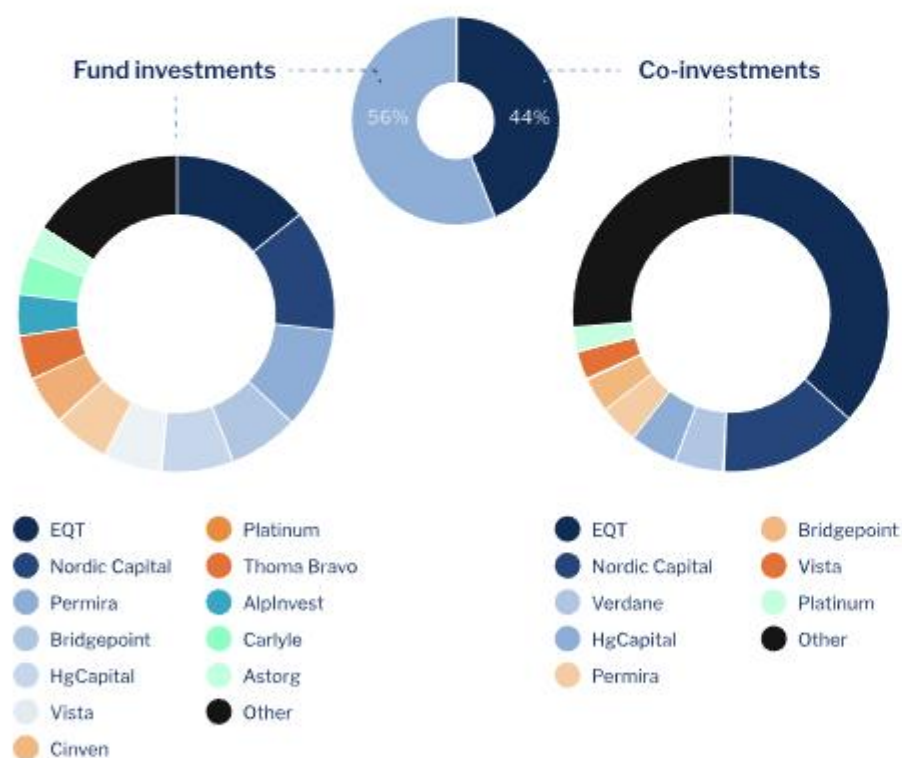


- Sweden
- Other Nordic
- Europe
- USA
- Global

Geographic spread in investment activities



The main fund managers of funds and co-investments in the Buyout segment



The main fund managers of fund investments in the Secondary segment



The main fund managers of fund investments in the Venture/Growth segment





Sustainability

An attractive workplace

Managing public pension assets by investing in unlisted assets requires a high level of expertise and excellent judgement. It is of strategic importance for AP6 to be an attractive workplace in order to recruit and develop skilled employees.

Safety, openness and wellbeing

AP6 is to be an attractive workplace that recruits, develops and retains talented employees. The aim is to create a work environment where everyone experiences openness, wellbeing and a feeling of safety. AP6 believes in the skills, commitment and drive of all its employees and wants to allow them to use these to flourish within the organisation. AP6 involves its managers and employees in both the projects and the decision forums, thus injecting energy and drive. The overall aim is to leverage the broad range of expertise and talent within the organisation while embracing different perspectives.

Attractive roles

AP6 is a significant institutional investor in the private equity market. Partners include several high-ranking European and US investment fund managers. Specialists in various parts of the organisation work together across the investment process.

The investment, sustainability, finance and legal departments provide collective expertise where each department contributes based on common objectives.



“ Specialists in various parts of the organisation work together across the investment process.”

Investment department

The investment department is the largest part of the organisation. As a pension fund manager and investor in unlisted assets for more than two decades, AP6 has built up unique specialist expertise. All of this

expertise is brought to bear in each evaluation of a potential investment. Integrated cooperation is based on common objectives where each function and employee has an understanding of the various elements and parameters that make up an evaluation. The investment department is divided into the Buyout unit and the Venture/Growth and Secondary unit. These units are managed by the Head of Buyout and the Head of Venture/Growth and Secondary. The unit heads have overall responsibility for the respective portfolios, including ownership responsibility for strategic fund relationships. Based on their respective management roles within the investment departments they are both members of executive management, the Allocation Committee and the Fund Committee. Within the investment department there are investment directors who have ownership responsibility for the largest holdings and for frequent dialogue to maintain strategic fund relationships. Investment managers are responsible for certain investments. Analysis constitute

a group that works closely with the investment department focusing primarily on advanced analysis to evaluate fund commitments and co-investments.

Sustainability

Sustainability is integrated into investment activities and is a theme throughout the investment and ownership phases. A dedicated sustainability team supports the investment department by providing specialist expertise. This includes support in factual matters relating to climate and environment, labour law, human rights and anti-corruption. The sustainability team also develops methods and tools to assess and monitor sustainability within the investment portfolio, and reports and communicates sustainability outcomes internally and externally. The department is managed by the Head of Sustainability who is a member of the decision-making Fund Committee and executive management.

Business support

Development, workplace culture, leadership and employee ship are at the heart of the HR team. This unit works at the operational level and is integrated into the day-to-day affairs of AP6. It handles various matters, all with the aim of strengthening collective intelligence within AP6. The team is led by the Head of HR who is a member of executive management. Investing in private equity requires solid legal expertise and experience. AP6 has many years of experience of private equity law as well as corporate law. A legal team works on negotiations, writing contracts and supporting the investment department with legal expertise. The department is headed by the General Counsel who is a member of the decision-making Fund Committee and executive management. Investing in private equity requires a clearly defined investment process and also monitoring based on the very long-term and illiquid nature of the investments. Portfolio strategists work on financial modelling and are represented on the decision-making Fund Committee. As a public sector agency, AP6 is responsible for communicating information to the owner, the public and the media. The communication unit works on both



external and internal communication and is part of the decision-making Fund Committee.

Financial

The Financial unit has individuals with many years of experience of managing and reporting on the portfolio which mainly consists of private equity investments. The team's tasks are linked to accounting, ongoing bookkeeping and other processes

relating to financial transactions. Creating forecasts and performing analysis as well as managing currency hedging are also part of the team's responsibilities. Heading the team is the CFO who is a member of executive management and the Allocation Committee.

Relevant compensation

AP6 is a government agency under the Ministry of Finance. Managing pension

funds by investing in unlisted assets requires the employees to have a high level of expertise and excellent judgement. AP6's owner has established that employee compensation is to be competitive, but not at the highest level in the industry. AP6's approach is to offer employees a good salary and reasonable benefits within the framework of the remuneration and benefits guidelines established by the owner.

Sustainability 2024

Since several years AP6 has a long-term approach to responsible investment and sustainability. The following pages describe development within the portfolio and the organisation in 2024. The process of monitoring sustainability targets is also described.

In 2024 AP6 continued efforts to make progress on sustainability in line with the Fund's mission, the values of the Swedish state as well as AP6's basic themes and key terms, as described in the Code of Conduct.

During the year there was an intensified emphasis on the important area of anti-corruption. AP6 has also focused on employeeship and personal leadership in each and every role and function. Continuous learning and dialogue creates a common vision around values and cooperation.

AP6's sustainability approach is informed by the double materiality assessment that is carried out on an annual basis. The assessment takes inspiration from the guidance provided by the EU in its European Sustainability Reporting Standards (ESRS). Through this assessment, which is based on ongoing analysis of the external environment and dialogue with the Fund's stakeholders, material sustainability topics have been identified given AP6's value chain as an

indirect investor in private equity. For more information see pages 91–94.

AP6 has also worked in cooperation with the other AP funds in the areas of responsible investment, sustainability and HR during the year.

Responsible investment

In 2024 work on responsible investment continued based on AP6's goals and processes. A digital interface to monitor sustainability topics in the portfolio was developed and implemented. An evaluation of how fund managers identify and manage human rights impacts, developed the previous year, was integrated into ongoing assessment and follow-up processes. Markets and drivers behind sustainability-themed investments in private equity were studied, informing the investment team and decision-making bodies. On the same theme, a study was initiated of nature-related impacts and dependencies in the portfolio. Through active participation in industry networks, AP6 has also contributed to knowledge

exchange about sustainability and responsible investment in private equity. AP6's sustainability targets are based on the Fund's role as an indirect investor in private equity. The outcome indicates continued progress towards the targets. However, more work is required in certain areas, such as gender equality and diversity, in order for the targets to be met. The 2024 ESG assessment shows that several fund managers have developed their efforts to integrate sustainability into their processes (see pages 36–37). The above-mentioned assessment regarding human rights also shows a slight positive progress from the previous year. For 2024 the fund managers' reporting of ESG KPIs at the portfolio company level also increased, driven by increasing requirements and a more common approach to reporting in the market.

Focus area: Gender equality and diversity

Gender equality and diversity was established as a focus area for AP6's sustainability efforts in 2015 to address the traditionally homogenous backgrounds of employees within private equity. Embracing different perspectives, skills and experience within an organisation can enrich analysis, evaluation and decision-making, and are therefore important parameters to meet AP6's requirement of a long-term high return. Similarly, an inclusive organisation can help to attract and retain talent, especially in private equity where the competition is tough. AP6 also has a legal responsibility to pursue efforts within the organisation to prevent discrimination. Gender equality and diversity has been a required element in the investment review and monitoring processes since 2016. Before making an investment and during the ownership phase, AP6 asks what is being done to promote gender equality and diversity among fund managers and companies.

Monitoring targets

An even gender distribution in fund managers' partner groups and investment teams is defined as at least 40 percent representation of the underrepresented



group (women or men). The result of measurements taken in 2024 shows no change in the overall level – neither in partner groups nor in the investment teams, where women still account for 17 percent (17) and 29 percent (29) respectively. AP6's target of a 10 percent annual increase was not therefore reached in 2024. Improvement of the outcome was made more difficult by the fact that two fund management teams with a higher percentage of women were not included the 2024 selection, and to some extent by changes relating to staff turnover in existing fund manager teams. From a geographical perspective, a higher percentage of women was noted both in European investment teams and partner groups than in US teams. The reverse

was true two years ago. It should, however, be noted that minor changes in small fund management teams can have big impacts at the portfolio level. Almost all fund managers state that they are actively supporting portfolio companies in improving gender equality and increasing diversity, and that they report to investors on gender equality and diversity. There is clear awareness among the fund managers and companies that organisations with a good gender balance and a diverse workforce attract the best talent, and that this contributes to better decisions and outcomes in the long term. However, no impact of steps taken in the partner structure that characterises many of the actors in private equity is evident to date.



Focus area: Climate

Climate change and the related transitions in society affects investments in almost all sectors. With its long-term assignment to contribute to a system that will assure pensions for many generations to come, the climate issue is a major priority. Climate was established as a focus area in 2015 and since then has been included as a required element in reviewing and monitoring investments. AP6's main climate impact is generated in the investment portfolio. The investment portfolio is also the area that is affected the most materially by climate change and society's transition.

“AP6's sustainability targets are based on the Fund's role as an indirect investor in private equity.”

Monitoring targets

In 2021 AP6 produced a plan and targets to reduce the portfolio's emissions in line with the climate goals in the Paris Agreement. These targets require fund managers and companies that AP6 invests in to take action to increase transparency and to define clear, science-based targets and strategies. Efforts within the portfolio to address climate issues are monitored by AP6 in the annual ESG assessment. The positive development noted in 2023 continued in 2024. Just over two thirds of the portfolio's value is now invested with fund managers that have defined climate goals in line with the Paris Agreement, which means that the target has been met one year ahead of schedule. Through targeted dialogue and cooperation within the industry, AP6 will continue to focus on increasing the percentage of fund managers with defined targets aligned with the Paris Agreement. Holdings representing 75 percent (70) of the portfolio's value reported greenhouse gas emissions during the year. This result means that AP6's target relating to climate transparency was also reached in 2024.

Influence through dialogue

Within the scope of its investment activities AP6 is constantly evaluating how fund managers and companies can

manage climate-related risks and opportunities, and how these are integrated into different phases of investments. In practical terms, when preparing for an investment this could involve assessing if there is dependence on specific raw materials and how climate will be managed in ownership plans, or if concrete targets will be set to reduce emissions. During the ownership phase observations from these assessments are followed up and supplemented with any new, material aspects that may need to be managed. AP6 is not actively seeking investments in fossil fuels. Energy sector investments within the portfolio accounted for less than 1 percent of capital as of 31 December 2024 and were primarily within the segment that provides services to extraction companies. AP6 has in general a negative view of investing in fossil fuels due to their impact on the environment and the financial risks associated with such investments. AP6 also continued its participation in the private equity-specific Initiative Climat International (iCI) network. The purpose of the network is to drive continued development and knowledge exchange within the industry. Areas in focus include increasing transparency and comparability, as well as defining strategies and targets to reduce emissions.

The portfolio's climate footprint

AP6 has now measured and calculated the portfolio's carbon footprint for 11 years. Total emissions from companies in the portfolio, adjusted for AP6's ownership share, decreased by 34 percent compared with 2023. The decrease for the year in absolute terms is both attributable to changes relating to which companies in the portfolio report emissions and the fact that existing companies' emissions have decreased. The portfolio's weighted



carbon intensity also decreased during the year, by 44 percent compared with 2023. This decrease is also both attributable to changes relating to which companies in the portfolio report emissions and to reductions in companies' emissions. For details on the portfolio's carbon emissions, see pages 95–96.

Focus area: Human rights

The human rights focus area was established in 2021 to develop AP6's social sustainability efforts and better live up to the requirements and standards in the area. A lack of respect and consideration for human rights in AP6's own operations and in the value chain could lead to the rights of rights-holders being violated. This may also involve various financial and legal risks for companies and investors. The overall goal adopted by AP6 is for international human rights frameworks to be standard in the investment processes and ownership phase in private equity.

Monitoring targets

For 2024 and onwards, a quantitative target for human rights has been developed and this was followed up for the first time in 2024. The target is positive development in the portfolio based on the annual assessment of fund managers' processes for identifying and managing human rights impacts. Target follow-up revealed some progress in the portfolio in 2024.

Fund managers' human rights work

The assessment that was developed in 2023 was incorporated in 2024 into AP6's existing fund manager evaluation and monitoring of fund managers processes.

Sustainability targets for AP6's investment activities (selection)

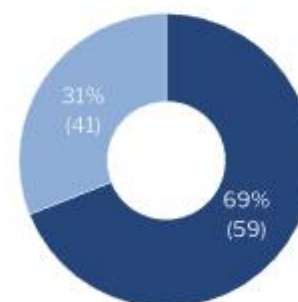
Area	Target	Year	Status 2024 (2023)
ESG integration	Positive trend in ESG assessment	Ongoing	89 % (85)
	Fund managers representing 100 percent of invested capital to have an ESG policy/responsible investment policy	Ongoing	100 % (100)
Transparency	Fund managers representing 100 percent of invested capital to carry out sustainability reporting (according to relevant reporting frameworks/standards, such as PRI or GRI)	2025	86 % (84)
	Fund managers representing 65 percent of invested capital to report ESG KPIs at the portfolio company level according to relevant standards and reporting initiatives	2025	74 % (75)
Climate	Fund managers representing 65 percent of invested capital to have set or committed to setting climate targets aligned with the Paris Agreement	2025	69 % (59)
	Holdings representing 65 percent of invested capital to report GHG emissions	2025	75 % (70)
Gender equality and diversity	Even gender distribution in fund managers' partner groups and investment teams, measured based on percentages and defined as corresponding to at least 40 percent representation of the underrepresented group (women or men)	2030 (partner level) 2025 (investment team)	Partner level: 17 % (17) Investment team: 29 % (29)
	10 percent annual increase compared to previous year of representing the underrepresented group (women or men)	Ongoing	Partner level: 0 % (10) Investment team: 0 % (7)
Human rights	Positive trend in annual human rights assessment	Ongoing	39 % (38)

For definitions, distinctions and methods for targets and metrics, see "Sustainability KPIs" on page 98.



Focus area - Climate

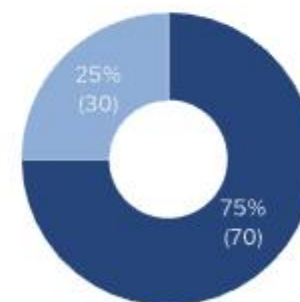
Climate goals in line with the Paris Agreement



● Yes ● No

"Percentage of invested capital where climate targets aligned with the Paris Agreement have been set or where there is a commitment to set them."

