


alecta

A large, stylized number '24' is rendered in a dark blue color, serving as a background element. The '2' is composed of two thick, curved strokes, and the '4' is formed by a thick diagonal stroke and a vertical stroke.

Annual and sustainability report 2024

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About Alecta's Annual and Sustainability Report 2024

Alecta Tjänstepension Ömsesidigt's ("Alecta") annual and sustainability report is presented by the Board of Directors and CEO and is intended to provide all stakeholders with a good understanding of our activities and results in the past year. The administration report and the financial statements constitute Alecta's statutory financial information and are subject to external auditing. The Sustainability Report section constitutes Alecta's statutory sustainability report. It is prepared in accordance with the guidelines from the Global Reporting Initiative (GRI) Standards and describes Alecta's organisation and governance of sustainability, detailed data and boundaries. Alecta's external auditors PwC carry out a review of the sustainability report. At the end of the annual and sustainability report are the regular disclosures for Alecta's financial products that have been prepared in accordance with the EU Regulation on Sustainability Related Disclosures (SFDR), which are not covered by PwC's review.

This Annual and Sustainability Report is a translation of the Swedish original. If there are differences, the Swedish version shall prevail.

Highlights of the year

New governance model

To strengthen rigour, structure and transparency in governance, the social partners decided at the 2024 meeting of the Board of Directors on a new governance model for Alecta. This means, inter alia, that the former Council of Administration changed its name to the Council, that a preparatory council has been established and that a Nomination Committee has replaced the Council's Preparatory Committee.

Four new members and six re-elections to Alecta's board

At Alecta's Council of administration meeting on 25 April ten board members were elected, four of whom are new; Hans Fahlin, Viveka Strangert, Bo Kratz and Heléne Robson. The first three are independent from the parties, which is in line with the new governance model voted on at the meeting.

Improvement programme after crisis of confidence

2024 has been characterised by continued intensive work to introduce improvements following the events that damaged confidence in Alecta in 2023. The work focuses on risk management.

Renewed trust as default option in the FTP plan

Alecta's product Alecta Optimal Pension was given renewed trust as a default option for defined contribution retirement pensions within the insurance industry's occupational pension plan, FTP. The plan is valid from January 2025 and five years ahead.

Alecta continues premium reductions

Before 2025, Alecta's board decided on a premium reduction for defined benefit retirement and family pensions of 25 per cent, which was slightly lower than before 2024, and to continue to provide premium reductions for risk insurance.

Increased pensions for 1.5 million customers

For 2025, Alecta raises the defined benefit pensions by 1.6 per cent, corresponding to inflation in the last year. In total, Alecta has increased pensions by almost 20 per cent over the past three years. In total, this means that over SEK 94 billion is distributed to 1.5 million customers.

New opportunity to pause occupational pension

As of 1 January 2025, Alecta offers customers the opportunity to pause their ongoing occupational pension payments. The agreement areas where this will be possible as early as January are the ITP agreement and the SAF-LO collective pension plan. Later in 2025, the option will be added to KAP-KL/AKAP-KR and PA 16. Alecta has been working for many years to make this possible. Therefore, the decision made by the Parliament (Riksdagen) this autumn regarding more flexible rules for the payment of occupational pension, was greatly welcomed. As a result, more individuals can retire in a more flexible way

Enhanced IT and information security through DORA

In 2024, intensive efforts were underway to implement the EU Digital Operational Resilience Act (DORA). The purpose of DORA is to strengthen the digital operational resilience of the financial sector through robust systems for, inter alia, risk management and incident reporting. The implementation of DORA, which entered into force in January 2025, has included all of Alecta's operations.

Change in ITP 2 funding policy

Alecta's board decided to change the funding policy in the ITP 2 defined benefit pension. On 31 December 2024, the limit for when surpluses can start to be paid to corporate customers was reduced from 175 to 170 per cent while the shareholding in the normal defined benefit portfolio was reduced from 35 to 30 per cent. The change in the funding policy is expected to lead to earlier and more stable payment of surpluses to the corporate customers. The reduced proportion of shares in the defined benefit portfolio also improves the possibility of long-term indexation of private customers' pensions in line with inflation, in the most challenging future scenarios.

Apotea, in which Alecta is a major shareholder, is listed on the stock exchange

At the end of 2024, the Swedish online pharmacy Apotea, in which Alecta has been one of the largest shareholders since 2019, was listed on the stock exchange. During the process, Alecta has focused on the preparing Apotea for the stock exchange.

New study: more poor young people than poor pensioners

More younger than older people have low incomes and married people are overrepresented among those with the lowest income after taxes. This is shown by figures from Statistics Sweden (SCB), which Alecta has analysed in the annual survey on the financial situation of pensioners.

Karin Cederbaum is new General Counsel at Alecta

In October, Karin Cederbaum assumed the role of General Counsel and Head of Legal Affairs at Alecta. She most recently held the position of CEO of Säkra Spar, and has previously worked as General Counsel in the Insurance business area at Skandia Liv and as Head of Compliance at Swedbank.

ALWAYS

LOW

FEEES



We build trust – now and in the future

Alecta manages occupational pensions for 2.8 million individuals and 37,000 companies in Sweden. Our mandate is to maximise the value of occupational pensions, something we have been committed to for over 100 years. We are owned by our customers and all surpluses go back to them.

Why does Alecta exist?

We build trust – now and in the future.

What does Alecta do?

We provide collectively agreed occupational pensions with as much value as possible.

How does Alecta work?

We empower each other and innovate to improve, every day.



A shared vision since 1917

Alecta was founded in 1917, when employers and employees joined forces to create a joint pension fund. The idea quickly spread across the country and continues to live on today.

Swedish welfare grew through innovations in forestry, mines and ironworks. An important parallel story is the creation of our pension system.

