

Gothenburg 4 April 2017


Statement of continued support by the Chief Executive Officer

Dear stakeholder,

I am pleased to confirm that The Sixth Swedish National Pension Fund reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Karl Swartling

Chief Executive Officer

General information Sixth Swedish National Pension Fund

The Sixth Swedish National Pension Fund (AP6) is a pension fund with the mission to invest in unlisted companies i.e. companies that are not quoted on the stock market. Investments are made directly in companies and indirectly through funds. On 31 December 2016, total asset under management amounted to SEK 28.1 billion. The number of employees were 32.

AP6 is a signatory of the UN Global Compact and the Principles for Responsible Investment (PRI). AP6 has a Code of Conduct describing the fund's approach to environmental-, social- and business ethics aspects. The Code is aimed at employees, business partners and investments and is communicated actively to these groups. As a responsible investor, AP6 integrates consideration of human rights, labour rights, environment and anti-corruption into the investment- and ownership processes. Starting with the accounting year 2013, AP6 annually issues a Sustainability Report using the Global Reporting Initiative's G4 Guidelines. The 2015 Sustainability Report is integrated in the Annual Report (<http://www.apfond6.se/en/English/Archive-Annual-Reports/>). The translation of the 2016 report to English is forthcoming.

Human Rights

Assessment, Policy and Goals

AP6's Code of Conduct covers support of and respect for internationally recognized human rights and aims to ensure that neither the fund nor the fund's investments are complicit in human rights violations.

Implementation

AP6 respects human rights in the daily operations and integrates human rights consideration in its processes for due diligence and active ownership.

The fund promotes human rights in dialogue with companies and funds in AP6's private equity portfolio in order to increase awareness of human rights related risk and mitigate human rights violations. AP6 also encourages portfolio companies and funds to support the UN Global Compact and PRI.

Measurements of outcome

AP6 has not received any complaints from employees, business partners or any other external parties in relation to potential human rights violations. AP6 has not been involved in any human rights incidents during the reporting period.

Labour

Assessment, Policy and Goals

AP6's Code of Conduct covers support of and respect for internationally recognized labour standards, including freedom of association and the right to collective bargaining, freedom from forced labour and child labour, non-discrimination and equal opportunities.

Implementation

AP6 works actively to recruit and keep skilled personnel. In order to provide an attractive workplace, AP6 upholds the highest labour standards. Gender equality, equal opportunities and skills management are key in this respect. During 2016, AP6 has participated in the Stockholm School of Economics' Rapid Acceleration Management Programme, which provides a fast track into the

Swedish labour market for refugees with an academic degree. Within the scope of this programme AP6 is offering a supervised apprenticeship during the academic year 2016/2017.

AP6 integrates labour standards consideration in its processes for due diligence and active ownership. Specific attention is brought to gender balance on the boards and in senior executive positions of AP6's portfolio companies. During 2016, AP6 organised a round table discussion on gender and diversity for Nordic private equity managers, with a focus on sharing experiences and knowledge on increasing diversity within the private equity industry.

The fund promotes labour standards in dialogue with companies and funds in AP6's private equity portfolio. AP6 encourages portfolio companies and funds to support the UN Global Compact and PRI.

Measurements of outcome

AP6 has received no grievances or complaints from employees or others in relation to potential labour rights violation, nor was the organization involved in any labour rights incidents during the reporting period.

During 2016, the ratio of female board members in the directly held portfolio companies reached 14% on an aggregated level, an increase from 10% previous year. The aim is to achieve gender balance (50/50) over time.

Environment

Assessment, Policy and Goals

AP6's Code of Conduct covers internationally recognized environmental standards. Due to the office based nature of AP6's administration, the fund's direct environmental impact is limited. Business travel is the factor with highest environmental impact and most potential to influence.

Implementation

AP6 aims to reduce its direct environmental footprint. Specific attention is brought to business travel. AP6 has during 2016 increased travel by rail as an alternative to national flight travel as well increased the level of video conferencing as an alternative to in-person meetings.

AP6 integrates environmental consideration in its processes for due diligence and active ownership. Continued attention has been brought to climate change related aspects of AP6's private equity portfolio during 2016. In addition to calculating the carbon footprint of the private equity portfolio, AP6 has during 2016 integrated climate change related queries into standard due diligence and monitoring activities.

The fund promotes environmental standards in dialogue with companies and funds in AP6 private equity portfolio. AP6 encourages portfolio companies and funds to support the UN Global Compact and PRI.

Measurements of outcome

AP6 has received no grievances or complaints from employees or others in relation to potential violations of environmental standards, nor was the organization involved in any environmental incidents during the reporting period.

The ratio of rail travel to total national travel increased with 18 % during 2016, exceeding the target of a 10 % increase.

During 2016, the use of AP6's video conferencing system increased with 25 %, exceeding the target of a 10 % increase.

Anti-Corruption

Assessment, Policy and Goals

AP6's Code of Conduct covers internationally recognized standards for anti-corruption. AP6 is state-owned and accountable to the Ministry of Finance. The Ministry's guidelines on gifts, avoidance of corruption and conflict of interests have been presented to all employees. AP6 has also adopted specific guidelines relating to external representation and business travel. In line with these guidelines, invitations to individual employees must have a clear and relevant professional connection. AP6 does not allow secondary occupations that conflict with the requirements of loyalty to the employer.

Implementation

AP6 emphasizes the importance of personal responsibility and ability to make informed decisions based on AP6's Code of Conduct and other relevant guidelines. AP6 has an internal ethical committee and also a whistle blowing system where potential incidents of bribery or corruption are reported. An external audit is also performed annually.

AP6 integrates consideration of anti-corruption standards in its processes for due diligence and active ownership. The fund promotes anti-corruption standards in dialogue with companies and funds in AP6 private equity portfolio. AP6 encourages portfolio companies and funds to support the UN Global Compact and PRI.

Measurements of outcome

AP6 has received no grievances or complaints from employees or others in relation to potential incidents of bribery or corruption during the reporting period, nor has any controversies been highlighted in the external audit.