Reporting of GHG emissions



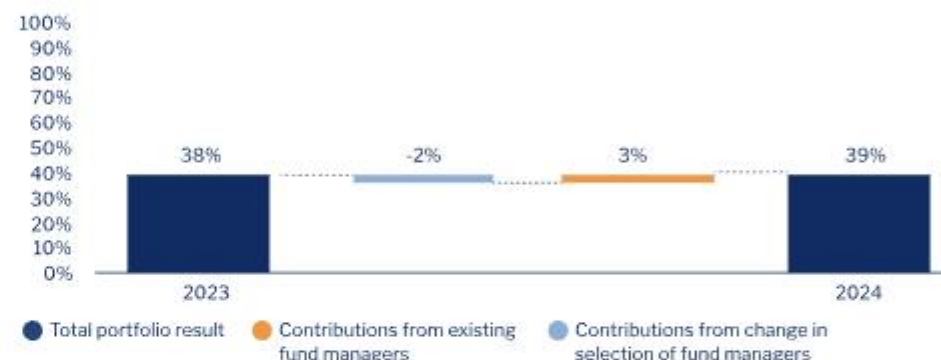
● Yes ● No

"Percentage of invested capital where GHG emissions are reported."

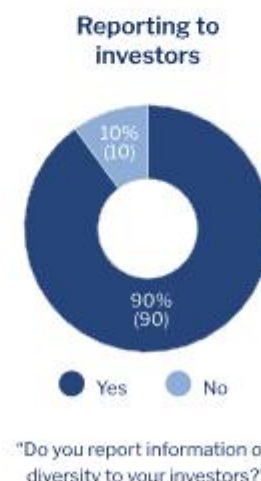
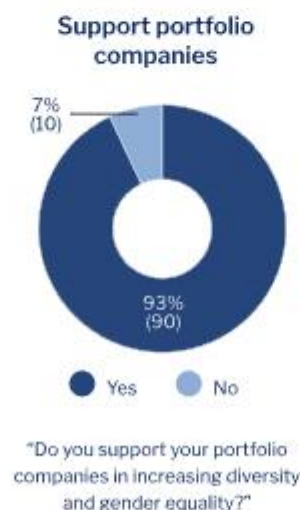
The assessment analyses the fund managers' investment processes including everything from deal sourcing, evaluation and investment decisions, to the ownership phase and divestment. The focus of the assessment is the potential and actual risk of negative impacts that can occur in the portfolio companies' value chains. The assessment has been developed for indirect private equity investments based on the UN Guiding Principles on Business and Human Rights. The principles describe what is expected of investors and companies in terms of respecting human rights, and provide guidance on how to act in complex situations. Several examples were observed in the portfolio of fund managers who have a structured approach in parts of their investment processes and in individual companies. Few of them, however, seem to have a systematic and structured approach for all of their portfolio companies. Many fund managers have policies that cover human rights and processes to identify risks in the evaluation phase. Turning this into concrete action plans for the ownership phase has not progressed to the same extent. The same applies to support for companies to successfully implement processes in line with the UN Guiding Principles. The 2024 assessment showed examples of fund

managers who have further developed their approach from the previous year by, for example, increasing cooperation with external partners, expanding their focus to include more risk areas and examining their existing portfolios. All participating fund managers were offered feedback on evaluation results with examples of good practices. In summary, it is fair to say that there is both an opportunity and an interest in continuing to develop methods and processes within the human rights area in line with international frameworks.

Focus area - Human rights



Focus area - Gender equality and diversity



Influence through dialogue and external cooperation

In addition to assessment and dialogue with fund managers in AP6's portfolio, AP6 also took part in industry-wide cooperation within the area during the year. The aim was to promote development and also learn from other actors to gain new knowledge, methods and tools. Exchange took place with experts, industry organisations and other investors within this asset class. AP6 has, among other things, helped to develop guidance for venture capital investors and has participated in a project aimed at developing skills and tools for human rights and a fair climate transition.

“... there is both an opportunity and an interest in continuing to develop methods and processes within the human rights area in line with international frameworks.”

Sustainability in the organisation

In 2024 the Fund continued to prioritise and develop its focus on culture and values, with a clear emphasis on the work

environment and employeehip. Efforts have been based on the approaches already established by AP6 in these areas. New initiatives have been introduced to further strengthen internal dialogue and commitment within the area. A new dialogue tool was implemented early on in 2024. The tool measures both commitment and various work environment-related aspects in realtime. By collecting data and feedback, the Fund has gained information on which to base conversations and decisions. A high response rate and strong commitment from the employees confirms the fact that matters relating to the work environment and culture are important and relevant. The tool promotes a more transparent and ongoing dialogue around interactions between people within the organisation.

In autumn 2024 all employees started an employee programme consisting of four modules. The purpose of the programme has been to shift perspectives around personal leadership, employeehip, communication and co-creation. The programme has given all employees the opportunity to explore and deepen their understanding of employeehip, thus creating a common ground for continued development within the area. The focus on employeehip will continue in 2025 as

working on more in-depth dialogue and strengthening collective intelligence is an important aspect of the Fund's long-term strategy. Continuing to simultaneously develop both the organisation and individuals creates a sustainable and engaged workplace for the future. There is an even gender balance within the AP6 organisation. At the end of the year the organisation consisted of 29 employees; 16 women (55 percent) and 13 men (45 percent). Executive management consisted of seven individuals: four women (57 percent) and three men (43 percent), which reflects AP6's objective of having balanced representation at all levels within the organisation.

Sickness absence remained low in 2024 at 0.2 percent (0.4). AP6 aims to create the right conditions for the employees to maintain a good work-life balance, even when their workload is high. Opportunities for recuperation and to focus on health are key to ensuring the workplace is sustainable for the long term. In 2024, 90 percent (96.9) of AP6 employees utilised their wellness allowance.



Gender equality and diversity

At AP6 gender equality and diversity are integrated into everyday life at work and permeate all aspects of the organisation. These areas are always relevant and are a natural aspect of our approaches, processes and routines, which impacts the work climate at our workplace. As a professional organisation that constantly aims for development, we are committed to embracing the combined talents and experience of our employees.

By recognising the value of all types of backgrounds and experience, we gain new perspectives that enrich our analysis and evaluation of both internal and external issues. AP6 has an organisational structure with a relatively small workforce in a homogeneous industry. This underscores the importance of having an overall and long-term focus on gender equality and diversity.

These aspects are an integrated part of our recruitment process – for both temporary and permanent employees. We make sure that all decisions and processes reflect our ambition to promote gender equality and diversity. To ensure that gender equality and diversity are embraced throughout our organisation, in 2024 we continued our active efforts to turn our goals for these

areas into concrete action in everyday contexts. This includes monitoring and implementing our goals in processes such as performance reviews, salary reviews and in the general climate at the workplace – a climate that is tolerant and where having different perspectives is an asset. By continuing to focus on this we aim to provide a workplace where all employees are given the opportunity to contribute their unique experience and perspectives. This strengthens both our organisation and our ability to meet future challenges.

Targets for AP6's organisation and internal operations

Area	Target	Status
Gender equality and diversity	In recruitment, the shortlist is to be evenly split between women and men (measured over three years)	Distribution 2022-2024, women 44 %, and men 55 %
	Aim for a gender balance among AP6's employees as well as a diversity of perspectives in the organisation and teams	See the section on gender equality and diversity

Metrics for work environment and organisation

Wellness allowance	Training hours	Sickness absence	Employee turnover
Utilised by 90.0 % (96.9) of the employees	Per employee around 63 (40)	0,2 % (0,4)	Recruitment 3.3 % (3.0) and ending employment 13.1 % (9.1)

Gender equality at AP6 – summary/metrics

The number of employees was 31/12 till 29 (32) broken down as 16 (16) women and 13 (16) men. Age distribution:

< 30 years	30-49 years	50-70 years
3 people	13 people	13 people

The executive management consists of seven individuals; four women and three men. The Managing Director is a woman. Of the 29 (32) employees, 22 (25) are employed at the head office in Gothenburg and 7 (7) in Stockholm.

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



Board of Directors and executive management



Board of Directors



Åsa Knutsson

Born: 1962
Elected: 2019

Board member

Other assignments:

CIO Direct Investments, Saminvest AB.
Board member: CirChem AB.

No holdings in unlisted companies.

Holding in own company:
T&Å Knutsson Konsulter AB.

Alexander Ljungqvist

Born: 1971
Elected: 2018

Board member

Other assignments:

Stefan Persson Family Chair in
Entrepreneurial
Finance, Stockholm School of Economics.
CEO Nordic Economics Consulting AB.

No holdings in unlisted companies.

Holding in own company:
Nordic Economics Consulting AB.

Karin Reuterskiöld

Born: 1959
Elected: 2018

Board member

Other assignments:

Partner Forever Sustainable AB.
Chair of MISTRA Electrification
Programme Board.
Board member: Plan International Sverige.
Advisor Stockholms Stadsmission.

No holdings in unlisted companies.

Bengt Hellström

Born: 1959
Elected: 2023

Vice Chair

Other assignments:

Chair: Trophi Fastighets AB, Fastighets AB
Regio. Tenum AB.
Board member: Gysinge Skog AB, Qarlbo
Biodiversity AB, PC Rettig & Co AB.

Other assignments:
Senior Advisor to Worthwhile Capital
Partners,
Wilton Row and Time Partners.

No holdings in unlisted companies.

Catrina Ingelstam

Born: 1961
Elected: 2016

Chair

Other assignments:

Chair: SH Pension
Tjänstepensionsförening.
Board member: Swedfund International
AB, Kommuninvest i Sverige AB, Löf (the
regions' mutual insurance company),
Sparbanken Rekarne AB, Creatme AB.

No holdings in unlisted companies.

Holding in own company:
Creatme AB.

Board committees

Risk and Audit Committee

Alexander Ljungqvist (chair)
Åsa Knutsson

Remuneration Committee

Catrina Ingelstam (chair)
Bengt Hellström

Sustainability Committee

Karin Reuterskiöld (chair)
Bengt Hellström

Executive management



Decision forum structure

Executive management:

Katarina Staaf (chair), Henrik Dahl, Karl Eidem, Anna Follér, Cecilia Gross Friberger, Charlotte Larsson, Jonas Lidholm

Fund committee:

Katarina Staaf (chair), Karl Eidem, Anna Follér, Cecilia Gross Friberger, Andreas Hedengran, Jonas Lidholm, Ulf Lindqvist

Allocation committee:

Katarina Staaf (chair), Frida Bergqvist (minutes), Henrik Dahl, Karl Eidem, Yue Gong, Cecilia Gross Friberger

Katarina Staaf

Managing Director

Born: 1967
Employed: 2019

Board appointments:

FastPartner AB
Fondtorgsnämnden
Staaf & Partner AB

No holdings in unlisted companies.

Holding in own company:

Staaf & Partners AB,
K Staaf Konsult AB.

Anna Follér

Head of Sustainability

Born: 1975
Employed: 2014

Board appointments:

None.

No holdings in unlisted companies.

Jonas Lidholm

General Counsel

Born: 1970
Employed: 2001

Board appointments:

None.

No holdings in unlisted companies.

Cecilia Gross Friberger

Head of Venture, Growth and Secondary

Born: 1968
Employed: 2000

Board appointments:

None.

No holdings in unlisted companies.

Charlotte Larsson

Head of HR

Born: 1982
Employed: 2021

Board appointments:

HR by Charlotte AB.

No holdings in unlisted companies.

Holding in own company:
HR by Charlotte AB.

Karl Eidem

Head of Buyout

Born: 1970
Employed: 2021

Board appointments:

None.

Holdings in unlisted companies:
Up for sports.

Henrik Dahl

CFO

Born: 1975
Employed: 2008

Board appointments:

Centre for Finance (CFF), School of Business, Economics and Law, University of Gothenburg.

No holdings in unlisted companies.



Fund governance

Fund governance statement

The Fund Governance Statement is inspired by the Swedish Corporate Governance Code, which is based on a clear delegation of roles between owners, boards and managing directors. Although the Code is a set of guidelines for listed companies, it has also created norms for private and public sector organisations and companies. The statement is also to take into account the special status of AP6 as a government agency and national pension fund. There is a significant difference between AP6 and other government agencies. The AP national pension funds have a highly independent status as there are laws governing their activities. The Government has no regulatory authority over the funds in the same way as it does over other agencies. The Fund's governance is summarised in governing documents, including policies, which are established by the Board of Directors, as well as in guidelines and instructions decided on by the Managing Director. Process descriptions and system support are also in place to facilitate the practical management of ongoing operations.

Performance in 2024

The year was characterised by a gradual recovery in the financial markets driven by interest rate reductions. It was also a year

of significant global uncertainty and geopolitical risks. The AP fund system has invested considerable resources and time into the Swedish Ministry of Finance's review of the buffer fund system. The Ministry issued a report in June which was referred for consideration during the autumn.

Sustainability

According to the Sixth Swedish National Pension Fund Act (2000:193), AP6 is "to manage fund assets in an exemplary manner through responsible investment and ownership. In managing assets special attention is to be paid to promoting sustainable development without compromising the goal [for return and risk]". Integrating sustainability into investment activities is also essential in order to generate a long-term, high return on the pension assets that are managed. AP6's work is based on the Fund's Code of Conduct and the Responsible Investment and Ownership Policy. Established methods exist for identifying important sustainability topics based on the Fund's role as an indirect investor in private equity. The integration of sustainability in the investment and ownership phases is based on clear processes for setting standards, evaluating, monitoring and dialogue. Sustainability reporting is integrated into

the Annual Report in line with the Global Reporting Initiative (GRI).

Composition of the Board

The Board of Directors consists of five members who are appointed by the Government. Appointment to AP6's board is based on an individual's expertise and experience relevant to AP6's operations

rather than to represent various parties. The Ministry of Finance prepares nominations and the Government appoints members. The Government also appoints the Chair and Vice Chair of the Board. The Government appoints board members for a one-year term, which means that the current appointments apply until the Government has adopted AP6's balance

sheet and income statement for 2024. To ensure objectivity and independence, other positions held by the board members are to be approved by the Chair of the Board and any other positions held by the Chair are to be approved by the Ministry of Finance. Ahead of each board meeting the members are also asked if there is any reason for them to recuse themselves and not participate in discussions on a particular matter.





The work of the Board

The Board has ultimate responsibility for AP6's operations and the Board's procedures are governed by the Sixth Swedish National Pension Fund Act (2000:193). Within the framework of what is beneficial for the income-based pension system, AP6 is to manage funds entrusted to it by investing in the private equity market. The law prescribes that the Board is to establish targets for the Fund's investment activities. A set of values is to provide the basis for these activities, and

guidelines are to be in place for assets that the Fund is not to invest in. Work procedures for the Board are established annually. The Board appoints the Managing Director who is responsible for the day-to-day management of AP6. The division of roles between the Board and the Managing Director are set out in the Board's work procedures and in instructions for the Managing Director. The Board's main duties are to establish the strategy for the AP6, and ensure that the Fund has effective leadership and that the

accounting procedures, administration and the Fund's financial situation in general are monitored and verified in a satisfactory manner. The Board establishes both return targets and sustainability targets for the organisation. It also monitors and evaluates the Fund's activities to ensure that they are aligned with the goals and policies established by the Board. The Board is responsible for overall risk management and compliance. Incident reports as well as reports on material ESG events are presented at each ordinary board meeting. The Annual Report is adopted by the Board and signed by the Board and the Managing Director. The Board also signs the Sustainability Report. The Board has appointed three preparatory committees: the Risk and Audit Committee, the Sustainability Committee and the Remuneration Committee. During the year the Risk and Audit Committee held four committee meetings, the Sustainability Committee held three and the Remuneration Committee held two. In 2024 the Board convened six ordinary meetings and three extraordinary meetings. In addition to board members, the board meetings are attended by the Managing Director of AP6, the Fund's General Counsel serving as the Board's secretary, as well as managers, and employees if relevant, who report on

various matters to the Board. During the year the Board paid particular attention to the state of the market and analysed its impact on the long-term strategy.

Risk and Audit Committee

The Risk and Audit Committee is responsible for preparing for board discussion and decisions on audits, financial reporting and risk management. The Committee is tasked with overseeing AP6's financial reporting and the effectiveness of internal control, the internal audit (as needed) and risk management. The Committee is also to stay informed about the audit of the annual accounts. Furthermore, the Committee is responsible for preparing proposals in connection with year-end accounts on valuation of the unlisted assets where no external basis for valuation exists (two holdings in 2024). It does so according to a pre-defined process. The Committee is also to meet with AP6's auditors to be informed about the audit and risk exposure. The Committee consists of two members from the Board, one of which is appointed as chair. The Managing Director, CFO and a person to take the minutes serve as co-opted members.

Remuneration committee

The Remuneration Committee is responsible for preparing for board discussions and decisions on remuneration principles, compensation and other employment terms for AP6's executive management. The Committee is to monitor and assess the application of the guidelines for the senior executives' employment terms adopted by the Board. These guidelines are based on the Government's guidelines from 2009. The Committee is to prepare proposals for a framework for the annual pay review for AP6 employees. The Committee meets in connection with the annual pay review and evaluations. It consists of two members of the Board, one of which is appointed as Chair. The Managing Director and Head of HR serve as co-opted members.