In the early 20th century, officials at Uddeholm and Munkfors Bruk in Värmland came together to secure their future. They wanted retirement pensions to become part of the remuneration, not a gift of grace. Industry also saw the value of a more flexible pension solution that followed workers when changing employers. This is how the idea of Sweden's first joint pension fund was born. In 1917, SPP was formed, which later became Alecta.

The model of collaboration between the labour market partners became an important part of the Sweden's success throughout the 20th century. Today, over a hundred years later, Alecta remains part of the Swedish social contract.

This is Alecta today:

- We are owned by our 2.8 million private customers and 37,000 corporate customers. All surpluses goes back to them.
- We offer a collective insurance solution, which entails private and corporate customers sharing the responsibility for benefits and the risks. This creates greater security and flexibility. It makes it possible to offer all customers a lifelong pension, a survivor's pension and disability insurance without complex exemptions.
- We are part of a collective procurement, which gives the industry the lowest fees and thus more money for pensions.

ABOUT ALECTA

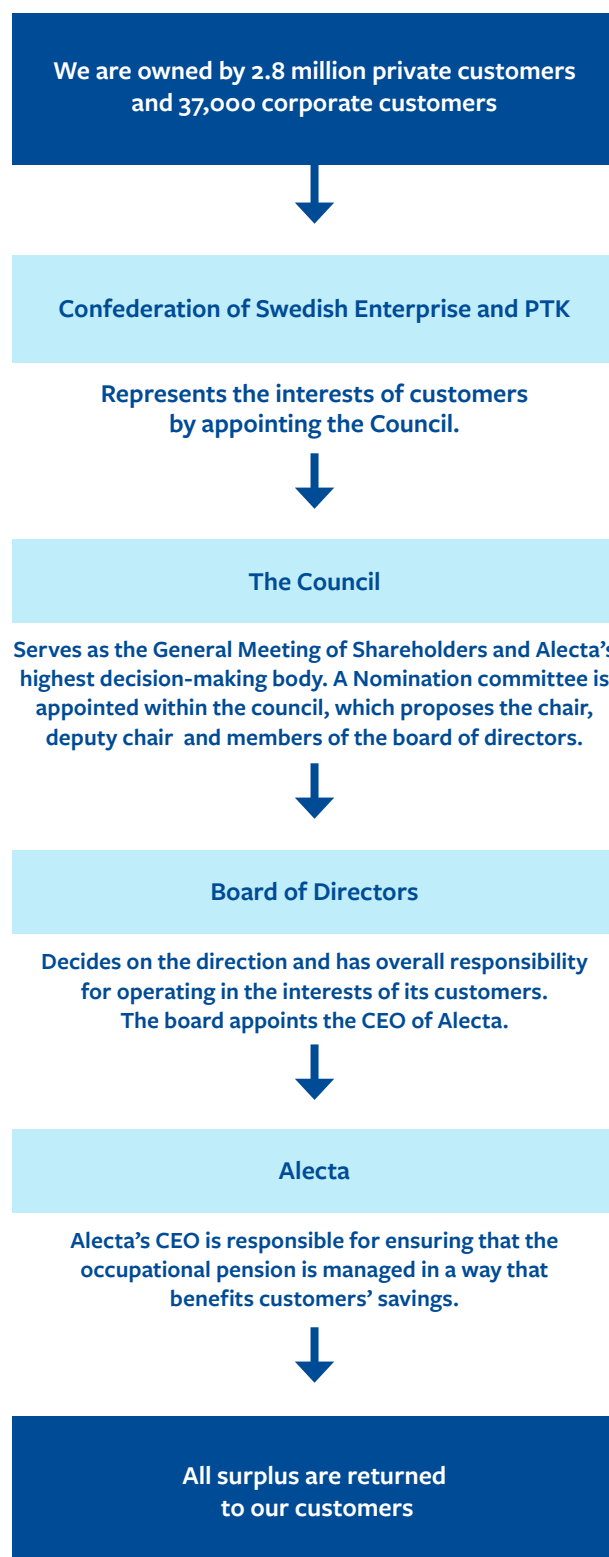
2.8 million private customers

37,000 corporate customers

490 employees in the group

SEK 1,300 billion in assets under management

Alecta is one of the largest investors in the Stockholm Stock Exchange, one of Sweden's largest property owners and the fifth largest occupational pension company in Europe.



Message from the CEO

We are building a stronger and more resilient Alecta



The past year has largely been characterised by the extensive improvement programme developed after the events in 2023. With the majority of the measures implemented, we are now on the right path towards a stronger and more resilient Alecta.

Since the founding in 1917, Alecta has had a single mandate – to create the greatest possible value in occupational pensions and security for our customers. With this as our sole focus, we have been able to truly excel. We have since delivered competitive returns and products with good guarantees, at very low fees. This has created a high level of trust among our customers, owners and other stakeholders.

This confidence was damaged in 2023 after the losses in three US banks and the turmoil surrounding the investment and shareholder agreement in Heimstaden Bostad. During 2024, Alecta's focus has been on ensuring that something similar cannot happen again. We have developed an improvement programme with primary focus on asset management, where we implemented the majority of it during the autumn of 2024 and the beginning of 2025.

In parallel with the improvement and development work, the business has continued to deliver good pensions, low fees and good service to our customers.

I would like to thank all our competent, committed and loyal employees for their hard work during this turbulent time.

Returns

For the defined contribution product Alecta Optimal Pension, the return in 2024 was 6.8 per cent compared to 8.7 per cent in 2023. The average annual return over the past five years was 6.8 (9.3) per cent.

The yield target for Alecta Optimal Pension has been slightly reformulated for 2024. With the new target, we compare Alecta Optimal Pension with other optional ITP products within traditional insurance over a five-year period. The result was that Alecta Optimal Pension was third best, which means that we did not achieve our metric of being the best or second best among these products.

In our assessment, returns have been negatively affected by the fact that we have a lower proportion of shares relative to our competitors, and that we have had a lower proportion of US shares in the equity portfolio. We also estimate that we have had a higher proportion of Swedish shares than some of the competitors.

The return for Alecta Optimal Pension is slightly higher than the average return on all life insurance and assets of occupational pension companies in 2024, which was 6.6 per cent according to Insurance Sweden's statistics.

For the defined benefit product, the return was 4.9 per cent during the year, compared with 7.1 per cent in 2023. Alecta's average annual return over the past five years has been 4.6 (6.4) per cent. For defined benefit insurance, the target is to exceed the internally calculated required rate of return by 0.5 percentage points per year on average over a five-year period. When we reach that level, we ensure that we can secure the value of pensions for our customers. The goal was achieved with a margin.

Message from the CEO, continued

Secure and satisfied customers

We achieved our customer satisfaction goals for both private and corporate customers. This goal measures the satisfaction of the customers who contact our customer service.

In order to track the perceptions of a wider group of customers, we added an attitudinal loyalty goal to our overall customer goal during the year. It is a weighted index of different issues in a broad, brand survey that an external research company conduct annually. In 2024, this value was 60 where 100 is the best rating, which was higher than the previous year's measurement. We reached our goal for 2024. The goal in the coming years is to achieve a gradual improvement.

Cost-efficiency

Alecta's operating expenses amounted to SEK 1,158 million in 2024, which included non-recurring costs of SEK 22 million caused by the events of 2023. The target, which for 2024 was updated to include internal asset management costs again, was that operating costs would not exceed SEK 1 138 million.

Increased pensions and premium reductions

Based on the return and our strong financial position, the board was able to decide in the autumn of 2024 to increase the defined benefit pensions by 1.6 per cent for 2025, corresponding to inflation in the past year. In total, this means that in 2025 SEK 10 billion will be allocated to 1.5 million customers covered by the defined benefit pension ITP 2. In total, Alecta has increased pensions by almost 20 per cent over the past three years. In total, this means that over SEK 94 billion was distributed to the customers.

In addition to this, Alecta's board decided in 2025 to grant corporate customers a 25 per cent premium reduction for defined benefit retirement and family pensions, and to continue to provide premium reductions for risk insurance. Overall, these premium reductions correspond to SEK 8 billion in lower costs for corporate customers.

Our financial position is stable and we can meet our commitments by a good margin. After extensive analysis work, Alecta's board decided in December to change the funding policy and to reduce the proportion of shares for defined benefit

insurance. This is expected to lead to an earlier and more stable payment of surpluses to companies and improved opportunities for long-term indexation of pensions.

New default agreement in our industry

It is also gratifying to note that we were able to offer such an attractive product, with, inter alia, a reduced fee, and that Alecta was again appointed as the default supplier for the defined contribution retirement pensions FTP 1 and FTPK in the insurance industry's occupational pension plan. The agreement is valid from January 2025 and for five years.

We have also continued to participate in the pension debate and share our knowledge, including through our regular reports on the financial situation of pensioners. We have also contributed support for research on sick leave among employees after the pandemic and, together with Afa Försäkring, about mental illness of workers and private sector employees.

New governance, new leaders and ambitious improvement programmes

As a result of the events in 2023, our owner representatives, the labour market partners, have introduced a new governance model. Among other things, the Board has more members who are independent from the parties, with relevant expertise in asset management, regulatory compliance and governance.

I have been the CEO since September 2023, and we have new managers in a number of positions. Among other things, Pablo Bernengo assumed the role of Head of Asset Management at the end of 2023 and Karin Cederbaum was appointed as Head of Legal Affairs at the end of 2024. We have also strengthened and expanded our expertise in several important areas, not least risk management.

After analyzing the events of 2023, we conclude that Alecta has demonstrated shortcomings in risk management within equity management as well as in the decision making and processes related to the investments in Heimstaden Bostad. This is something we take very seriously and it has served as the basis for the improvements we are implementing.

We have conducted a thorough review of all parts of the business, focusing on asset management. Based on this, we have

Message from the CEO, continued

developed a comprehensive improvement programme with 17 points. It focuses on three areas; risk management, governance and skills. During 2024 and the beginning of 2025, we have executed and implemented most of the measures in the programme, making Alecta a stronger and more resilient company. At the time of writing, in March 2025, the Swedish Financial Supervisory Authority's investigations of investments in the US banks and in Heimstaden Bostad are still ongoing. We are cooperating fully with the Swedish Financial Supervisory Authority and have made available all the materials requested.

Our assessment is that the improvement programme we are implementing addresses the shortcomings that existed and that it thus also meets any criticism from the Financial Supervisory Authority. When the results of the investigations are published, we will reassess whether further action needs to be taken.

Our ambition is to be an industry leader in risk management. Then we can deliver the best possible long-term value and security to our customers.

A stronger and more resilient Alecta

Finally, I understand that what happened in 2023 has caused concern and disappointment among our customers, which has affected trust in Alecta. Alecta can do better than that and now we are doing everything we can to ensure it. However, I would like to reiterate that Alecta is still a very stable company. We are in a very strong financial position, able to meet all our commitments by a good margin, and we have delivered a good return.

In 2023, our capital grew by SEK 93 billion and in 2024 by SEK 69 billion. Alecta has highly skilled, engaged and loyal employees with a strong drive to build trust for our customers. We have new leadership in many areas, clearer management of the company and increased resources, tools and skills. We are now on the right path to build a stronger and more resilient Alecta that our customers should be able to trust.