Sustainability committee

The Sustainability Committee is responsible for preparing for board discussions and decisions in matters relating to AP6's sustainability approach. The Committee is tasked with overseeing the processes for identifying and managing sustainability topics, including AP6's impact on the environment and society. It also prepares proposals for AP6's sustainability targets, and monitors and evaluates sustainability work, including

sustainability reporting. The Committee consists of two members from the Board, one of which is appointed as chair. The Managing Director, Head of Sustainability and a person to take the minutes serve as co-opted members.

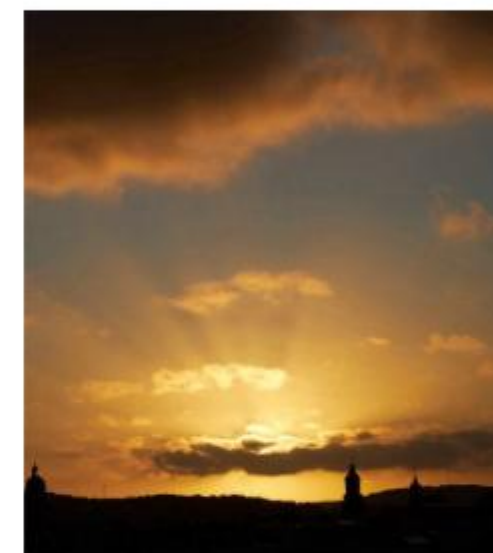
Fees, salaries and incentive schemes

Fees and other remuneration for the board members are determined by the Government. The annual fees are SEK 200,000 for the Chair, SEK 150,000 for the Vice Chair and SEK 100,000 each for the other board members. According to a Government decision (2004), the Board's committees may also receive fees set at a maximum of SEK 100,000 and allocated by the Board. In 2024 the fees for the Board's committees were allocated in the following amounts (in SEK): Risk and Audit Committee: chair 32,500, member 10,000/25,000. Sustainability Committee: chair 11,250, member 10,000. Remuneration Committee: chair 6,250, member 5,000. The composition of the committees and the fees paid were changed at the half-year mark. The Board decides on remuneration for the Managing Director and the salary framework for the other employees. Remuneration guidelines for AP6's senior executives were issued by the Government in 2009 and still apply. They state, among other things, that

no variable remuneration will be paid. Read more in Note 6. AP6 does not provide variable remuneration or incentive schemes for management or other employees.

Internal control

Internal control is a key aspect of a well-functioning and effective organisation. The Board is responsible for internal control. The Managing Director assists the Board and, if needed, an internal auditor may examine any specific areas identified by the Board for additional scrutiny. As AP6 has relatively few employees and there is no separate internal audit unit, external consultants are engaged to provide this expertise. The risks identified in the internal audit or in ongoing internal control processes are managed by initiating necessary activities in the process flow. The activities that are initiated or changed mainly relate to decision structures, authority and division of responsibilities, processes, control functions/duality and documentation. In 2024 the Fund's internal control was focused on information security. The Board will make a decision on the 2025 internal audit at the board meeting in June. Financial institutions are subject to rules issued by Finansinspektionen (FI – Sweden's financial supervisory authority) which



include requirements with respect to compliance and risk. AP6's activities are not under the supervision of FI. Taking into account the nature of AP6's activities and that it is a relatively small organisation, its various functions are divided between different units within the organisation. Responsibility for compliance work is shared between AP6's General Counsel (regulatory frameworks) and the CFO (financial reporting). Risk management is carried out by a risk controller who reports on an ongoing basis to the Managing Director, CFO and the Risk and Audit Committee. In some cases the CEO carries out risk management. If necessary, AP6

will seek assistance from external consultants on matters related to risk management. Executive management's risk analysis in 2024 was based on the same risk model as in 2022 and 2023. The Board made an additional assessment based on management's risk analysis. AP6 also has an external, anonymous whistleblower system that is available to all employees. Risk management is also integrated into ongoing investment activities.

Audit

AP6's auditors are appointed by the Government. The appointed auditors are Daniel Algotsson (PwC) and Peter Nilsson (PwC). Their term ends once the 2024 income statement and balance sheet have been adopted. The auditors' assignment includes examining operating activities, administration, the year-end accounts and the Annual Report. The auditors express their opinion on accounting documents and administration of the organisation based on their audit. Their assignment also includes reviewing whether AP6 follows generally accepted accounting and valuation principles and that the accounting documents prepared provide a true and fair representation of the Fund's operations. The auditors have also reviewed AP6's general IT controls.

In addition to the auditors' audit assignment, since AP6 has voluntarily chosen to prepare a sustainability report in accordance with the Annual Accounts Act as amended by SFS 2016:947 (which includes the Non-Financial Reporting Directive), the auditors also state whether or not a sustainability report has been prepared. The auditors provide an audit report on their review and report directly to the Board at least once a year. They also provide a written report on the administration and accounting audit at which point the Board is given an opportunity to ask questions of the auditors without executive management being present. The auditors' also provide an oral report to the Ministry of Finance once a year.

The Board's self assessment

The Sixth Swedish National Pension Fund Act (2000:193) prescribes that the Board is to carry out an annual assessment of how the Fund's assets are managed, i.e. a performance assessment. This result of the assessment is provided to the Government at the same time as the Annual Report and Audit Report are submitted. The evaluation is compiled in a separate report and this is available on AP6's website.

The Government's assessment

In addition to the Board's self assessment, the Ministry of Finance, at the request of the Government, carries out an annual assessment of AP6's activities. This assessment reviews performance in relation to targets and also examines sustainability efforts. An assessment is made of all the AP funds with assistance from external consultants. The written assessment report is presented to Sweden's Riksdag (parliament) and it will be published when the Government adopts the AP funds' income statements and balance sheets for 2024.



Governing bodies supporting the Managing Director's day-to-day administration:

Executive management provides support to the Managing Director in general strategic and organisational matters.

The Allocation Committee is a preparatory body within the investment department that prepares for decisions by the Fund Committee and Board. The Allocation Committee's task is to allocate assets within the investment portfolio based on the long-term portfolio strategy.

The Fund Committee is a decision-making body that prepares for and in some cases makes decisions based on proposals approved by the Allocation Committee. The Fund Committee is tasked with assessing whether proposed decisions are in line with the long-term portfolio strategy and with the sustainability guidelines. The Fund Committee also ensures that material due diligence issues have been addressed by the Allocation Committee. The Fund Committee thus has a controlling function and ensures duality in decision processes with the Allocation Committee. The Fund Committee approves investment decisions to be presented to the Board and makes final decisions as authorised by the Managing Director. The Fund Committee is also tasked with managing ethical issues relating to investment activities.

Remuneration levels, benefits and expenses

In 2009 the Swedish Government adopted guidelines for remuneration of the AP funds' senior executives. The overall purpose was to safeguard public trust in the AP funds. Below are remuneration guidelines as well as the outcome of the evaluation carried out in 2024 of remuneration levels for senior executives and other employees.

Government guidelines for the AP funds' senior executives

- The total remuneration package for the AP funds' senior executives is to be reasonable and balanced
- It is also to be competitive, capped and appropriate, while also promoting good ethics and a sound organisational culture
- Remuneration is to be moderate rather than at the highest level relative to comparable institutions
- No variable pay, i.e. bonuses, will be paid to senior executives
- Other employees may receive variable pay capped at the equivalent of two monthly salaries

The Board of Directors of AP6 has decided the following:

- The Government's guidelines are to apply to all personnel, not just senior executives
- No variable pay, i.e. bonuses, will be paid out

To the extent possible, AP6 is to aim to ensure that the guidelines are applied within companies where AP6 has direct ownership, taking into account market conditions.

Evaluation of AP6's remuneration levels

The Board's guidelines state that AP6 is to periodically conduct an evaluation of remuneration levels with a focus on salaries. An analysis was carried out in 2024 and no material changes have been made to the remuneration structure since then.

Evaluation results

The result of the 2024 evaluation showed that AP6's remuneration level for salary is in line with market norms but not at the highest level. The Board concluded that employee remuneration is reasonable and aligned with the Government's guidelines.

Entertaining and taxable benefits

AP6 has restrictive guidelines regarding entertaining and benefits. Both internal and external entertaining must be able to be motivated, reasonable, appropriate and moderate. Alcohol is not permitted as part of internal entertaining.

Attaining a balance between restrictive and attractive is important with respect to benefits. What AP6 offers is balanced and in line with the general guidelines.

Directors' Report

Directors' Report

The Board of Directors and the Managing Director of the Sixth Swedish National Pension Fund (AP6) hereby present the Annual Report for the Fund for the 2024 financial year. The Annual Report consists of the Directors' Report and accompanying income statement, balance sheet, specifications and comments on the year-end accounts.

General

The Sixth Swedish National Pension Fund (AP6) has the unique assignment, as a specialist fund within the Swedish pension system, to carry out investments in the market for unlisted assets (private equity market). The objective is to create long-term, high returns with adequate risk diversification to benefit the income-based pension system. AP6's active efforts over the years to select high-quality fund managers have resulted in many long-term relationships to create a portfolio which is based on fund commitments in combination with co-investments within the Buyout segment. Investments in venture/growth, which are associated with higher risk but also have higher return potential than in Buyout, are only made via funds. Investments are also made in the secondary market through commitments to secondary funds. Strategic and carefully considered allocation within the different segments creates adequate risk diversification to provide the right conditions for a high return.

Significant events during the year

Profit/loss

Net profit for 2024 amounted to SEK 6,363 million (2,077), equivalent to a return of 9.0 percent (3.0). The target return was -3.0 percent (see under "Target return"). Profit from investment activities, excluding the effect of currency hedges, was SEK 10,223 million, equivalent to a return of 15.2 percent. Of this profit, buyout accounts for SEK 8,736 million, equivalent to a return of 15.9 percent, venture/growth SEK 988 million, equivalent to a return of 10.6 percent and secondary SEK 499 million, a return of 17.5 percent.

Fund asset development

At inception at the end of 1996 AP6 started with fund assets of SEK 10.4 billion. By the end of 2024 this had grown to SEK 77.1 billion, which means the Fund has generated an accumulated profit of SEK 66.7 billion. This is equivalent to total value growth since the start of 641 percent and average annual growth of 7.4 percent.

Since 2003 the majority of AP6's capital has been invested in private equity. Analysis shows that during the years 2015–2024, i.e. over the past decade, fund assets have grown by SEK 53.5 billion, from SEK 23.6 billion to SEK 77.1 billion, most of which was generated with the Fund's current strategic focus. The increase is equivalent to average annual growth of 12.6 percent. AP6 is a closed-end buffer fund, which means it is not required to annually pay in or receive funds to balance the national pension system's payment flows. Profits are reinvested and any losses must be covered by the fund assets.

Commitment to future investments

Investing in private equity funds involves committing a pre-determined amount. The funds then receive instalments when they invest in companies. The typical investment horizon is five years, after which the fund transitions to managing and subsequently exiting by divesting its holding, at which point the return can be realised. The remaining capital committed

to the funds and co-investments totalled SEK 25.4 billion (24.7) as of year-end 2024.

Return target

The purpose of the return target chosen is to assess AP6's performance compared with other investors investing in unlisted assets over a longer period (five years). External return data to use for comparison is obtained from Burgiss, one of the leading suppliers of unlisted data on the market. The data is comprehensive and as of year-end 2024 included around 14,500 funds with a market value of around USD 12,000 billion. AP6's return is compared with the return of the median fund within the unlisted asset class. No geographical selection is made as AP6 has no such limitation in place. Furthermore, the data is based on the funds' reporting to their investors, which means that the return is calculated net of fees, making the data comparable for AP6's investors. Since AP6's profits are translated into Swedish kronor, the return target data is translated into the same currency. This means, however, that the target is impacted fully

by the currency effects, while the law requires AP6's assets to be 90 percent currency hedged. The return for the asset class should therefore be assessed with a longer perspective. This is described in the overall return analysis.

Unlike a traditional private equity fund, AP6 can neither request nor distribute capital. To manage these conditions, a liquidity buffer is needed for future investment commitments and also to manage the effects of currency hedges on liquidity. In order to make a fair comparison with the net return, the target needs to be adjusted for these variations. In a situation where AP6 is fully invested, the amount of the liquidity needed is assessed at around 10 percent of fund assets. The return target set for this liquidity is OMRX T-Bill, which is the internal target for AP6's liquidity management. The target calculation is therefore weighted and is 90 percent of the return target for the unlisted portfolio (Burgiss) and 10 percent of the return target for liquidity management (OMRX T-Bill).

Overall return analysis

AP6's net return during the year amounted to 9.0 percent, which can be compared with the target of -3.0 percent (see under "Return target"). The return on investment activities, i.e. the capital employed, amounted to 15.2 percent. The holding period in private equity is traditionally long and the return should be assessed over a period that includes multiple business cycles. AP6's net return (after costs) for the past ten and five years amounted to 12.6 percent and 15.5 percent respectively, which exceeds the ten-year target of 10.4 percent, and the five-year target of 7.0 percent.

The investment focus is mainly on mature companies where returns over time have been favourable. The returns over the past ten and five years in AP6's Buyout (mature companies) segment were 17.9 percent and 21.9 percent respectively. The corresponding development in the Venture segment including Growth is 20.9 and 18.8 percent respectively and for Secondary 15.7 percent and 17.3 percent respectively.

Significant events after the end of the financial year

On 6 February 2025 the Government submitted a referral to the Council on Legislation proposing that the Sixth Swedish National Pension Fund (AP6) be incorporated into the Second Swedish National Pension Fund (AP2) and that the assets be transferred.

The proposed date for the amendment to go into effect is 1 January 2026. Under the proposal, AP6 will continue its operations in a different format.

Investment activities

AP6's operations are divided into investment activities and liquidity management. The focus of investment activities is divided between buyout, venture/growth and secondary. As the growth portfolio is relatively limited in size at this point, it is included as part of venture. Liquidity management addresses payment liquidity and investing surplus liquidity in equity funds and fixed-interest funds.

Investments in buyout

The market value of assets within buyout amounted to SEK 60.5 billion (55.8) at the end of 2024 and profit for the year before internal costs amounted to SEK 8,736

million (3,242). Profit for the year represents a return of 15.9 percent (5.9). The assets measured at market value within fund investments amounted to SEK 34.0 billion (30.1) and profit for the year before internal costs amounted to SEK 3,552 million (725). The profit represents a return for the year of 11.8 percent (2.4). The profit was positively impacted primarily by realising assets at a higher value than the opening market value. Commitments were made within Buyout for a total of SEK 3.4 billion during the year.

The assets measured at fair value within fund investments amounted to SEK 26.5 billion (25.7) and profit for the year before internal costs amounted to SEK 5,184 million (2,517). The profit represents a return for the year of 21.1 percent (10.2). Profits were above all positively impacted by the 2024 revaluations. Although there were no disbursements for new investments in 2024, at the end of the year an investment totalling SEK 275 million was signed and this amount is therefore included in committed capital as of year-end. The total return within buyout for the past 10 years was 17.9 percent and for the past five years, 21.9 percent.

Investments in venture and growth

The assets measured at market value that are invested through funds in the Venture

and Growth segments amounted to SEK 10.8 billion (9.1) and profit for the year before internal expenses amounted to SEK 988 million (-1,422). Profit in this segment represents a return for the year of 10.6 percent (-13.9). Commitments were made within venture and growth during the year for a total of SEK 1.7 billion. The total return for venture and growth for the past ten years was 20.9 percent and for the past five years 18.8 percent.

Investments in secondary

Most of the investments are made in primary funds, but some are made in the secondary market through commitments to secondary funds. The assets measured at fair value that are invested through funds within this segment amounted to SEK 3.6 billion (2.8) and profit for the year before internal costs amounted to SEK 499 million (34). No commitments were made within secondary during the year. Profit in this segment represents a return for the year of 17.5 percent (1.4). The total return within secondary for the past ten years is 15.7 percent and the past five years, 17.3 percent.

Liquidity management

Liquidity at year-end 2024 was SEK 3.7 billion (1.1). This portion of AP6's assets is

not invested within AP6's investment activities. Profit/loss from liquidity management as a whole amounted to SEK 44 million (134).

Part of the liquidity is intended as short-term payment liquidity and is in the form of bank balances. Alternatively, a certain portion can be managed with low risk and good risk diversification by investing in highly liquid, interest-bearing securities. Within AP6's investment activities the amount set aside for payment liquidity is typically equivalent to one to three months' net outflow. Liquidity management is carefully monitored and future cash flows are estimated in both short-term and long-term forecasts. It is particularly important to pay attention to the risks as AP6 is a closed-end fund and the lead times for investments in unlisted assets are long. There is also a legal requirement of a maximum currency exposure of 10 percent, which at times when SEK is weak results in significant negative liquidity effects.

In cycles in activities that generate surplus liquidity, the portion not set aside for payment liquidity is invested with a higher risk. This is done by investing 30 percent in five geographically diverse and passive

share indexes. The remainder is invested in external fixed-interest funds with a good interest-rate and credit risk balance. With the current diversified exposure to shares and interest rates, asset management is considered well-diversified.