Peder Hasslev

CEO

Alecta Tjänstepension Ömsesidigt

Summary of 2024

ALECTA'S LONG-TERM OPERATIONAL GOALS

WE WANT TO ACHIEVE THE FOLLOWING:	TARGET LEVEL 2024	OUTCOME 2024
Confident and satisfied customers		
<p>Alecta is committed to maintaining a strong brand and a good reputation as a responsible player in society. Our customers should feel confident and satisfied, as well as have trust and engagement in Alecta and our products.</p> <p>Confident customers It is important that our customers feel confident in their relationship with Alecta and that their trust in us remains strong. That's why we measure customer attitude loyalty.</p> <p>Satisfied customers It is also important that customers who contact us receive good service and that both corporate and private customers perceive us as a stable and reliable company.</p>	<p>In the brand survey ¹⁾ 2024, customer loyalty should be >56 (i.e. exceed the level measured in 2023).</p> <p>During 2024, we continued to evaluate target fulfilment by monitoring the satisfaction of corporate and private customers who call our customer service:</p> <ul style="list-style-type: none"> Corporate customers should respond with an average rating of ≥ 5.5 on a scale of 1–6. Private customers should respond with an average rating of ≥ 5.6 on a scale of 1–6. 	<p>The result of the measurement in 2024 was which means that the metric was reached.</p> <p>60</p> <p>Customer satisfaction for corporate customers and private customers was measured in 2024 at</p> <p>5.6 and 5.6</p> <p>which means that both metrics were achieved.</p>
Low costs and high efficiency		
<p>With our focused mission, we can have the highest efficiency in the industry.</p>	<p>Costs are monitored through key performance indicators such as management expense ratio and cost per insured. But also in absolute terms. For 2024:</p> <ul style="list-style-type: none"> Alecta's operating costs shall not exceed SEK 1,138 million. Alecta shall have the lowest total asset management expense ratio compared to the companies designated as eligible companies for traditional insurance in the ITP procurement in 2023. Read more in Note 8. 	<p>Alecta's operating expenses were</p> <p>SEK 1,158 million</p> <p>The costs include one-off costs of SEK 22 million related to the events in 2023.</p> <p>The total asset management expense ratio for 2024 was</p> <p>0.13 per cent</p> <p>To be followed up in 2025, when the annual reports of other eligible companies have been published.</p>
Good return and strong financial position		
<p>Alecta's return should be competitive at the total level, product level as well as at an asset class level. We will work to achieve the long-term target returns while ensuring that we are in a sufficiently strong financial position to withstand events that could occur according to our long-term risk assessment.</p> <p>Target fulfilment was monitored using two metrics in 2024. For the Alecta Optimal Pension, which is a product fully exposed to competition, we have established a metric relative to competitors. For defined benefit insurance, we measure return compared to the internally calculated required rate of return, since the most important element of this product is our ability to preserve the value of our pension commitments in the long term.</p>	<ul style="list-style-type: none"> The change in value for Alecta Optimal Pension must, on average, over a five-year period be the best or second best in comparison to other eligible products within ITP, traditional insurance ²⁾. Total return for defined benefit insurance is to exceed the required rate of return by 0.5 percentage points per year on average over a five-year period. 	<p>Alecta's Optimal Pension's average five-year change in value was</p> <p>6.7 per cent</p> <p>With this, Alecta Optimal Pension was the third best among eligible products within ITP traditional insurance, which means that the metric was not achieved.</p> <p>The average return on the defined benefit insurance over the past five years was</p> <p>4.6 per cent</p> <p>which means that the metric was achieved.</p>

¹⁾ Attitude loyalty is tracked in our brand survey conducted in collaboration with Novus. The result is an average of three questions about customers' feelings and perception of the brand.

²⁾ Companies with eligible products within ITP traditional insurance report the products' change in value to Collectum quarterly. The information service Avtalat reports the outcome.

Sustainability Report

Alecta's statutory Sustainability Report has been prepared in accordance with applicable requirements in the Annual Accounts Act. The Sustainability Report has been prepared in accordance with the guidelines of the Global Reporting Initiative (GRI). Alecta's Annual and Sustainability Report is submitted by the Board and CEO. Alecta's systematic sustainability work through organisation, processes, targets and indicators as well as scope and boundaries is presented here. At the back of the Annual and Sustainability Report are regular disclosures for Alecta's financial products according to the templates developed under the EU Sustainable Finance Disclosure Regulation (SFDR). For the report on the review of the Sustainability Report and opinion on the statutory Sustainability Report from Alecta's external auditor PwC, refer to page 37.

ALECTA'S OVERALL SUSTAINABILITY GOALS

Alecta has adopted new overall sustainability goals for the period 2024–2028. They are sorted under our three focus areas Pensions, Investments and People and Workplace. The outcome of Alecta's long-term sustainability goals 2024–2028 is reported in full on page 17 and onwards.

PENSIONS

LONG-TERM SUSTAINABILITY GOALS 2024–2028

We shall provide stable pensions now and in the future.

- We shall be and be seen as a stable pension company.
- We shall provide a good and stable pension.
- We shall increase transparency and knowledge about Alecta and our role in the pension system.
- We shall ensure high customer privacy and high protection of personal data.

FOLLOW-UP

- One of Alecta's overall operational goals is good returns and strong financial position that we continuously monitor through various key performance indicators.
- We measure customer knowledge of Alecta and their perception of Alecta as a stable company.
- We follow up on customer complaints including those relating to the handling of personal data.

Reporting of targets, indicators and outcomes see page 20



INVESTMENTS

LONG-TERM SUSTAINABILITY GOALS 2024–2028

- We shall invest in line with the climate goal of 1.5 degrees and the ambition of net-zero climate impact by 2050.
- We shall invest in companies that actively work to prevent human rights violations and promote gender equality and social responsibility in their own operations as well as in their value chains.
- We shall work to ensure that the holding companies have sound corporate governance and good business ethics.

FOLLOW-UP

- We have clear return targets and an overall and long-term climate target for the entire investment portfolio.
- We follow various indicators to measure gender equality, responsible value chains and good corporate governance and business ethics at our portfolio companies.
- We monitor investments with measurable environmental or social benefits and follow a number of environmental, social and governance indicators tailored to different assets.

Reporting of targets, indicators and outcomes see page 22



PEOPLE AND WORKPLACE

LONG-TERM SUSTAINABILITY GOALS 2024–2028

- We shall reduce our environmental and climate impact.
- We shall be the most attractive employer in our industry.
- We shall follow rules and guidelines, have good business ethics and have good internal governance and control.
- Our suppliers shall meet our expectations in sustainability and business ethics.

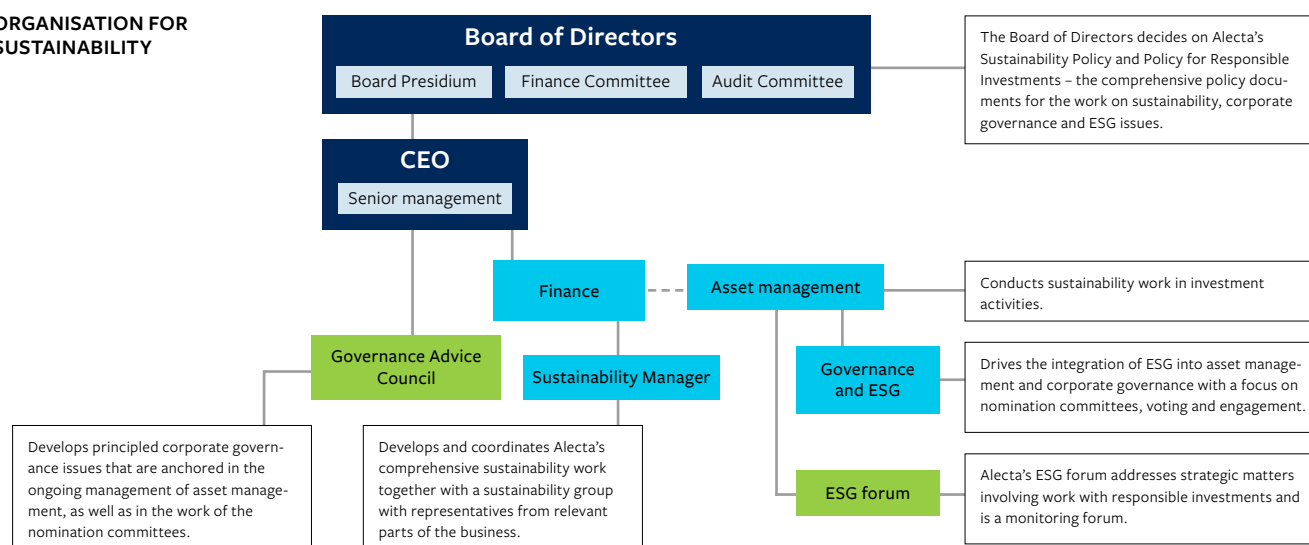
FOLLOW-UP

- We measure a number of environmental performance indicators linked to our business.
- We monitor a number of indicators linked to employee satisfaction and regularly ask our employees questions.
- We attach the greatest importance to ensuring compliance with laws, regulations, internal governance documents and good business ethics.
- We work for all suppliers to sign our Code of Conduct and include sustainability aspects in our procurement of suppliers.

Reporting of targets, indicators and outcomes see page 28



ORGANISATION FOR SUSTAINABILITY



Organisation for sustainability

The Board decides on Alecta's Sustainability Policy and Policy for Responsible Investments. These constitute the overall governance documents for the work on sustainability, governance and ESG issues. The Board of Directors also decides on the positions that describe Alecta's views on different ESG issues with an impact on the investment business or active ownership activities. A description of the sustainability work is included in quarterly reports submitted to the Board of Directors and senior management. An annual follow-up of Alecta's sustainability goals is presented to the Board and ESG and ownership issues are regularly followed up at Finance Committee meetings. The Board is updated on the development of sustainability work in the industry, new regulations and other current topics or trends in the discussion on sustainability via regular reports. Alecta's Council acts as the general meeting of shareholders, and when electing the members of Alecta's Board, sustainability is one of the areas of expertise on which the suitability assessment is based.

The Head of Finance has formal responsibility for sustainability issues in Alecta's management. Under the Head of Finance is a sustainability manager who is responsible for working with the overall goals and indicators, and for developing and coordinating Alecta's overall sustainability work. The sustainability manager leads a cross-functional sustainability group with representatives from relevant parts of the business. The sustainability group works on initiating activities and driving Alecta's sustainability work with our new sustainability goals as a starting point.

Asset management drives sustainability in investment activities. The Governance and ESG group leads the work on active ownership with a particular emphasis on nomination committees, general meetings and engagement with boards of directors. Another focus area is to contribute to the development of good governance practices. Together with analysts and port-

folio managers in asset management, the group works with ESG in the investment analysis, and support engagement with directly owned holdings and external asset managers. In addition, there are two forums involved in developing the work:

- The Head of Asset Management leads an ESG forum, which comprises the heads of the asset classes Equity, Debt Securities and Real Assets, the Head of External Communication and employees from Governance and ESG. Alecta's ESG forum addresses strategic matters involving work with responsible investments and is a monitoring forum, which includes the processes that are part of the ESG4Real certification.
- The CEO chairs a Governance Advice Council consisting of Head of Asset Management, Head of Equity, Head of Governance and ESG, Governance Specialist and General Counsel. The purpose of this group is to coordinate and follow up work during the nomination committee season in a structured manner, support Alecta representatives on nomination committees in their duties and to advance the work on governance.