Management costs

The costs are divided into external and internal management costs as well as shared costs (Note 4 and 5). Internal management costs include personnel expenses and other costs that are directly related to investment activities. AP6's costs in 2024 amounted to SEK 105 million (104), of which SEK 42 million (43) is related to investment activities and liquidity management, and SEK 63 million (61) to shared costs. Shared costs include personnel expenses for the Managing Director, joint specialist functions as well as costs for premises, external services purchased, IT and general office expenses. As AP6's operations are not subject to VAT, the VAT included is also a cost item for the Fund. External management costs relating to investment activities are expensed as incurred and recognised in unrealised gains/losses. These costs totalled SEK 1,096 million (919), of which SEK 1,077 million (916) can be attributed to fund

management costs. Fund management costs represent 1.5 percent (1.4) of the total managed assets within funds, which at year-end amounted to SEK 72.6 billion (66.0). The amount includes present market value as well as remaining committed capital. The management costs in SEK normally increase in proportion to the amount of managed assets. The cost of credit facilities are included in external management costs. The purpose of the credit facilities is to ensure payment liquidity for commitments made and they need to be increased as the portfolio of illiquid investments grows. For 2024 these costs amounted to SEK 7.9 million.

Organisation and employees

At year-end 2024 AP6 had 29 employees (32). All of the skills and expertise necessary for successful implementation of the portfolio strategy (buyout, venture, growth and secondary) are represented within the investment organisation. There is an established governance structure in which various investment-related processes are reviewed by the Allocation Committee and the Fund Committee (See "Fund Governance Statement" for more information). Executive management consists of team leaders, which

promotes good dialogue and cooperation in the governance of AP6. The investment department also receives support from the legal, financial, risk, business control, sustainability, HR and IT units. The head office is registered in Gothenburg. Additional information on employees is presented in Note 6. AP6 is state-owned and reports to the Ministry of Finance. For more information on AP6's organisational structure and employees, please refer to the website, www.ap6.se/en.

Performance on goals and targets

The Sixth Swedish National Pension Fund Act (2000:193) prescribes that AP6's Board is to perform an annual assessment of how the Fund's assets are managed in the form of a performance assessment. This result of the assessment is provided to the Government at the same time as the Annual Report and Audit Report are submitted. The evaluation is compiled in a separate report and this is available on AP6's website.

The Government's assessment

At the Government's request the Ministry of Finance carries out an annual assessment of AP6's activities. This is done for all AP funds with assistance

from external consultants. This assessment is presented in the form of a written report to Sweden's Riksdag (parliament) and is published when the Government adopts the income statement and balance sheet for the year, which normally takes place in May of the following year. The assessment mainly reviews the target returns set by the Board and to what extent the investment activities have reached these targets. It also includes general analysis of the effectiveness of the AP fund system. The most recent report is available on the websites of the Government and AP6.

Responsible investment

Integrating sustainability into investment activities is essential in order to generate a long-term, high return on the pension assets that AP6 is assigned to manage. Sustainability is further considered in order to meet the legal requirements set out in the Sixth Swedish National Pension Fund Act (2000:193) as well as in the Swedish Environmental Code, which includes applying a precautionary approach. Since 2022 exemplary management through responsible investment and ownership has been part of AP6's mission through an addition to the Sixth Swedish National Pension Fund Act (2000:193). AP6 bases

its efforts to ensure responsible investment on the international frameworks and agreements that define sustainability and that are expressed in the Swedish Government's principles on human rights, democracy and sustainable development. AP6 is a signatory of the UN Principles for Responsible Investment (PRI) and the Ten Principles of the UN Global Compact on human rights, labour, the environment and anti-corruption. The Fund has committed to act according to these principles. There are processes in place for scrutinising and setting criteria for sustainability – both ahead of an investment and during the ownership phase. Regardless of the type of investment, there are to be models in place for establishing criteria and for monitoring and control processes, as well as for reporting deviations and acting to address them. The Board's Sustainability Committee reports on sustainability-related matters to the Board. The Board adopts sustainability targets annually. Sustainability reporting according to the Global Reporting Initiative (GRI) takes place annually. The Fund also reports according to the PRI reporting process. In 2024 the established practice of integrating sustainability into investing activities continued based on the

organisation's plans and goals. Following up on the 2024 sustainability targets shows continuous progress towards the targets within all areas, except for gender equality and diversity where no positive development could be demonstrated at the portfolio level in 2024.

AP6's financial instruments and impact on profits

The International Financial Reporting Standards (IFRS) form an internationally accepted regulatory framework. AP6 is constantly evaluating ways in which the Annual Report can be changed and improved to fairly and transparently represent AP6's operations and organisation.

Under IFRS, substantial disclosures regarding financial instruments are to be provided. Disclosures according to IFRS 7 are aimed at enabling readers to judge the financial instruments' significance to AP6's financial position and profits, as well as the nature and scope of the financial risks associated with the holdings and that AP6 is thus exposed to.

Fair value hierarchy SEK m	Level 1	Level 2	Level 3	Total Fair Value
Shares and participations	56	–	74,659	74,715
Interest-bearing securities	–	–1,275	274	–1,001
Cash	3,854	–	–	3,854
Closing balance 31 December	3,910	–1,275	74,933	77,568

- Level 1) Quoted prices are available for similar assets or liabilities in active markets.
- Level 2) Financial instruments that do not belong to level 1 instead belong to level 2 if there are quoted prices on inactive markets or if the value can be derived from listed prices (currency derivatives).
- Level 3) In these cases there is no observable market data that can be used for the asset.

Above is a description of how the financial instruments affect profits and financial position, which risks are associated with current holdings and how these are managed. Under the Sixth Swedish National Pension Fund Act (2000:193) financial instruments are to be measured at fair value.

For a financial instrument this is defined as the price that would be received to transfer an asset or paid to settle a liability in an orderly transaction between knowledgeable participants who are independent of each other and have an interest in the transaction being completed. AP6 measures its assets at fair value according to the following fair value hierarchy: The levels are based on the market data available at the time of measurement.

Change in level 3* SEK m	Buyout	Venture/ Growth	Secondary	Total
Opening balance, 1 January	55,797	9,099	2,785	67,681
Investments	4,061	1,002	817	5,880
Changes in value	6,998	787	433	8,218
Sales	–8,084	–453	–523	–9,060
Exchange differences and other	1,736	390	88	2,214
Closing balance 31 December	60,508	10,825	3,600	74,933

* Level 3 does not include derivatives for currency hedging and accordingly the balance may differ slightly from the figures stated in the text. In addition, co-investments are adjusted for listed holdings.

As the table above shows, most of AP6's invested assets are in level 3. This means that in many cases there is no market data available when measuring the assets. Measurement at fair value of externally managed assets, such as fund investments and co-investments, is ensured because European and US funds base their measurements on the International Private Equity and Venture Capital Valuation Guidelines (IPEV) or similar guidelines. The globally accepted IPEV provides valuation guidelines for investors who need to put a market value on their investments in accordance with accounting principles in IFRS or US-GAAP (IFRS 13 and ASC 820 respectively). To arrive at a value that is as reasonable as possible, the emphasis of the various measurement methods may differ somewhat, mainly depending on the maturity of the companies. The key measurement method within the Buyout segment is the multiples approach for comparison with peer groups. The peer groups are a cluster of similar companies, often listed ones, that are similar to the entity to be valued. An upturn in the stock market is likely to

result in higher multiples, which thereby also results in higher valuations in an unlisted portfolio. The reverse is true in the case of a downturn on the stock market. Another common measurement method consists of models linked to discounted future cash flows. In all cases, AP6 aims to obtain a value for the investments based on an account statement from the funds. Measurements are only made internally for a couple of investments within Buyout, and these are based on the methods described above. Within venture and growth, measurement is based mainly on the most recent round of capital as there are often no comparable listed companies. For example, a substantial issuance of shares or a divestment outside of the existing group of owners provides a good indication of the market value. In times when there is less access to capital in the market, which often happens in connection with rapid changes in the economic environment, companies try to avoid raise new capital if possible. This leads to fewer occasions to determine market value and can therefore result in some remeasurement delays. The funds report market value at the end of each quarter and AP6's year-end accounts are therefore based on amounts reported in the third quarter. The 2024 profits are therefore based on reports from the beginning of the third quarter of 2023 to the end of the third quarter of 2024, which means that the profits include four quarters but with a one-quarter lag.

Where there are listed holdings owned directly by AP6, the actual market price at the closing of the books is used. There is thus no element of estimation when measuring this type of investment.

Risks AP6 is facing

Every year AP6 carries out a full risk assessment which involves identifying the risks associated with its operations. Each area of risk has its own risk drivers and these are analysed. This is followed by a discussion of the respective risks and the likelihood of them occurring, and of what impact they could have on the organisation. An assessment is then made of any mitigating factors that exist and if the net risk is acceptable. Reports are provided to executive management and to the Risk and Audit Committee, or in the case of sustainability risk, to the Sustainability Committee. As with all organisations there are many different types of risk to manage. Below are the six risks that are considered the most material for AP6 from a business perspective.

Market risk: Market risk is the risk that a fair value or future cash flow from an investment will fluctuate due to changes in the market. The main market risks affecting AP6 are share price, currency and interest rate risk. Both investments in funds and co-investments are exposed to these risks and they are therefore constantly monitored. The maximum risk exposure permitted for AP6's market value assets is 10 percent. AP6 therefore uses

derivatives to hedge currency risk. At year-end 2024 AP6's assets measured at market value in foreign currency amounted to SEK 70,040 million (63,691), of which assets in USD were the single largest category with a market value equivalent to SEK 28,822 (25,061). Of the total market value, SEK 54,277 million (53,508) was currency hedged. Over the past two years, new fund commitments have also been currency hedged to ensure that the extent of the commitment in Swedish kronor is known at the time of the investment decision. At year-end, remaining committed capital equivalent to SEK 8,826 million (4,272) was currency hedged. Currency exposure is calculated in relation to total assets, providing a currency exposure of 9.0 percent (8.5) in relation to the fund capital.

Credit and counterparty risk: This arises as an effect of a company's or a fund's inability or unwillingness to fulfil its contractual obligations or other commitments, which can then lead to losses. In these cases AP6 works on diversifying the portfolio so that the exposure to individual holdings is never too high. This risk is also managed when the Board of Directors every year determines the focus of future allocation plans.

Liquidity risk: This risk can best be described as the risk of a financing crisis. Liquidity risk can arise when assets, liabilities and commitments have different maturities. Since AP6 has no inflows to or outflows from the pension system, the Fund only needs to take into account its own investment activities. Unlike other buffer funds there is nothing in the law governing the amount of capital that is to be invested with low liquidity risk. AP6's liquidity reserve target should normally be 5–10 percent of the Fund's total managed assets. There are also credit facilities available for use if financing needs arise.

Performance risk: This is the risk of a holding not developing according to established targets in, for example, an ownership or business plan. AP6 monitors its investments by being an active owner and aims to have representation on the funds' advisory boards. AP6 has board representation within individual companies but it is usually percentage of ownership that determines if this is possible. The financial development of the investments is monitored continually and reported in various forums internally.

Operational risk: This is the risk of economic losses due to human error, inadequate processes, external events or faulty systems. AP6 manages this risk by, among other things, keeping track of and documenting various process flows. Ongoing opportunities for individual professional development are also provided.

Sustainability risks: This risk exists in all types of operations, but for AP6 it mainly consists of exposure from investments in funds and companies. Sustainability risk can vary depending on the fund's or the company's operations and geographical location, and may include risk of human rights or labour violations, corruption risk, environmental risk or climate risk. AP6 manages sustainability risk by systematically reviewing and assessing exposure before entering into an investment and then continuing to monitor it throughout the ownership phase. The risks are also managed by the Board of Directors annually establishing and following up on targets for AP6's systematic sustainability work. More details about AP6's sustainability risk and how it is managed are available on page 99.

Development of AP6 2015–2024 (10 years)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return development, %										
Return development, %	12.2	6.5	12.3	9.6	8.2	20.4	49.1	1.9	3.0	9.0
Return target ¹	15.4	10.5	16.2	-0.6	31.4	15.5	14.6	20.9	-1.9	-3.0
Unlisted benchmark ²	6.9	8.3	6.6	13.1	7.1	-3.8	-	-	-	-
Fund assets, SEK bn	26.4	28.1	31.6	34.7	37.5	45.2	67.3	68.6	70.7	77.1
Return summary, SEK m										
Return before costs	2,994	1,827	3,587	3,143	2,953	7,738	22,273	1,414	2,181	6,468
External management costs	-21	-13	-31	-8	0	0	0	0	0	0
Internal management costs and joint costs	-106	-92	-86	-93	-95	-89	-98	-104	-104	-105
Profit/loss for the year	2,867	1,722	3,470	3,042	2,858	7,649	22,175	1,310	2,077	6,363

1. Benchmark index: 2012–2020 Listed benchmark target return SIX Nordic 200 Cap GI +2.5 percent. As of the beginning 2021 unlisted benchmark target return, median fund within all unlisted strategies and geographies, adjusted for liquidity requirement of 10 percent of fund assets.
2. Burgiss Europe, median all assets. Adjusted for normalised liquidity. New target replaces benchmark from start of 2021.

AP6's profit/loss and fund capital by segment

SEK M	2020	2021	2022	2023	2024	Total	Return before costs, % 2020–2024	Assets measured at market value 2024-12-31
Buyout	6,974	16,600	7,029	3,242	8,736	42,581	21.9	60,507
Venture/Growth	748	4,293	303	-1,422	988	4,910	18.8	10,826
Secondary	-139	1,018	504	34	499	1,916	17.3	3,600
Liquidity management and risk management	155	362	-533	134	44	162	-	3,715
Shared assets, net ¹	-	-	-5,889	193	-3,799	-9,495	-	-1,565
Internal management costs	-40	-42	-38	-43	-42	-205	-	-
Shared costs	-49	-56	-66	-61	-63	-295	-	-
Total	7,649	22,175	1,310	2,077	6,363	39,574	15.5	77,083

1. As of the beginning of 2022 the profits for Buyout, Venture/Growth and Secondary are reported excluding currency hedges. The result from currency hedging and the market value of currency futures are recognised with other assets on the line "Shared assets, net".

Income statement

SEK m	Note	2024	2023
Investment activities			
Net profit from listed shares and participations		141	360
Net profit from unlisted shares and participations	2	6,130	1,706
Share dividends		124	61
Other financial income and expense	3	73	54
Management costs	4,6	-42	-43
Shared costs	5,6	-63	-61
Profit/loss for the year		6,363	2,077

Balance sheet

SEK m	Note	2024-12-31	2023-12-31
Assets			
Investment assets			
Shares and participations in listed companies and funds	7,8	56	53
Shares and participations in unlisted companies and funds	7,9	74,659	67,339
Interest-bearing securities	7,10	274	341
Total investment assets		74,989	67,733
Receivables and other assets			
Derivatives for currency hedging		232	2,757
Other current receivables	11	14	5
Prepaid expenses and accrued income	12	76	39
Cash and cash equivalents	7	3,854	1,213
Total receivables and other assets		4,176	4,014
Total assets		79,165	71,747
Fund assets and liabilities			
Fund assets			
Initial capital		10,366	10,366
Retained earnings		60,354	58,276
Profit/loss for the year		6,363	2,077
Total fund assets		77,083	70,719
Current liabilities			
Derivatives for currency hedging		1,507	601
Accrued expenses	14	372	293
Other current liabilities	15	203	134
Total current liabilities		2,082	1,028
Total fund assets and liabilities		79,165	71,747

Notes

All figures are stated in millions of kronor (SEK) unless otherwise indicated.

Note 1 Accounting principles

The Sixth Swedish National Pension Fund (AP6) complies with the provisions in the Sixth Swedish National Pension Fund Act (2000:193). This Act entered into force on 1 January 2001. The Annual Report has been prepared in accordance with generally accepted accounting practices. Pursuant to the Act that governs AP6, all investments are to be measured at fair value in AP6's accounts. No changes were made to AP6's accounting principles in 2024. As indicated in the Directors' Report, on 6 February 2025 the Government submitted a referral to the Council on Legislation proposing that the Sixth Swedish National Pension Fund (AP6) be incorporated into the Second Swedish National Pension Fund (AP2) and that the assets be transferred. The Government's proposal has not had any impact on the accounting principles applied.

Accounting according to IFRS

IFRS constitutes a set of internationally accepted standards and AP6 therefore continually evaluates any changes taking place in this area. AP6 meets the criteria to be defined as an investment entity according to IFRS 10. For each individual

standard, AP6 makes a determination of what is applicable and then assesses which disclosures to present so that an external reader can obtain a true and fair view, while also ensuring that the Annual Report is clear and comprehensible. It has been determined that profit for the year has been reported according to IFRS. Similar to other AP funds, no cash flow analysis is prepared and presented in the Annual Report. This is an exception from IFRS.