In purchasing and in relations with suppliers, good environmental standards, working conditions and the choice of suppliers with collective agreements are required whenever possible. In support of this, Alecta has a Code of Conduct for suppliers based on the UN Global Compact and its ten principles for responsible business in the areas of environment, human rights, working rights and anti-corruption which all suppliers and partners must endorse. During the year, we have worked to increase the number of suppliers signing our Code of Conduct, both in the extension of existing agreements and in new partnerships.

Governance documents for sustainability at Alecta

Alecta's overall Sustainability Policy and the Policy for Responsible Investment as resolved by the Board are available on alecta.se. The governance documents are complemented through more practical nano-training. In addition to these overall policy documents, more detailed guidelines, decided upon by the CEO or other decision-makers at Alecta provide guidance to employees in their day-to-day work. These documents also clarify that the corresponding governance documents must be present at Alecta's subsidiaries, which essentially means Alecta Fastigheter AB, which is governed by the Alecta owner directive. A number of the governance documents are described here.

Sustainability policy

Alecta's Sustainability Policy is designed to give internal and external stakeholders a general idea of how sustainability concerns are integrated into the company's activities. It expresses our support for the UN's Global Compact initiative and its ten principles on the environment, human rights, labour rights and anti-corruption. The sustainability policy is an umbrella for other more detailed governance documents, such as purchasing and procurement guidelines.

Governance and responsible investments

Alecta's Policy for Responsible Investments describes how we consider sustainability when investing in different asset classes and how Alecta's positions are applied. The Equity section constitutes Alecta's principles for shareholder engagement and describes our governance, and how we exercise our active ownership in listed companies.

Ethical regulations

Alecta's ethical framework is based on the Ethics Policy decided by the Board. This policy establishes the fundamental principles of the Board. It also contains references to other internal governance documents that deal with both business ethics and staff-related issues. Alecta's ethical framework includes requirements and rules linked to, for example, representation, market abuse, conflicts of interest and whistleblowing. Through these governing documents, Alecta also undertakes to comply with the currently applicable version of the Code to Prevent Corruption in Business published by the Swedish Anti-Corruption Institute (IMM).

Examples of other governance documents for sustainability:

Investment guidelines

Alecta's Investment Guidelines describe the focus and framework for asset management risk-taking, the objective for asset allocation and state that Alecta is to exercise active ownership and take sustainability factors into account.

Risk management

The Risk Management Policy sets out the board's risk tolerance and describes Alecta's focus on proper risk control and appropriate risk management, which also includes environmental risks, as well as social and governance risks. Alecta's Board emphasises the importance of proactivity to reduce sustainability risks.

Information security

The policy describes how we should systematically secure Alecta's information assets and ensure Alecta's digital operational ability. The focus is on confidentiality, accuracy, and availability.

Purchasing and procurement

Guidelines that describe the procedures and division of responsibility for purchases and procurement, where the emphasis is on efficiency and quality. Decisions on purchases must take into account the suppliers' sustainability work.

Diversity and Discrimination

The Policy on Diversity and Prevention of Discrimination describes Alecta's responsibility to provide all employees with the same opportunities for development and involvement, combined with zero tolerance of abusive treatment and discrimination.

Work environment

The Work Environment Policy describes Alecta's overall view of the work environment and the division of responsibilities in work environment issues.

Corruption

The Anti-Corruption Policy provides guidance on how employees should act in relation to gifts and other benefits that could involve bribes or improper influencing. The policy is based on the Business Code published by IMM.

Stakeholder engagement

Alecta's most important stakeholders are our customers, who are also our owners. With so many customers, and because of the mission's character, we have a strong foundation in society. In recent years, Alecta has prioritised increased openness, transparency and dialogue with stakeholders for a better exchange of experiences and understanding of stakeholder expectations. In 2023, we conducted more extensive stakeholder dialogues that formed the basis for the work to formulate new sustainability goals.

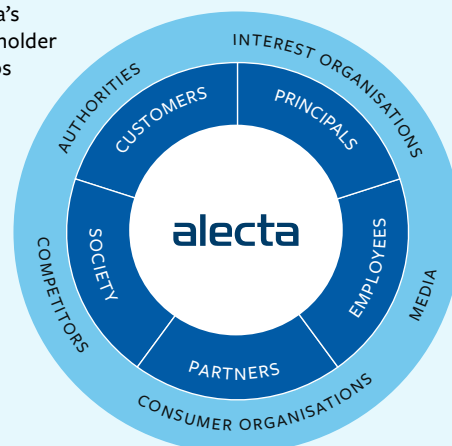
Customers view of sustainability 2024

In general, Alecta's interaction with stakeholders are mainly focused on pensions and the pension system, as well as how pension capital and investors can contribute to the climate transition.

During the final months of the year, Alecta conducted a broader stakeholder survey that encompassed client companies and private-sector employees. To ensure continuity and comparability, we have chosen to keep previous year's questions.

In line with previous years' results, both corporate customers and private-sector employees continue to have high expectations on pension companies in general to act sustainably. In 2023, we saw an increase in general knowledge of Alecta and a decline in the proportion of customers who believe that Alecta acts sustainably. During 2024, knowledge about Alecta has continued to increase and we also see a marked increase in the proportion of customers who believe that Alecta is acting sustainably with a result that is back at the levels before 2023. However, the vast majority of customers continue to state that they do not know if Alecta is acting sustainably. With respect to management of pension capital, the key issues for both corporate customers and private-sector employees continue to be good working conditions and the prevention of child labour. Corporate customers believe that business ethics and preventing corruption have the greatest positive impact on returns in terms of a longer perspective, while employees think that climate-adapted investments have a greater impact. This year both groups ranked climate-friendly investments and business ethics and prevention of corruption highest in terms of sustainability issues that can have the greatest positive impact on investment returns.