Accounting and measurement of unlisted securities

Pursuant to the law, AP6's investments are to be measured at fair value. These measurements – both internal and external – are carried out according to generally accepted practices for unlisted assets with guidance from the guidelines and recommendations of the International Private Equity and Venture Capital Valuation Board (IPEV), www.privateequityvaluation.com. Measurement at fair value of externally managed assets, such as fund investments and co-investments, is ensured because European and US funds base their measurements on the International Private Equity and Venture Capital Valuation

Guidelines (IPEV) or similar guidelines, and their annual financial statements are consistent with the accounting principles in IFRS 13 or GAAP's ASC 820 standard. In a few cases AP6 measures value using its own assessments, which are made at the end of the year. The emphasis is on the companies whose value in relation to the total portfolio is significant. Measurement of unlisted holdings involves a significant degree of judgement, and any changes in the assumptions made can have a material effect on results. In its own measurements AP6 tries to determine which combination of measurement methods is the most appropriate to show the fair value of the investments and thus an accurate outcome. From a time perspective, the Annual Report is based on the most recently available and most reliable information. AP6 is required by law to present its Annual Report in February and at that time there are no year-end valuations of fund investments and co-investments available. It is not possible for AP6 to make its own assessment of the value of these holdings and, accordingly, the year-end accounts are based on reporting from the external fund managers as of the third quarter. In all instances the

valuations are subsequently adjusted to reflect the cash flows up to the end of the year. However, for the companies where AP6 establishes a value, the following valuation methods are applied:

Price based on the most recent round of investments

AP6 has investments that involve third-party transactions. If such transactions have taken place during the financial year, this constitutes a key component in the measurement process. Share issues in which only existing shareholders may participate (so-called internal rounds) are also taken into account. If, in connection with internal rounds, there is an indication that a writedown is needed, a more detailed analysis is carried out. If the company has attempted to involve an external party but has failed, this can indicate that there is very limited interest in the company. In such cases a writedown of the holding is considered. In all cases, events that take place between the date of the transaction and the reporting date are taken into account.

Discounted cash flow

This method involves a valuation of the company based on discounted future cash

flows. A deduction is then made for interest-bearing net debt. The future flows are measured at their present value based on a risk-adjusted interest rate. The return requirement used in the model and thus also for the investment is to be equivalent to the average anticipated return in the market for a portfolio with an equivalent risk profile and investment horizon. In cases where, on the measurement date, the investment is not yet showing a positive cash flow and no alternative measurement to obtain a more accurate value has been performed, a more cautious assessment of the company's value is made. In this case, the market value of the investment usually corresponds to its value at acquisition or below.

Net asset value (NAV) method

This method is well suited for real estate or financial firms whose value mainly consists of net assets. The value of comparable listed companies is then also taken into account in terms of premium or discount NAV.

Multiples approach

This measurement method is the most common one used and is based on multiples such as EV/EBITDA and EV/sales. The multiples approach is traditionally easier to apply in the case of mature

companies as there are often more listed peer groups to access. For individual, smaller companies it may be hard to find suitable peer groups to apply the multiples approach. This often leads to a more cautious valuation which is instead based on a discounted cash flow or the price in the most recent round of investments.

Other accounting principles

Revaluations of unlisted holdings are recognised under the heading "Net profit from unlisted shares and participations" in the income statement and are also described in detail in Note 2. Purchases and sales of financial instruments are recognised on the transaction date. Convertible loans are included in the item "Shares and participations in unlisted companies and funds" and recognised at amortised cost. Cost of a fund refers to all payments made, excluding external management costs. External management costs are expensed and recognised as part of the unrealised change in value for the year described in Note 2. The total amount is also presented in the text in Note 4. Expenses relating to the external credit facilities are also recognised as external management fees. AP6 is entitled by law to obtain such credit facilities to meet temporary capital requirements. Changes in value of unlisted securities – both

realised and unrealised – are recognised through profit or loss and are included in profit for the year. The realised gains/losses represent the difference between the proceeds from the sale and the carrying amount on the divestment date. AP6 manages some individual investments through dedicated holding companies. When a holding company's holding is sold, the entity is revalued to the transaction value. Once a dividend is disbursed and payment is received by AP6, the unrealised gain/loss is reversed. Usually a dividend can only be issued after a certain period of time once the holding in the holding company has been sold. Thus, AP6 may communicate the sale of an investment even though no dividend has been received.

Accounting and measurement of listed securities

Assets in which the Fund's capital is invested are recognised in the Annual Report at fair value. The listed class of assets consists of shares, derivatives and fund units. Fair value is based on quoted prices when the market closes on the last trading day of the year. Transactions involving spot rates, options, forward contracts and swaps are recognised when the material risks and rights associated

with them are transferred from one party to another, i.e. on the transaction date. This principle applies to transactions on the money and bond markets as well as on the stock market. The cost of acquiring shares and other securities includes brokerage fees and other direct costs in connection with the purchase. The averagecost basis method is used to calculate realised gains and losses. The last price paid on the last trading day of the year is primarily used for this measurement. If in special circumstances on a certain market, the closing price (price paid) is not considered representative, the price at a different point in time may be used to measure fair value. Positions in derivatives are measured at fair value and recognised in a separate item. Changes in value – both realised and unrealised – are recognised through profit or loss and are included in profit for the year. A capital gain or loss is the difference between proceeds from a sale and the cost of acquisition. This is the gain or loss arising upon the sale of investment assets.

Accounting and measurement of interest-bearing securities

The extent of investments in interest-bearing securities varies in line with changes in a fund's liquidity reserve, the

size of which depends on the purchase and sale of holdings. When interest-bearing securities are purchased, the asset is recognised in the balance sheet under the item "Other interest-bearing securities". Any interest accrued as of the date of the acquisition is recognised as accrued income. Quoted prices are available for all interest-bearing securities in which AP6 invests, other than account deposits. All assets are to be measured at market value and any changes in value are to be recognised in the income statement including any accrued interest, as described in Note 3 "Other financial income and expense".

Management costs

AP6's management costs are divided into external and internal management costs as well as shared costs. External management costs that refer to management fees for listed and unlisted holdings, as well as expenses relating to external credit facilities, are recognised through profit or loss and included in unrealised gains/losses. Neither management fees nor acquisition costs for investments are capitalised. Internal management costs, which are mainly the cost of AP6's own employees working on investments, are expensed on an ongoing basis together

with shared costs, which are mainly personnel expenses relating to the Managing Director and those in joint specialist roles, as well as the cost of premises, IT systems and general office expenses. Internal and external management costs are recognised separately as presented in Note 4 and 5. Performance-based remuneration is not included in external management costs but instead reduces the capital gain from assets under management. No such remuneration was paid out in 2024.

Other accounting principles

No consolidated accounts have been prepared as shares and participations in subsidiaries are to be measured at fair value. AP6 is a public sector agency and as such is not a legal entity. It is therefore not a parent company either. Receivables are recognised at the amounts that are expected to be received. Liabilities are measured at amortised cost. Equipment purchases are expensed as they occur. Realised and unrealised gains or losses are recognised net in the income statement. The amounts presented in notes are gross. AP6 is exempt from income tax and VAT. AP6 is, however, required to pay tax on purchases of foreign goods and services. Input VAT may not be deducted but is

recognised as an operating cost. The Fund's assets consist of initial capital and retained earnings. The initial capital consists of transfers from the former Fondstyrelserna 1–3 national pension funds, as well as SEK 366 million from the phasing out of funds 92–94. AP6 is not required to pay into or receive payments from the pension system.

Related parties

Related parties are defined as the companies or funds where AP6 has a holding of at least 20 percent and/or over which it has a significant influence. Key individuals in senior positions are also defined as related parties. Participating interests in companies and funds are presented in Note 9. Information on remuneration to senior executives is presented in Note 6. Remuneration has been evaluated by an external consultant who concluded that the remuneration levels are reasonable and follow government guidelines. All transactions between companies and funds are conducted on market terms as part of AP6's investment activities.

Investment commitments

When investing in a private equity fund a contractual commitment is made to invest a certain amount of capital. The capital is invested over time and sums are disbursed as investments are made. The holdings are presented in Note 9 where funds have been disbursed and the cost of acquisition has been determined. The difference between committed capital and disbursed funds, known as contributed capital, plus any amounts for reinvestment, is recognised as a commitment and presented in Note 16.

Note 2 Net profit from unlisted shares and participations

	2024	2023
Realised		
Income from divestments	9,673	8,652
Invested assets	-5,541	-4,798
Reversal of change in value on divested holdings	-3,886	-3,450
	246	404
Unrealised		
Change in value for the year	7,102	2,702
Exchange rate difference	-1,218	-1,400
	5,884	1,302
Total	6,130	1,706

Note 3 Other financial income and expense

	2024	2023
Interest income	77	52
Interest expense	-	0
Exchange rate difference	-4	2
Total	73	54

Note 4 Management costs

	2024	2023
Internal management costs		
Personnel expenses	38	40
Other external services	0	0
Travel expenses etc.	2	1
VAT charged	1	1
Other expenses	1	1
Total	42	43

There were no performance-based expenses in 2024 (-).

External management and acquisition costs attributable to holdings in unlisted funds and co-investments amount to SEK 1,077 million (961) and SEK 19 million (3) respectively. This item also includes expenses for external credit facilities which amounted to SEK 8 (14) million in 2024. At the end of the year all management costs had been expensed and recognised in the income statement. These are recognised in change value of unrealised holdings for the year as presented in Note 2.

Note 5 Shared costs

	2024	2023
Personnel expenses	40	38
Cost of premises	7	7
IT costs	6	7
External services	2	2
Management costs	2	1
Travel expenses etc.	0	0
VAT charged	3	3
Other expenses	3	3
Total	63	61

Shared pension costs include costs for the Managing Director and the support units.

Management costs include fees paid to accounting firms in the amount of:

	2024	2023
Audit assignment		
Statutory audit (PwC)	0.7	0.7
Other audit assignments (PwC)	-	-
Total	0.7	0.7

Note 6 Personnel

Government guidelines for employment terms for senior executives

In 2009 the Government issued new guidelines containing employment terms for senior executives of the AP funds.

The guidelines cover areas such as removal of variable remuneration, limitations on pension benefits and rules on the retirement age. The guidelines also cover other employees with the exception that it is permitted to pay variable remuneration to employees who are not senior executives. AP6 does not, however, apply this exception and does not pay variable remuneration. Executives in the senior executives category are defined as members of the AP6 executive management. The Board of Directors' guidelines for employment terms for senior executives and other employees of AP6 are published at www.ap6.se (Swedish only).

Rules applied for remuneration and benefits in 2024

The Board of Directors decides on overall annual salary adjustments and any variable remuneration. Remuneration levels are compared with market levels on a regular basis. The Board has determined that remuneration and benefits for AP6's senior executives and other employees are reasonable, moderate and competitive.

All employees are covered by collective bargaining agreements between Bankinstitutens Arbetsgivareorganisation (BAO, an association of employers in the financial sector) and various unions who are members of the Swedish Confederation of Professional Associations (SACO).

Salaries and benefits

Salaries, fees and benefits paid to the Board of Directors, Managing Director, other senior executives and other employees are presented in the table on page 82.

Remuneration to senior executives is presented separately under another heading.

Pensions

Both the Managing Director and other senior executives have the right to retire at age 65. The Managing Director has individual pension insurance at a cost equivalent to 30 percent of fixed monthly salary. Other senior executives have a defined contribution pension plan, at a cost equivalent to 30 percent of fixed monthly salary. AP6 does not have any commitments with respect to future pensions and pension terms.

Severance pay

Employment terms are negotiated on an individual basis. If employment is terminated by AP6 a period of notice not exceeding six months applies, with salary and benefits remaining unchanged during that period. According to the Board's guidelines, an executive may receive severance pay equivalent to a maximum of 18 monthly salaries, but AP6's policy is severance pay equivalent to no more than six monthly salaries. Exceptions from this policy may apply in the case of older employment contracts. Severance pay is paid out monthly and consists of the fixed monthly salary without additional benefits. Deductions are made for remuneration received from other sources during the period when the severance pay is paid out.

Incentive schemes

AP6 does not have any incentive schemes for senior executives or other employees.

Decisions on fees and remuneration

Board fees are determined by the Government. These fees amount to SEK 200,000 annually for the Chair, SEK 150,000 for the Vice Chair and 100,000 each for other board members. According to a Government decision, a separate fee totalling SEK 100,000 is paid for committee work. Other than board fees and separate fees for committee work, no other remuneration is payable to AP6's Board. On an annual basis the Board establishes the Managing Director's salary and the employees' general pay development as well as any incentive schemes. AP6 does not, however, have any such schemes.

Remuneration to the Board of Directors

In 2024 fees were paid to the board members. These fees break down as follows: Catrina Ingelstam SEK 211,250, Karin Reuterskiöld SEK 111,250, Åsa Knutsson SEK 125,000, Alexander Ljungqvist SEK 132,500 and Bengt Hellström SEK 170,000.

Remuneration to senior executives

According to government guidelines, salaries and other remuneration, pension expenses and other benefits for senior executives other than the Managing Director are also to be accounted for separately. At the end of 2024 the Managing Director and senior executives whose remuneration was accounted for separately were Katarina Staaf, Cecilia Gross Friberger, Jonas Lidholm, Karl Eidem, Henrik Dahl, Anna Follér och Karl Falk. Total salaries and remuneration accounted for separately based on the order named above are as follows: SEK 3.9 million, SEK 2.4 million,

SEK 2.2 million, SEK 2.2 million, SEK 2.1 million, SEK 1.9 million and SEK 0.2 million.

Pensions excluding payroll tax are accounted for separately as follows: SEK 1.1 million, SEK 0.7 million, SEK 0.7, SEK 0.6 million, SEK 0.6 million, SEK 0.6 million and SEK 0.06 million. In addition to salaries, other remuneration and pensions, the following benefits were received: SEK 18,000, SEK 18,000, SEK 18,000, SEK 16,000, SEK 29,000, SEK 15,000 and SEK 1,500.

		2024	2023
Average number of employees	Women	15.7	16
	Men	14.7	16
		30.4	32
Number of employees*	Women	16	16
	Men	13	16
		29	32
Board of Directors	Women	3	3
	Men	2	2
		5	5
Executive management	Women	4	4
	Men	3	3
		7	7

* The full-time/part-time categories are not reported due to the exemption rule in the law, which states that this information is not to be disclosed if it can be linked to a specific individual.

	2024	2023
Salaries and fees		
Chair of the Board	0.2	0.2
Board excluding Chair	0.5	0.5
Managing Director	3.9	3.7
Executive management		
excluding Managing Director	11.0	10.5
Other employees	28.0	29.2
Total	43.6	44.1
Other benefits		
Managing Director	0.0	0.0
Executive management		
excluding Managing Director	0.1	0.1
Other employees	0.6	0.6
Total	0.7	0.7
Pension costs		
Chair of the Board	-	-
Board excluding Chair	-	-
Managing Director	1.1	1.1
Executive management		
excl. Managing Director	3.3	3.2
Other employees	9.2	9.4
	13.6	13.7
Social security costs including payroll tax excluding pension expenses	17.1	17.1
Personnel expenses – Total	75.0	75.6

Note 7 Financial assets and liabilities by category

	Measured at fair value through profit or loss	Derivatives at fair value through profit or loss	Loans and other receivables/ liabilities	Total carrying amount	Fair value
2024					
Financial assets at fair value	74,715	232	274	75,221	75,221
Other current assets	-	-	90	90	90
Short-term investments	-	-	-	-	-
Cash and bank balances	3,854	-	-	3,854	3,854
Total financial assets	78,569	232	364	79,165	79,165
Accounts payable	-	-	3	3	3
Other liabilities	-	1,507	572	2,079	2,079
Total financial liabilities	-	1,507	575	2,082	2,082

	Measured at fair value through profit or loss	Derivatives at fair value through profit or loss	Loans and other receivables/ liabilities	Total carrying amount	Fair value
2023					
Financial assets at fair value	67,392	2,757	341	70,490	70,490
Other current assets	-	-	44	44	44
Short-term investments	-	-	-	-	-
Cash and bank balances	1,213	-	-	1,213	1,213
Total financial assets	68,605	2,757	385	71,747	71,747
Accounts payable	-	-	7	7	7
Other liabilities	-	601	420	1,021	1,021
Total financial liabilities	-	601	427	1,028	1,028

Note 8 Shares and participations in listed companies and funds

Holdings	Market value, SEK m
Asset class and manager in liquidity management	
Share index funds	
SEB	0
Mixed funds	
Amundi	56
Total	56

Brokerage fees paid in 2024 amounted to around SEK 0 million (0).