Alecta's
stakeholder
groups



Customers – private and corporate customers

Current issues: A secure pension, low costs, efficient asset management, ethical business behaviour and the occupational pension's climate footprint

Dialogue channels: Customer service, surveys, email contacts, company visits, customer letters and alecta.se.

Alecta's work: Clear targets for cost effectiveness and returns on investment, increased transparency and membership of the UN Global Compact.

Principals – unions and employers

Current issues: Responsible investment, corporate governance, fees, returns, governance and internal sustainability work.

Dialogue channels: The Board of Directors, committees, seminars and procurements.

Alecta's work: Certification work in asset management, increased transparency and sustainability targets and indicators.

Employees

Current issues: Skills development and career progression, equality, work environment, environmental impact, ethical business behaviour and responsible investment.

Dialogue channels: Employee surveys, whistleblowing function, intranet, internal seminars and CEO meetings.

Alecta's work: Skills development plans, diversity plan, targets and indicators for sustainability, training programmes about ethics and corruption, as well as sustainability.

Partners and suppliers

Mainly the selection centres for the collective bargaining areas, service providers in IT, real estate and asset management, PRI Pensionsgaranti and minPension.

Current issues: Procurements, responsible investments, environment and sustainability.

Dialogue channels: Negotiations and agreements as well as forums for cooperation.

Alecta's work: Review of sustainability issues in agreements and procurement processes, certification of sustainability in asset management, and Code of Conduct.

Society and broader stakeholder groups

Current issues: Knowledge about occupational pensions, stable management of pensions, the climate issue, sustainable finance and the role of owner.

Dialogue channels: Lectures at universities, industry dialogue, meetings with politicians, seminars, media debate and consultations.

Alecta's work: Taking part in the debate on pensions, collaboration through the "Gilla Din Ekonomi" ("Like Your Personal Finances") network and involvement in the EU's work on sustainable finance.

Materiality analysis

In our work to formulate new overall sustainability goals for 2024–2028, we have conducted a business environment and stakeholder analysis. The stakeholder analysis confirms that our most important responsibility in terms of sustainability is to provide stable pensions to our customers and that the emphasis remains on investment activities. The need for strong protection of customer privacy and to be a transparent organisation were also highlighted as important issues.

The issues relating to our own operations and our suppliers are not the most significant issues in terms of Alecta's sustainability impact. Both the Board and external stakeholders have, however, pointed out the importance of Alecta, as a credible, responsible investor, also working on its internal sustainability work. Sustainable workforce issues as well as

energy and resource efficiency in the office have been highlighted as important issues by our employees. Based on the business environment and stakeholder analysis, we grouped our material topics under three focus areas: Pensions, Investments and People and Workplace. At internal workshops, new overall sustainability goals were formulated in the three focus areas together with indicators to help us follow up on the goals. An overview of our key issues and indicators for follow-up can be found in the table below.

Based on the materiality analysis, the sustainability group has during the autumn analysed the impact on GRI indicators and assessed that the indicators previously assessed as material remain relevant to Alecta's activities.

MATERIAL TOPICS					
Topic	Risk	Boundary ¹⁾	Activities	Key figures/indicators	Page reference
PENSIONS Provide stable pensions	<ul style="list-style-type: none"> Alecta's legitimacy is challenged Regulations that disfavour the customers Increased costs for society 	Impact in the organisation and the value chain, as the value that is created benefits the customers, society and employees.	By providing secure and stable pensions we add value to the national social security system and to the national economy. We have therefore sharpened the focus on our overall business goals: secure and satisfied customers, low costs and high efficiency, as well as good returns and a strong financial position.	<ul style="list-style-type: none"> Economic value generated and distributed (GRI 201-1) Customer satisfaction Returns Indexation Parameters in the brand survey 	9, 20–21
PENSIONS Transparency and knowledge	<ul style="list-style-type: none"> Collective agreement widely viewed as having a lower value 	Impact in the organisation and the value chain – the customers, society and employees.	By increasing transparency and spreading knowledge about Alecta and our role in the pension system we create better understanding of the occupational pension and its role in the economy.	<ul style="list-style-type: none"> Knowledge of Alecta Publications and research funding 	21
PENSIONS High level of customer privacy	<ul style="list-style-type: none"> Violations of the privacy of individuals Financial loss for Alecta Damage to Alecta's brand/reputation 	Impact within the organisation in the work with customer tasks, for stakeholders outside the organisation who handle customer data and our customers.	We process large amounts of sensitive personal data and other customer data. We do our utmost to protect our customers' data at all times and conduct systematic data protection work with a data protection officer as a control function.	<ul style="list-style-type: none"> Complaints about breaches of customer privacy (GRI 418-1) Personal data incidents 	21
INVESTMENTS Responsible investments	<ul style="list-style-type: none"> Sustainability losses if our holding companies contribute to negative consequences for the environment and people Financial losses if our holding companies decline in value due to poor sustainability Damage to Alecta's brand/reputation in critical reviews or excessively low level of ambition 	Impact outside the organisation through the investment chain – companies, properties and other assets that Alecta invests in.	Alecta views sustainability as an important perspective to identifying long-term risks and opportunities in the management of customers' pension capital. Our communication about responsible investments is to be transparent and clear. We have clear return targets and an overall and long-term climate target for the entire investment portfolio. We will also work for increased gender equality, responsible value chains and good corporate governance and business ethics. Active management means that every investment decision is an active choice, taking into account ESG factors. Dialogue is an important tool for supporting companies to act responsibly. Alecta Fastigheter works actively for a reduced environmental impact and social responsibility. Alecta will increase investments in assets that contribute to financial returns and environmental or social impact. We collaborate to exert greater influence and exchange in the industry.	<ul style="list-style-type: none"> Share of companies with ESG dialogue (GRI FS10) Share of capital screened based on sustainability (GRI FS11) Investments with a measurable environmental or social benefit A number of indicators related to the environment, social aspects and corporate governance adapted to different assets 	22–27

¹⁾ The indicated boundaries are based on the GRI framework, where the material impact takes place within the organisation or in its value chain.