Note 9 Shares and participations in unlisted companies and funds

	2024-12-31	2023-12-31
Funds	48,378	41,923
Co-investments	26,281	25,416
Total market value of unlisted shares and participations	74,659	67,339

The 10 largest holdings of unlisted shares and participations within each category

Funds	Percentage of capital, %*
AlpInvest Co-Investment Fund (Lux Feeder) VII, SCSp	23.6
BE VI "D", L.P.	22.2
EQT IX (No.1) EUR SCSp	1.2
EQT VIII (No.1) SCSp	1.8
Nordic Capital IX Alpha, L.P.	4.7
Nordic Capital X Alpha, L.P.	3.4
Permira VI L.P.	1.4
Permira VII L.P.2 SCSp	2.9
Platinum Equity Capital Partners V, L.P.	0.8
Seventh Cinven Fund (No.1) L.P.	1.0

AP6 has around 140 active fund investments. The 10 largest are presented above and make up around 18 percent of the total market value.

Co-investments	Percentage of capital, %*
Asker Healthcare Group AB	18.5
EQT All-Star Co-Investment (C) SCSp	17.7
EQT Future Co-Investment (C) SCSp	15.4
EQT VIII Co-Investment (A) SCSp	6.3
IVC New TopHolding S.A.	1.5
NC Aida Co-Invest Alpha, L.P.	9.8
NC Ocala Co-Invest Alpha, L.P.	5.2
NC Vinland Co-Invest Beta, L.P.	16.4
Red Garden Invest (E) AB	18.1
VEPP Co-Invest 1-A, L.P.	14.0
AP6 has around 60 active co-investments. The 10 largest are presented above and make up around 18 percent of the total market value.	
Total cost	44,192
Change in value	30,467
Assessed market value	74,659

* Refers to share of equity in the investment.

A full list of all unlisted shares and participations is available at <https://www.ap6.se/en> under Annual Report / Document.

Note 10 Interest-bearing securities

	2024	2023
Loans to unlisted companies	274	341
Total	274	341

Note 11 Other current receivables

	2024	2023
Transactions not yet liquidated as of the balance sheet date	9	-
Övrigt	5	5
Total	14	5

Note 12 Prepaid expenses and accrued income

	2024	2023
Prepaid management fee	70	33
Other prepaid expenses and income	6	6
Total	76	39

Note 13 Liabilities to credit institutions

	2024	2023
Confirmed credit limit	4,500	4,500
Unconfirmed credit limit	-	-
Unutilised portion	-4,500	-4,500
Unutilised credit	-	-

Utilised credit facilities are considered as short-term and temporary financing with an estimated maturity of less than one year. Of the credit limits listed above, SEK 1.0 billion is included in the existing Group account structure.

Note 14 Accrued expenses

	2024	2023
Accrued management fee	366	287
Other	6	6
Total	372	293

Note 15 Other current liabilities

	2024	2023
Transactions not yet liquidated as of the balance sheet date	198	123
Accounts payable	3	7
Other	2	4
Total	203	134

Note 16 Contingent liabilities and commitments

	2024	2023
Contingent liabilities	-	-
Commitments – capital committed, not yet disbursed	25,352	24,690
Total	25,352	24,690

Note 17 Significant events after the end of the financial year

On 6 February 2025 the Government submitted a referral to the Council on Legislation proposing that the Sixth Swedish National Pension Fund (AP6) be incorporated into the Second Swedish National Pension Fund (AP2) and that the assets be transferred. The proposed date for the amendment to go into effect is 1 January 2026. Under the proposal, AP6 will continue its operations in a different format.

The 2024 Annual Report has been adopted by the Board of Directors

Gothenburg, 20 February 2025

Katarina Staaf
Managing Director

Catrina Ingelstam
Chair of the Board

Alexander Ljungqvist
Board member

Bengt Hellström
Vice Chair of the Board

Karin Reuterskiöld
Board member

Åsa Knutsson
Board member

Our audit report was submitted on 21 February 2025

Daniel Algotsson
Authorised Public Accountant
Appointed by the Swedish Government

Peter Nilsson
Authorised Public Accountant
Appointed by the Swedish Government

Auditor's Report

Sixth Swedish National Pension Fund, CIN 855104-0721

Report on the annual accounts

Opinions

We have audited the annual accounts of the Sixth Swedish National Pension Fund (AP6) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 68–86 of this document. In our opinion, the annual accounts have been prepared in accordance with the Sixth Swedish National Pension Fund Act (2000:193) and present fairly, in all material respects, the financial position of Sixth Swedish National Pension Fund as of 31 December 2024 and its financial performance for the year then ended in accordance with the Sixth Swedish National Pension Fund Act. The statutory administration report is consistent with the other parts of the annual accounts. We therefore recommend that the income statement and balance sheet be adopted.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibilities section. We are independent of the Sixth Swedish National Pension Fund in

accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Disclosures of particular significance

We want to draw attention to the fact that the Directors' Report states that the Government on 6 February 2025 submitted a referral to the Council on Legislation proposing that the Sixth Swedish National Pension Fund (AP6) be incorporated into the Second Swedish National Pension Fund (AP2) and that the assets be transferred. Under the proposal, AP6 will continue its operations in a different format. We have not modified our opinion in this regard.

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are

inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. We tailored the scope of the audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the fund, the accounting processes and controls, and the industry in which the fund operates. Sixth Swedish National Pension Fund invests directly or indirectly in unlisted holdings to obtain return on investment, primarily through increases in value. Our audit has focused on the investments in unlisted holdings and related matters to ensure a fair presentation of the holdings when they are acquired, when they are divested and during the holding period.

Other information than the annual financial statements

This document also contains other information than the annual financial statements and this is found on pages 1-67. The board of directors and the managing director are responsible for this other information. Our opinion on the annual

financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the annual financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual financial statements. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the board of directors and managing director

The board of directors and managing director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Sixth Swedish National Pension Fund Act. The board of directors and the managing director are also responsible for such internal control as they deem necessary to enable the preparation of annual accounts

that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts, the board of directors and the managing director are responsible for the assessment of the fund's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the board of directors and the managing director intend to liquidate the fund, to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual

accounts. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- * Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of the fund's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and the managing director.
- * Conclude on the appropriateness of the board of directors' and the managing

director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts, or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the board of directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant

deficiencies in internal control that we identified.

Report on other legal and other regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have audited the inventory of assets managed by the AP6 Fund. We have also examined whether there are any remarks against the board of directors' and the managing directors' administration of the AP6 Fund for 2024. The audit has given no reason to remark on the inventory of the assets or any other aspect of the administration.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibilities section. We are independent of the Sixth Swedish National Pension Fund in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the board of directors and the managing director

The board of directors and the managing director are responsible for management of the Sixth Swedish National Pension Fund's assets in accordance with the Sixth Swedish National Pension Fund Act. The board of directors is responsible for the Sixth Swedish National Pension Fund organisation and the administration of its affairs. This includes continuous assessment of the Sixth Swedish National Pension Fund's financial situation and ensuring that the Fund's organisation is designed so that the accounting, management of assets and the Fund's financial affairs otherwise are controlled in a reassuring manner. The managing director is to manage the ongoing administration according to the board of directors' guidelines and instructions and, among other things, take measures that are necessary to carry out the Sixth Swedish National Pension Fund's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective for the audit of the administration, and thereby our opinion on the administration is to obtain audit

evidence to assess with a reasonable degree of assurance whether there are any remarks regarding the board of directors' or the managing director's administration of the AP6 Fund for the 2024 financial year.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Fund, or that the proposed appropriations of the Fund's profit or loss are not in accordance with the Companies Act. As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. Our examination is based primarily on the audit of the financial statements. Additional audit procedures performed are based on our professional judgment with risk and materiality as the starting point. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the fund's situation. We examine and test decisions

undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

Stockholm, 21 February 2025

Daniel Algotsson

Authorised Public Accountant
Appointed by the Swedish Government

Peter Nilsson

Authorised Public Accountant
Appointed by the Swedish Government

Appendix



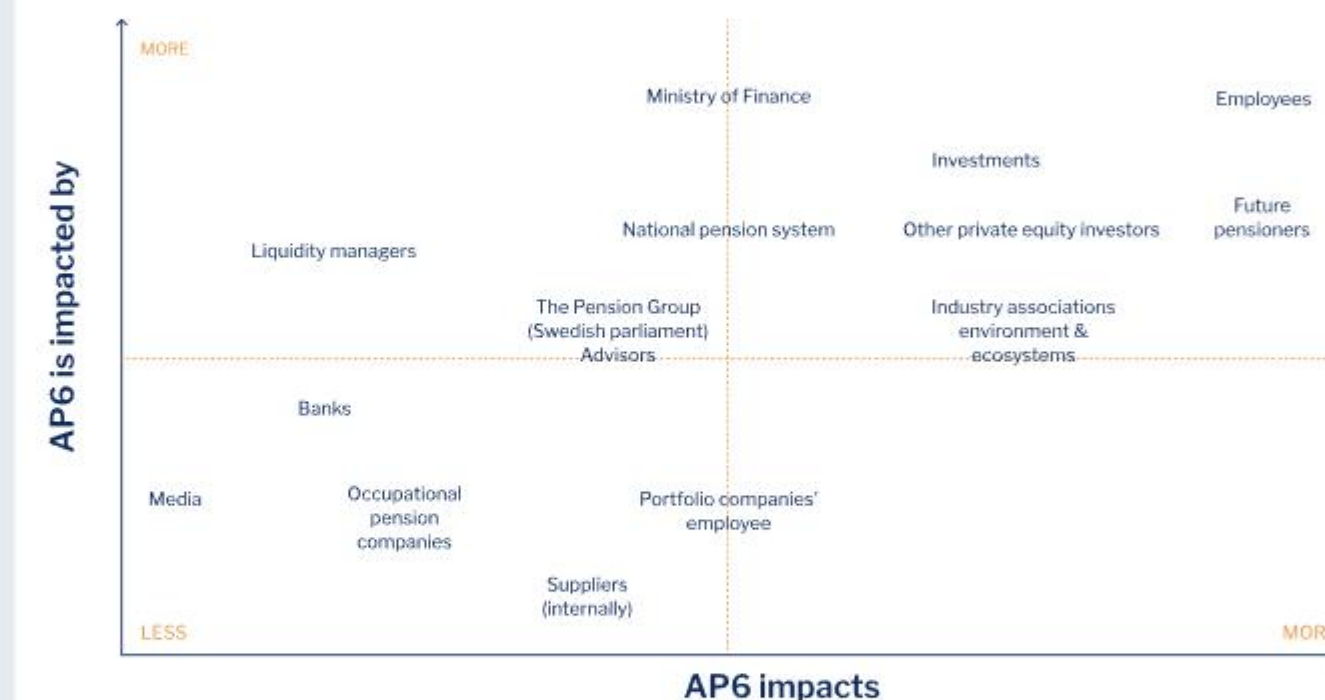
Sustainability

Stakeholder and materiality assessment

Although the Swedish National Pension Fund Act (2000:193) ultimately governs AP6's activities, as a national pension fund it is important to constantly pay attention to the expectations of our external environment with respect to a variety of issues.

The organisation's model to identify and prioritise the stakeholders who are impacted the most by AP6's activities, and the stakeholders who impact AP6 the most, is the basis for the organisation's stakeholder dialogue and materiality assessment. The analysis is updated annually internally and adopted by executive management.

AP6 has ongoing dialogue with the stakeholders who impact and are impacted by the Fund's activities, such as owners, employees, investment representatives, and professional and industry associations. The frequency and type of dialogue with stakeholders varies between the different groups to ensure effective and appropriate exchanges. In 2024 AP6 applied all of the knowledge on the stakeholders' priorities gained through this ongoing dialogue. It was determined that AP6 currently has



AP6's most important stakeholders, as established by executive management

The stakeholder groups that, according to the stakeholder analysis, are both affected most by AP6's activities and in turn have the most impact on AP6 are shown in the upper right section of the matrix. AP6 intends to have ongoing dialogue with these stakeholders to ensure that the organisation is well informed of the priorities of the groups and that they are aware of AP6's mission and objectives. AP6 interacts with certain stakeholder groups through teams designated to represent them, in areas such as nature and ecosystems.

well-established and good interfaces and dialogue structures with the Fund's prioritised stakeholders. Dialogue with AP6's prioritised stakeholders revealed that the expectations of AP6 as an actor managing pension assets were the same as before. A long-term, high return on managed pension assets remains the most important aspect for the stakeholders. AP6's employees are expected to also act in a way that ensures public trust is maintained. Responsible investments, an efficient organisation, skilled employees, openness, transparency and good governance were considered fundamental factors in generating long-term value for the pension system. Climate and the link to natural resources and biodiversity were topics discussed repeatedly with stakeholders during the year. Other topics were gender equality and diversity, and human rights in various types of industries. AP6's stakeholders consider these topics to be relevant areas for an investor with a broad, unlisted investment portfolio to actively work on. In 2024 AP6 reviewed and updated the double materiality assessment that was created in 2023. The purpose of this was to identify the organisation's prioritised sustainability topics from two perspectives: topics where AP6's activities are considered to have

Results from AP6's stakeholder engagement

Stakeholder group	Actors	Engagement format	Topics and focus areas	AP6's response
Employees	Current and future employees	Employee survey, performance reviews, internal and external surveys, work environment representative	Returns, gender equality and diversity, employment terms and development	Governing documents*, systematic health and safety work, training
Investments	Fund managers, co-investments, other investment partners, liquidity managers	Investment processes, meetings, business relationships, networks, evaluations	Relevant and material sustainability issues, transparency, business ethics	Governing documents*, ESG assessment
Owner	Ministry of Finance, Pension Group	Annual reporting and evaluation, targeted meetings	Relevant and material sustainability issues, transparency, business ethics	Governing documents*, Annual Report
Beneficiaries	Current and future pensioners	Meetings with organisations, media, surveys, questions from the public	Relevant and material sustainability issues, transparency, business ethics	Governing documents*, sustainability targets, ESG assessment, carbon footprint, Annual report
Nature and ecosystems	Professional and industry associations	Meetings with and questions from representative organisations, media, surveys	Climate, ecosystems and biodiversity, transparency, relevant and material sustainability topics	Governing documents*, sustainability targets, carbon footprint, Annual report
Financial market	Industry associations, other LPs, AP funds, banks	Investment processes, meetings, business relationships, networks, evaluations	Relevant and material sustainability issues, transparency, business ethics	Governing documents*, Annual report, cooperation with AP funds
General public	Portfolio company employees and customers, and local communities, vulnerable groups, Swedish residents, media	Media assessments and reviews, dialogue with fund managers, interviews, questions from the public	Relevant and material sustainability issues, business ethics, transparency	Governing documents*, Annual report, monitoring deviations

*Code of Conduct, Responsible Investment and Ownership Policy, Investment Policy, exclusion criteria



the greatest external impact, and topics considered to have the greatest impact on AP6's activities and financial development. The analysis defined where in the organisation's value chain each sustainability topic is material, broken down into AP6's activities and suppliers (excluding fund managers), fund managers' activities and suppliers, and the portfolio companies' activities and suppliers. The sustainability topics have also been evaluated to assess how material each sustainability topic is. The assessment illustrates the difference between AP6's external impacts and external impacts on AP6 financially. The impacts relating to various parts of AP6's value chain as an indirect investor in private equity were also further illustrated.

The basis for the materiality assessment was an exhaustive compilation of potential sustainability topics. These issues were studied individually, prioritised and consolidated to enable comparisons between the different topics. Financial performance was not included as a potential sustainability topic as AP6 considers structured management of material sustainability topics to be an important factor and necessary component in successfully generating returns over a long period. AP6 does not see any opposing objectives between managing sustainability topics and meeting financial targets, which is why these are not included in the analysis. The assessment of potential and actual impacts was made without taking into account the measures that AP6 has in place to manage and control the individual topics today.

The result of AP6's materiality assessment is presented in the matrix on page 93. The materiality assessment confirms past prioritised sustainability topics for AP6, such as business ethics, climate, gender equality and diversity, human rights, ecosystems and biodiversity.

The purpose of the materiality assessment is to ensure that AP6 is focusing on the most material sustainability topics, and that stakeholders have access to the information they need. The choice and prioritisation of material sustainability topics and their results were communicated to the entire organisation and to the Board. Executive management has adopted the analysis.



Result of AP6's materiality analysis

Topic	Materiality and boundaries	Governance	Monitoring
Climate and energy	Climate change affects both risks and opportunities for investments, and AP6's own operations give rise to some climate impact	Code of Conduct, Policy for Responsible Investment, targets, evaluation of investments, exclusion criteria, travel guidelines, dialogue with fund managers	Evaluation and measurement of the investments' strategies and emissions, regular feedback, annual review of AP6's targets, travel and emissions, annual ESG assessment
Ecosystems and biodiversity	Access to natural resources and impacts on ecosystems affect both risks associated with and opportunities for investment	Code of Conduct, Policy for Responsible Investment, evaluation of investments, dialogue with fund managers; no targets or metrics have been established	Regular feedback to fund managers, annual ESG assessment, portfolio analysis, deviation reporting
Working conditions for AP6's employees and in the value chain	Employee working conditions are an important element in reaching AP6's targets in a responsible way	Code of Conduct, Policy for Responsible Investment, education, leadership development, employeeship development, health and safety, dialogue with fund managers	Annual follow-up of training, employee surveys, whistleblower function, human rights evaluation, deviation reporting
Gender equality and diversity	Diversity makes organisations more attractive for employees and provides better results	Code of Conduct, Gender Equality and Diversity Policy, goals for AP6 and the portfolio, evaluation of all investments, ongoing dialogue	Annual monitoring of key figures for AP6, evaluation and measurement of investment strategies and key figures, regular feedback, annual ESG assessment, whistleblower function, deviation reporting
Human rights (e.g. child labour, forced labour, local communities and indigenous peoples)	Risks for human rights violations within an organisation need to be identified and managed	Code of Conduct, Policy for Responsible Investment, evaluation of all investments, portfolio targets, evaluation of suppliers	Human rights evaluation, deviation reporting (incl. whistleblower function), regular feedback, annual ESG assessment, deviation reporting
Product and information security	Use of products and services can affect customers and society negatively if proper care is not taken related to impacts	Policy for Responsible Investment, evaluation of all investments, employee training, evaluation of all investments, Risk Management Policy	Annual ESG assessment, deviation reporting and incident follow-up, IT environment audit, deviation reporting
Business ethics	Business ethics are essential for carrying out AP6's assignment in compliance with regulations and in line with stakeholder expectations	Code of Conduct for employees and as an appendix in procurement processes, Code of Conduct training, whistleblower system, evaluation of all investments	Deviation reporting (incl. whistleblower function), annual ESG evaluation, analysis of incoming cases and incidents in the portfolio, deviation reporting

Sustainability information

About the report

This sustainability report is the 12th that AP6 has prepared and covers the activities of AP6 for the 2024 calendar year. The Sustainability Report with inspiration from the Swedish Annual Accounts Act Chapter 6, Sections 11–12 as amended by SFS 2016:947 are found on pages 6–7, 16–17, 20–22, 26–37, 43–44, 49–57, 63–66, 72, 74, 91–100. The last report was published on 24 February 2024 and no changes have been made to historical information. AP6 reports in accordance with the GRI Standards. The GRI report is part of AP6's annual report, which is adopted and published by the Board of Directors. The content was established based on analysis of AP6's impact on the external environment and the external environment's impact on AP6. The assessment includes prioritising each issue in order of importance and where the impact occurs – internally, among fund managers or among portfolio companies. The selection of content for the analysis is based on the GRI principles. AP6 has used a double materiality assessment to define the contents of the report. See pages 91–94 for more information. The report covers all parts of AP6's operations.

AP6's greenhouse gas emissions (excl. investments) (tCO₂e)



Climate and carbon footprint

AP6 has defined clear targets for the portfolio to align emissions from companies with the reductions required under the Paris Agreement. Among other things, this involves AP6 annually measuring and assessing the climate impact of the portfolios and operations according to the Greenhouse Gas Protocol's guidelines. The purpose of this is to assess what the fund managers and

Indicators for GHG emissions of the investments	2024	2023	2022
Carbon emissions, Scope 1 and 2 (thousand tCO ₂ e) ¹	42	63	101
Change in the portfolio's carbon emissions in relation to previous year (%) ¹	-34 %	-37 %	47 %
– of which change due to changes in portfolio holdings (percentage points)	-23 %	-29 %	41 %
– of which change due to changes in the company's emissions (percentage points)	-11 %	-8 %	6 %
Carbon emissions, Scope 3 (thousand tCO ₂ e) ¹	677	1,066	1,720
Relative carbon emissions, Scope 1 & 2 (tCO ₂ e/SEK m) ²	0.77	1.33	1.89
Portfolio-weighted carbon intensity, Scope 1 & 2 (tCO ₂ e/SEK m) ³	1.2	2.2	3.4
Change in the portfolio's carbon intensity in relation to previous year (%) ³	-44 %	-37 %	15 %
– of which change due to changes in portfolio holdings (percentage points)	-25 %	-25 %	-35 %
– of which change due to changes in the company's carbon intensity (percentage points)	-19 %	-12 %	50 %
Established market value/fund assets ratio, %	69 %	65 %	81 %

¹ Total owned share of the portfolio companies' respective GHG emissions based on company value (defined as the value of outstanding shares).

² Total owned share of the portfolio companies' GHG emissions based on company value according to the above in relation to the portfolio's market value.

³ Total owned share of the portfolio companies' respective carbon intensity, i.e. a company's carbon emissions in relation to its sales, weighted based on each company's share of the portfolio.

companies in the portfolio are doing to reduce their emissions. Scope 1 and 2 emissions for 2024 were calculated for just over 400 (350) portfolio companies that together represent 69 percent (65) of the total fund assets, or 75 percent (70) of the assets within AP6's target. 100 percent (100) of the portfolio companies' emissions are based on reported data from fund managers and, accordingly, it has not been necessary to supplement this

information with estimated emissions. Please note that the reported data may include estimates if the fund managers have themselves made estimates. The companies' Scope 1 and 2 emissions are presented in the table above. Total emissions have decreased by 34 percent compared with 2023. The decrease is largely due to changes in the composition of the companies included in the footprint. This type of effect can occur when

individual holdings with significant emissions are added or exit the portfolio. There was a decrease in emissions from the companies in the portfolio in both 2023 and 2024. A selection of portfolio companies have also reported their indirect emissions (Scope 3). For 2024 this represents 677 (1,066) thousand metric tons of CO₂. Note, however, that these figures should be regarded as indicative as they are likely based on a number of assumptions for each portfolio company. The decrease in Scope 3 emissions is mainly attributable to changes within one company. Reported Scope 3 emissions stem from around 300 companies (260), equivalent to 60 percent (57) of the portfolio's value.

In line with the AP funds' common KPIs and reporting of carbon footprints in investment portfolios, the portfolio's weighted carbon intensity in relation to sales is also calculated. This KPI provides an indication of what the portfolio's exposure to emissions-intensive companies looks like. Similar to absolute emissions, the weighted intensity decreased by 44 percent during the year as a result of new companies with low emissions in the selection, as well as companies in the existing portfolio reducing their emissions while increasing

their sales. AP6 also measures the portfolio's relative emissions per invested Swedish krona, which provides an indication of how the total emissions from the portfolio compare with other portfolios regardless of their size. The relative emissions decreased to 0.77 (1.33) tCO₂/SEK million, mainly due to changes in the portfolio composition in terms of the companies included in the footprint. The carbon footprint of AP6's own operations is presented on page 95. The emissions that AP6 gives rise to stem almost exclusively from business travel and purchased energy. The calculation includes direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2, market-based method), and indirect emissions from business travel (Scope 3). In 2024 emissions from air traffic included high altitude effects. These were not taken into account the previous year. In 2024 emissions were higher than in 2023 due to increased travel. AP6 takes action to reduce emissions from its activities, including by switching from travel by air to rail travel or by replacing physical meetings with digital ones where this is possible and appropriate. As in previous years, carbon offsets are used to offset all emissions from AP6's own operations that it has not been possible to eliminate up to now.

Anti-corruption

In AP6's role as a manager of pension assets, there must never be corruption within the organisation or associated with its investments. A number of measures are in place to address any risk of corruption. Internally AP6 has a Code of Conduct on which all employees receive training. During the year AP6 provided all employees with internal training, accompanied by a corruption risk assessment. The purpose of the assessment was to identify and document any corruption risks and vulnerabilities, including which processes AP6 has in place to manage these risks. The results confirmed that AP6's main corruption-related vulnerabilities are in interactions with fund managers and suppliers. The likelihood of the risks materialising is deemed low due to a high level of awareness, established procedures, and continual learning and dialogue. See pages 16–17 for more information. AP6 has a zero tolerance policy regarding gifts and has clear guidelines for entertaining, sidelines and related parties. The purpose is to reduce risks in interactions with fund managers and suppliers. AP6 also evaluates potential investments and constantly monitors holdings using external tools to identify any incidents of corruption at an early stage.

No incidents of corruption were identified in 2024 within the Fund or the portfolio.

Incidents and events

Suspected incidents can be reported to AP6 anonymously through the whistleblower system. Employees can also report incidents to their manager or manager's manager, or in direct dialogue with fund managers. No reports were submitted through the whistleblower system in 2024. Incidents and events among fund managers or companies in the portfolio come to light via the fund managers' incident reporting and in ongoing monitoring of ESG events in the portfolio via an external tool. Within the tool, AP6 monitors news and events involving fund managers as well as the underlying portfolio companies. In the ongoing monitoring of incidents and events of a more serious nature among AP6's investments, a few events required dialogue with a fund manager. The Board of Directors receives incident reports and information on any material ESG events as well as AP6's handling of these at each board meeting.

UN sustainable development goals

AP6 has analysed its impact on the UN SDGs and their targets. AP6 believes it has the greatest potential to have an impact on five of the goals. Based on the composition of the portfolio in terms of industry, country and strategy, the goals that are relevant to the majority of the holdings are Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, Innovation and Infrastructure) and Goal 12 (Responsible Consumption and Production).

Within the scope of the overall goals identified, AP6 is able to contribute through a structured focus on sustainability within the Fund itself and among its investments. AP6 also considers it possible to contribute to Goal 5 (Gender Equality) and Goal 13 (Climate Action) by focusing on these areas in investments across the portfolio.

PRI annual assessment

As a signatory to the UN Principles of Responsible Investment (PRI), AP6 reports according to the PRI Reporting Framework. In recent years PRI has made several updates to the framework. In 2024 further changes were announced ahead of 2025 and it was also announced that reporting for 2024 was voluntary. The most recent reporting and associated assessments will

continue to apply for signatories who chose not to report. In light of the announced changes and AP6's existing reporting on responsible investments in the Fund's annual report, AP6 decided not to participate in PRI's 2024 reporting cycle. AP6's most recent PRI report (2023) is publicly available. In the evaluation of AP6's result the Fund received five stars for policy and governance (median: three); four stars for indirect investments in private equity (median: three); and four stars for confidence-building measures (median: four).

Other

AP6 is not subject to the sustainability reporting requirements in the Annual Accounts Act but reports voluntarily with inspiration from the Act as amended by SFS 2016:947 (which includes the Non-Financial Reporting Directive, NFRD). This also means that the auditors determine if a sustainability report has been prepared but no further review is carried out.

For information or comments on the Sustainability Report, please contact:

Anna Follér
Head of Sustainability
anna.foller@ap6.se

Membership

Invest Europe,
www.investeurope.eu

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

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

Sweden's Sustainable Investment
Forum (Swesif) www.swesif.org

Initiative Climat International, iCI

Commitments, affiliations

UN Global Compact, UNGC,
www.unglobalcompact.org

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

ESG Data Convergence Initiative,
EDCI, www.esgdc.org

Diversity in Action Initiative, ILPA
DIA, diversity.ilpa.org



Signatory of,



Global compact and PRI

AP6 is a signatory of the UN Global Compact and remains committed to implementing and integrating the principles on human rights, labour, environment and anti-corruption into its operations, and to influencing other entities to align with the Global Compact's principles.

AP6 is a signatory of the UN Principles for Responsible Investment (PRI). It is thus committed to considering, among other things, the environment, social aspects and business ethics in its investment process and during the ownership phase. AP6 works actively to help spread the PRIs in the industry.

AP6 participates regularly in relevant PRI working groups to share knowledge and experience around sustainability in unlisted investments and to help spread the PRI principles within private equity. For more information on AP6's efforts to promote responsible investment, see AP6's most recent annual report submitted to PRI, www.unpri.org

Sustainability KPIs

AP6's reporting of sustainability KPIs is based in part on the GRI standards and in part on measurement and calculation methods developed by AP6. AP6's own measurement and calculation methods were designed according to GRI principles. Any distinctions and assumptions regarding the respective KPIs are described below.

ESG integration

ESG integration outcomes include ESG assessment of sustainability work according to models developed by AP6. ESG assessment is carried out every year for a selection of AP6's active fund manager relationships (83 percent of the total portfolio value in 2024).

Transparency

The outcome for the sustainability reporting target includes all fund managers in AP6's portfolio (100 percent of the total portfolio value in 2024) and is followed up annually. Fund managers are considered to meet the sustainability reporting target if they are members of and report according to the PRI, or otherwise report on sustainability according to relevant frameworks. Outcomes for the target on ESG KPIs cover all fund managers in AP6's portfolio (100 percent of the total portfolio value) if they actively participate in the ESG Data Convergence Initiative, EDCI, or in an equivalent manner provide ESG KPIs at the portfolio company level.

Climate

The outcome for having climate targets in line with the Paris Agreement includes all fund managers in AP6's portfolio except

secondaries and funds within funds (92 percent of the total portfolio value) if they have defined a climate target for their portfolio and it is considered in line with the Paris Agreement. Targets considered in line with the Paris Agreement are, for example, those aligned with the Science Based Targets initiative's guidelines or other generally accepted methods. The outcome for the target of reporting GHG emissions for holdings in AP6's portfolio includes all fund managers except secondaries and funds within funds (92 percent of the total portfolio value) if they report GHG emissions in Scope 1 and 2. Data for portfolio company emissions and turnover are taken from reports from each fund manager in line with generally accepted standards. Emissions from AP6's own operations are based on information from suppliers and invoices.

Gender equality and diversity

Outcomes for the targets for gender equality and the annual increase in investment teams and partner groups include a selection of AP6's active fund manager relationships (83 percent of the total portfolio value in 2024) and are followed up annually based on data from fund managers.

Human rights

The metric for the outcome of AP6's evaluation includes assessment of human rights work according to the model developed by AP6. Assessments for 2024 were performed for a selection of active fund managers in AP6's portfolio (83 percent of the total portfolio value in 2024).

Sustainability risks

Disclosure	Environment	Social conditions and employees	Respect for human rights	Anti-corruption
Risks	Environmental impact may involve risks for companies whose value chains are affected by changes in the environment and climate that could cause changes in the supply of raw materials and resources, disruptions due to weather events, changed market conditions due to customer behaviour or legislation, and technology shifts that make existing assets outdated; AP6's own operations generate low emissions that are not considered a high risk	Human resources are an important consideration within AP6's own operations and among the private equity firms (also called general partners, GPs) it engages. This is also an important aspect in investments because any skills deficiencies could jeopardise the assignments of the organisations; an inadequate focus on the work environment and conditions, gender equality, diversity and inclusion could also make it difficult to attract and retain talent, and cause sickness and absence	A lack of respect and consideration for human rights in AP6's own operations and in the value chain could lead to the rights of rights holders being violated. AP6 considers the Fund's direct impact to be minor, but the activities of its investments could involve risks, especially among the companies with complex upstream and downstream value chains	In AP6's role as a manager of pension assets there must never be any corrupt activity as this would undermine public confidence in the AP system and AP6. Corruption also involves clear legal risks and a risk of decisions not being made on objective grounds, leading to inferior outcomes; this applies to AP6's organisation and its investments; the risks are considered to exist mainly in AP6's interactions with fund managers and suppliers
Management of identified risks	Ahead of each investment, AP6 identifies material sustainability risks, and areas such as climate and environment are always part of the assessment; climate is one of AP6's focus areas and if it is determined that potential investments have an elevated environmental and climate risk level, the fund managers are asked additional questions to gain an understanding of the measures that are planned during the ownership phase to mitigate and manage risks; measures are also monitored by AP6 during the ownership phase	AP6 also has a structured approach to the environment within its own operations; the Fund also focuses on promoting gender equality and inclusion, including frequent monitoring of this; for each investment AP6 assesses the private equity firm's (GP's) approach in areas such as professional development, gender equality, inclusion, work environment and key individual succession planning – both within their own organisations and in their investments; this is also monitored on a regular basis	The processes the GPs and companies use to identify, mitigate and manage human rights risks in their investment processes are evaluated ahead of each investment to determine if their efforts and any planned measures are appropriate; human rights are also part of AP6's monitoring processes, taking place on a regular basis and as needed if incidents or events should occur	AP6 has a Code of Conduct that describes the values and approaches that apply for employees and partners; AP6 has a zero tolerance policy regarding gifts and has clear guidelines for entertaining, sidelines and related parties to reduce both actual and perceived risks; there are several channels where suspected deviations can be reported internally AP6 uses tools to evaluate and monitor risks and incidents relating to its investments

Climate reporting according to TCFD recommendations

Governance	Strategy	Risk management	Goals and key performance indicators
AP6's board of directors is ultimately responsible for the operations and its work is regulated by law. The board is responsible for establishing the strategy and return and sustainability targets for the operations. The board monitors and evaluates the fund's operations against the goals and policies that have been established. Policies include, e.g. a code of conduct and a policy for responsible investments and responsible ownership. The board has a sustainability committee that prepares sustainability matters. The board monitors the organization's work at least annually to ensure that it follows the strategy and the extent to which goals are achieved. The board appoints the CEO to be responsible for the ongoing management of the operations. This includes assessing and managing sustainability risks and opportunities. The CEO delegates certain tasks to the sustainability manager, who leads the work of integrating sustainability into the investment operations. The sustainability manager coordinates the work with appropriate functions in the organization, such as the investment organization, the sustainability team, finance, and legal departments.	Investment activities are the part of AP6's operations where climate-related risks and opportunities are deemed significant. This can manifest itself in several ways given AP6's broad portfolio, but examples include commodity dependencies, changing customer behavior, legislation, acute physical risks and a higher degree of digitalization that can create both risks and opportunities. Risks and opportunities are largely assessed on the time horizon that is relevant for private equity investments, i.e. approximately 2-10 years. Longer time horizons are also taken into account when necessary. Climate is a sustainability factor that can be considered within the framework of assessing, for example, the credibility of growth plans. Given AP6's role as an indirect investor, the operational work is carried out by the GPs that are engaged, but the manager's and company's approach and process for integrating climate are evaluated within the framework of each investment AP6 makes. Exclusion criteria are also in place to exclude sectors with the highest assessed risk.	AP6 does not yet quantify climate risks and opportunities in precise quantities or monetary units as the availability of relevant information is considered limited. However, prior to each investment, the fund or company's processes for integrating climate issues into plans for risk management and value creation are qualitatively evaluated. This is done through dialogues, analysis of documentation and available data, objectives, and consultation with external expertise when necessary. Relevant legislation in the investment's geography is part of the evaluation of investments' positioning within the climate issue. The results of the evaluations become part of the decision-making material prior to each investment. The results also form the basis for AP6's follow-up during ownership, to ensure that plans during the evaluation phase are implemented by managers in an appropriate manner in the investments made. Climate is a specific focus area for AP6's work with responsible investments. By influencing private equity managers to integrate climate issues into their management, AP6 can reduce climate risks in the portfolio in the long term.	Climate targets have been defined for AP6's operations with the aim of aligning the portfolio with the Paris Agreement. The targets require that managers and companies AP6 invests in take an active approach to defining clear targets and strategies to reduce their climate-impacting emissions in line with scientific recommendations, and to increase transparency linked to climate data. In addition, AP6 measures and monitors greenhouse gas emissions from its own operations and from investments annually. These metrics are presented on pages 52-54 och 95-96.

Board signatures

The Sixth Swedish National Pension Fund has prepared a sustainability report taking inspiration from the Swedish Annual Accounts Act Chapter 6 Sections 11–12 as amended by SFS 2016:947 (which includes the Non-Financial Reporting Directive, NFRD). The sustainability report is included in this document which also contains the company's statutory annual report for 2024. Sustainability reporting content can be found on pages 6-7, 16-17, 20-22, 26-37, 43-44, 49-57, 63-66, 72, 74, 91-100.

The Sixth Swedish National Pension Fund's Sustainability report follows the financial year and is published annually. The previous report was published in February 2024.

Gothenburg, 20 February 2025

Catrina Ingelstam
Chair of the Board

Bengt Hellström
Vice Chair of the Board

Åsa Knutsson
Board member

Alexander Ljungqvist
Board member

Karin Reuterskiöld
Board member

Auditor's statement on the Sixth Swedish National Pension Fund's sustainability report

For the Sixth Swedish National Pension Fund, AP6, CIN 855104-0721

Daniel Algotsson
Authorised Public Accountant

Peter Nilsson
Authorised Public Accountant

Assignment and division of responsibilities

The board of directors is responsible for the sustainability report for 2024. The board is also responsible for ensuring that it is prepared in accordance with the AP6 Fund's principles for sustainability reporting.

Focus and scope of review

Our review was conducted in accordance with FAR's recommendation RevR 12. The auditor's opinion regarding the statutory sustainability report. This means that our review of the sustainability report has a different focus and is substantially less in scope compared with the focus and scope of an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion.

Opinion

A sustainability report has been prepared.

Stockholm, 21 February 2025

GRI Index for the Sixth Swedish National Pension Fund 2024

Indicator	GRI Standard	Disclosure	Page in the annual report	Comment
2-1	GRI 2: 2021	Details of the organization	69-72	No significant changes
2-2		Scope of financial/sustainability reporting	69, 95	
2-3		Reporting period, frequency and contact person	95-97	
2-4		New conditions	95	
2-5		External review	97, 101	
2-6		Activities and services, value chain and business relationships	6-7	No external workforce is used
2-7		Employees	56	
2-8		Other workers	-	
2-9		Governance structure and composition	56, 60-61, 63-66	
2-10		Nomination of highest governance body	63-66	
2-11		Chair of highest governance body	60, 63-66	
2-12		Role of the highest governance body in overseeing the management of impacts	63-66	
2-13		Delegation of responsibility for managing impacts	63-66	
2-14		Role of the highest governance body in sustainability reporting	63-66, 95, 101	
2-15		Conflicts of interest	63-66	
2-16		Communication of critical concerns	64, 96	AP6 does not report the number or types of events for reasons of confidentiality
2-17		Knowledge of highest governance body	60, 63-66	
2-18		Evaluation of highest governance body	66	
2-19		Remuneration policies	67, 81-82	
2-20		Process for determining remuneration	67, 81-82	
2-21		Compensation ratio	82	
2-22		Statement from the managing director	12-15	The remuneration ratio is presented in the table in Note 6
2-23		Policy commitments	63-66	
2-24		Implementation of governing documents	20-37, 63-66	
2-25		Process for remedying negative impacts	34-35, 51-56, 96	
2-26		Ethical guidance	16-17, 56, 96	
2-27		Compliance with laws and regulations	-	
2-28		Membership associations	97	
2-29		Stakeholder engagement	91-94	AP6 has not identified or been informed about any instances of non-compliance in 2024
2-30		Collective bargaining agreements	81	

Sustainability topic	GRI Standard	Disclosure	Page in the annual report	Comment
Financial performance				
3-1	GRI 3: 2021	Process to determine material topics	91-94	
3-2		List of material topics	21-36	
3-3		Management of material topics	26-42	
201-1	201: 2016	Profit and return	9	
Anti-corruption				
103-1	GRI 3: 2021	Process to determine material topics	91-94	
103-2		List of material topics	16-17, 96, 99	
103-3		Management of material topics	16-17, 99	
205-1	205: 2016	Number and percentage of operations assessed for risks related to corruption and the significant risks identified	16-17, 96	Corruption risks are evaluated in 100 percent of AP6's investments
205-3		Corruption incidents during the year and action taken	96	
CO ₂ emissions				
3-1	GRI 3: 2021	Process to determine material topics	91-94	
3-2		List of material topics	52-54, 95-96	
3-3		Management of material topics	95-96	
305-3	305: 2016	Indirect CO2 emissions from business travel	95-96	
305-3		Indirect CO2 emissions from investments	95-96	
Employees				
3-1	GRI 3: 2021	Process to determine material topics	91-94	
3-2		List of material topics	56	
3-3		Management of material topics	56	
401-1	401: 2016	Employee turnover	57	*

GRI Index for the Sixth Swedish National Pension Fund 2024

Sustainability topic	GRI Standard	Disclosure	Page in the annual report	Comment
Skills/training				
3-1	GRI 3: 2021	Process to determine material topics	91-94	
3-2		List of material topics	49-50, 56	
3-3		Management of material topics	56	
404-1	404: 2016	Training hours per employee	57	**
Diversity and equal opportunities				
3-1	GRI 3: 2021	Process to determine material topics	91-94	
3-2		List of material topics	49-50, 52, 56	
3-3		Management of material topics	49-50, 52, 56	
405-1	405: 2016	Breakdown women/men	56-57	
Human rights				
3-1	GRI 3: 2021	Process to determine material topics	91-94	
3-2		List of material topics	53-56, 72, 74	
3-3		Management of material topics	53-56, 72, 74	
412-3	412: 2016	Significant investments that underwent human rights screening	29-31, 53-56	Risks are evaluated in 100 percent of AP6's investments
Active ownership				
3-1	GRI 3: 2021	Process to determine material topics	91-94	
3-2		List of material topics	34-37	
3-3		Management of material topics	34-37, 51-56	
FS10***		Percentage and number of companies owned where AP6 has integrated a sustainability approach	34-37	
FS11***	GRI G4 Sector Disclosures – Financial Services	Percentage of the assets analysed regarding sustainability	28-37	Sustainability assessments are made for 100 percent of AP6's investments

* The gender/age and full-time/part-time categories are not reported due to the exemption rule in the law, which states that this information is not to be disclosed if it can be linked to a specific individual.

** The division into the gender/age categories is not considered useful due to the limited size of the staff and is therefore not reported.

*** GRI Financial Services Sector Supplement is not a formal part of the GRI Standards, but is considered to be a relevant supplement for AP6

Definitions and explanations

AP6's fund assets – The initial capital allocated to the Sixth Swedish National Pension Fund at inception combined with retained earnings. AP6 covers its own expenses

Assets measured at market value – Listed securities measured at market value on the closing day and unlisted securities measured according to IPEV principles. Read more in Note 1.

Buffer funds – The five AP funds (AP1–4 and AP6) are so-called buffer funds and are included as a minor portion of the income-based pension system's assets (around 10–15 percent).

Buyout – Unlisted mature companies with an established business model that have created a market position and have positive cash flows. The name originates from transactions where an investor buys out the existing owners of an unlisted company.

Carbon emissions, Scope 1, 2 and 3 – Greenhouse gas emissions (primarily carbon dioxide, but also methane and nitrous oxide). When measuring carbon emissions, direct and indirect emissions are divided into three categories: Scope 1, 2 and 3. In AP6's carbon footprint carbon emissions in Scope 1, 2 and 3 are the sum

of the owned share of the portfolio companies' respective carbon emissions based on company value.

Carbon footprint – A measure of an investment portfolio's carbon emissions; consists of the owned share of the portfolio companies' combined emissions.

Code of Conduct – A code of conduct describes the values that apply for an organisation and is normally aimed at employees and partners.

Co-investment – AP6 invests together with a private equity fund in one of the fund's companies. AP6 carries out co-investments, investing indirectly in companies together with funds to which AP6 has committed capital. AP6 is a minority investor and the fund manager has ownership and management responsibility for the company.

Committed capital – See "Fund investment".

Compliance – Regulatory adherence and compliance.

Corporate governance – the system by which the company is directed and controlled. A collective term for matters relating to how a company is governed.

A key aspect of corporate governance is the relationship between the various bodies in the organisation (shareholders meeting, board of directors, managing director).

Direct investment – In a direct investment the investor receives a holding in the form of shares in the unlisted company, giving the investor a direct ownership share in it.

Due diligence – A process and method for gathering and analysing information about a company or a fund before investing in it.

ESG – The abbreviation for environment, social, governance.

ESG Data Convergence Initiative (EDCI) – A global initiative to harmonise the approach within private equity to ESG KPIs for general partners so that data is collected and provided to limited partners in a uniform way and on a regular basis.

European Sustainability Reporting Standards (ESRS) – The EU's new sustainability reporting standards prepared by the EU's European Financial Reporting Advisory Group (EFRAG). The standards cover environmental, social and corporate governance topics. There are both general standards and industry-specific ones, some of which are still being developed.

EV/EBITDA – Calculated by dividing an entity's enterprise value by its operating earnings (before interest, taxes, depreciation and amortisation).

EV/sales – Calculated by dividing an entity's enterprise value by its sales.

Fair value – Fair value is defined as the amount at which an asset could be transferred or a liability settled between parties independent of each other and who have an interest in the transaction being executed. Normally this means that listed assets are measured at the purchase price (market value) and that the fair value of unlisted assets is estimated using generally accepted measurement models.

Fund investment (unlisted assets) – The fund investment market is made up of many different private equity firms with varying focuses and profiles. A private equity firm that intends to establish a new fund and is seeking investors engages in fund raising. Investors (e.g. pension funds, insurance firms etc.) register their interest. Private equity firms whose funds have delivered a high return over time are often over-subscribed. Investors who are given the opportunity to invest make a commitment by undertaking to distribute a certain amount during the life of the fund.

The committed amount is not distributed in a lump sum on one occasion. Instead capital is injected as and when the fund acquires companies. A fund normally has a life of around 10–15 years. During this time the fund invests in a number of companies, which are then developed for the purpose of generating higher value. The fund is closed once all of the companies have been divested and the invested capital, including any gains, have been shared between the investors.

General partner (GP) – The private equity firm that manages the fund. A GP typically manages multiple funds.

Global Reporting Initiative (GRI) – An international reporting framework for organisations to report their economic, environmental and social impacts.

Governance – See “Corporate governance”.

Greenhouse Gas Protocol (GHG protocol) – A global reporting standard to calculate and report an organisation’s GHG emissions.

Growth – Growing companies that have left the venture phase but do not yet have

a positive cash flow and are focusing on growth.

ILPA – Institutional Limited Partners Association. An international industry association for investors in funds.

Indirect investment in an unlisted company – When investing in a fund, investors receive an indirect ownership interest. This occurs when the investor obtains a holding in the fund, which in turn invests in unlisted companies (private equity). The fund is the formal owner of these companies, while the investor in the fund gains an indirect ownership interest in them. See also “Fund investment”.

Initiative Climat International (ICI) – A global climate network in the private equity industry that aims to increase transparency and comparability, and to define strategies and objectives to reduce emissions.

Invest Europe – A European association of private equity providers. Includes buyout, venture and infrastructure investment firms.

IPEV – International Private Equity and Venture Capital Valuation Board.

IRR – Internal rate of return. Describes the return on an investment in the form of interest.

KPI – KPI stands for key performance indicator, a quantifiable measure of performance over time for a specific target. KPIs provide targets for teams to aim towards, milestones to measure progress and insights that help people throughout an organisation to make better decisions.

Limited partner (LP) – An investor in a fund, such as AP6.

Management fee – The fee paid for managing a fund.

Materiality assessment – A materiality assessment aims to identify areas where an organisation has a material impact. The assessment can be carried out with a single or double materiality perspective. A simple materiality perspective focuses either on the issues that have the most material impact on the company’s value or those where the organisation has the most material impact on the external environment. Double materiality incorporates both perspectives in the same analysis.

Principles for Responsible Investment (PRI) – Six principles that investors can adopt to incorporate environmental, social and corporate governance into investment analysis, decision processes, guidelines and routines. The principles were initiated by the UN and launched in 2006.

Private equity fund – See “Fund investment”.

Profit/loss – The total change in value, realised or unrealised, and return in the form of interest and dividends less external management fees and internal expenses.

Risk capital or private equity (PE) – Collective terms for unlisted assets. This usually refers to unlisted companies (i.e. not traded on a stock exchange) – both individual unlisted companies and funds that invest in unlisted companies.

Science Based Targets Initiative (SBTi) – A framework for companies to set science-based climate targets in line with the Paris Agreement. The SBTi is a joint initiative of the UN Global Compact (UNGC), the World Resource Institute (WRI), the World Wildlife Fund (WWF) and the Carbon Disclosure Project (CDP).

Secondary – When an investor in a fund wants to sell its holding before the fund is closed. This is usually a transaction involving several actors together.

Share of operations % – Refers to the ownership interest in a private equity fund regardless of the legal structure. Legal ownership is described in Note 9.

Stakeholder and stakeholder analysis – A stakeholder is an individual or a group that can be expected to be impacted by an organisation's activities, products or services, or whose actions can directly or indirectly impact the organisation's ability to implement its strategies and achieve its goals. Stakeholder analysis and stakeholder dialogue are tools that can be used to identify areas where an organisation has a significant impact, i.e. to perform a materiality assessment, for the purpose of managing the impact and reporting effects, measures and results.

Structural capital – A company's or an organisation's intellectual capital, collected and documented in the company's/organisation's systems.

Sustainability reporting – Reporting on how companies, private equity firms,

pension funds and other investors approach economic, environmental and social issues.

SVCA – Swedish Private Equity & Venture Capital Association.

Taskforce on Climate-related Disclosures (TCFD) – A framework for compiling and reporting information on climate-related risks and opportunities, with a particular focus on financial implications. The taskforce wants to see reporting on governance, strategy, risk management as well as targets and KPIs relating to climate.

UN Global Compact – Ten Principles for companies and human rights, labour, environment and anti-corruption. This was launched by the UN in 1999 and companies can become signatories to it.

UN Guiding Principles on Business and Human Rights (UNGPR) – an international framework defining the responsibility of businesses for human rights. The principles describe what is expected of investors and companies regarding respecting human rights. They also provide guidance on practical approaches to achieve this.

Unlisted assets – Primarily unlisted companies, i.e. companies that do not have shares traded on a stock exchange.

Venture – Start-up company whose business concept typically requires capital over a long period of time before the company succeeds in establishing itself on the market and can generate profits.

Weighted average carbon intensity (WACI) – A measure of an investment portfolio's carbon intensity. This metric shows the sum of portfolio companies' respective carbon intensity (i.e. a company's carbon emissions in relation to its sales), weighted based on the respective company's share of the portfolio.

Köpmansgatan 32, SE-411 06 Gothenburg, Sweden

Visiting address

Gothenburg - Köpmansgatan 32, HQ

Stockholm - Norrlandsgatan 16

+46 31-741 10 00

www.ap6.se/en

info@ap6.se