MATERIAL TOPICS

Topic	Risk	Boundary ¹⁾	Activities	Key figures/indicators	Page reference
PEOPLE AND WORKPLACE Attractive employer	<ul style="list-style-type: none"> • Less attractive workplace • Impaired competitiveness • Reduced motivation and increased ill health among employees 	Impact in the organisation through better use of skills, increased knowledge and employee satisfaction. Outside the organisation mainly through strengthened employer brand and increased customer benefit.	Alecta shall be an attractive employer that utilises diversity and provides the conditions for nurturing leadership, self-leadership and skills development. Every two years, we adopt a two-year diversity and inclusion plan. We run leadership training and work with self-leadership and skills development opportunities.	<ul style="list-style-type: none"> • Willingness for recommendation • Gender and age distribution (GRI 405-1) • Training efforts (descriptive) (GRI 404-1) • Performance and development (GRI 404-3) • Employee Survey Parameters 	29–31
PEOPLE AND WORKPLACE Good compliance and business ethics	<ul style="list-style-type: none"> • Reduced customer protection • Risk of sanctions • Reduced public confidence in the welfare system • Damage to Alecta's brand and reputation 	Internal impact where compliance is the foundation of our business. If customer protection and trust are damaged, there is also impact on customers.	Alecta operates in an industry dependent on trust and wants to promote an internal culture of ethics and responsibility through preventive efforts. We operate in a strongly regulated environment and regulations are updated continuously to promote stability and strong customer protection. We attach the greatest importance to ensuring compliance with laws, regulations, internal governance documents and good business ethics. Through a regulatory committee, we monitor regulatory developments on an ongoing basis, and in a special committee for internal governance we follow up on governance document processes and controls of essential processes.	<ul style="list-style-type: none"> • Fines or sanctions • Activities that are risk-assessed for corruption risks (GRI 205-1) • Information and training on corruption policies and procedures (GRI 205-2) • Confirmed corruption incidents and actions taken (GRI 205-3) • Knowledge of whistle-blowing process 	32

AREAS WITH HIGH EXPECTATIONS OF TRANSPARENCY

Topic	Risk	Boundary ¹⁾	Activities	Key figures/indicators	Page reference
PEOPLE AND WORKPLACE Environment and climate	<ul style="list-style-type: none"> • Negative consequences for the environment • Lack of credibility 	Impact within the organisation in internal work with environment and climate.	Alecta measures a number of environmental performance indicators, and reviews actions to reduce the direct environmental impact of operations in collaboration with Alecta Fastigheter.	<ul style="list-style-type: none"> • Energy consumption • Paper consumption • Carbon footprint in relevant areas 	28
PEOPLE AND WORKPLACE Responsible purchases	<ul style="list-style-type: none"> • Negative consequences for humans and environment • Damage to Alecta's brand and reputation 	Impact outside the organisation in our supply chain.	Alecta includes environment and sustainability issues in procurement processes. We have a Code of Conduct that suppliers must support, a special purchasing function and system support for purchasing and monitoring suppliers.	<ul style="list-style-type: none"> • Code of Conduct • Screening and follow-up indicators 	33

¹⁾ The indicated boundaries are based on the GRI framework, where the material impact takes place within the organisation or in its value chain.

Partnerships and memberships

Alecta participates in the following initiatives or organisations with a connection to sustainability:

CDP (previously Carbon Disclosure Project)

By supporting the work of CDP, investors aim to drive the companies' transparency and environmental reports, and to influence companies to work actively to reduce their environmental impact.

Fossil-free Sweden

The government initiative, Fossil-free Sweden brings together Swedish actors that want to help Sweden become one of the first fossil-free, welfare countries in the world. In the context of the initiative, Alecta has taken on various challenges, and over the years participated in consultations on various reports submitted to the government by the initiative.

UN Global Compact

International initiative to encourage the business sector to support the UN's central international conventions. Alecta has signed and endorses the Global Compact's ten principles in environment, human rights, working conditions and corruption.

Sustainable value creation

Cooperation between the largest Swedish institutional investors in order to highlight the importance of Swedish listed companies working in a structured manner with sustainability issues. Alecta participates in the collaboration, and in 2024 the participating actors deepened their understanding of biodiversity in the forest industry in dialogue with companies and stakeholders.

ICC

ICC is an international business organisation that promotes international business operations, trade opportunities and sound economic development and developing self-regulation in relevant areas, such as corporate responsibility for the environment and sustainability. Alecta is a member of ICC Sweden.

Association of Institutional Shareholders

The association's aim is to promote self-regulation in the Swedish stock market, for example by continuing to develop the Swedish Corporate Governance Code. Alecta is a member of the association.

Nasdaq Sustainable Bond Network

The initiative aims to promote transparency in green and sustainable bonds and enable more standardised impact reporting to lower the threshold for issuers and investors. Alecta is part of the initiative's Advisory Board together with other stakeholders.

Net Zero Asset Owner Alliance (NZAOA)

The alliance is an investor collaboration led by the United Nations Environment Programme Finance Initiative (UNEP FI) and PRI (see below). As part of the initiative, participants have declared the long-term goal of investment portfolios with net zero impact by 2050. Alecta is one of 12 co-founders of the initiative and is active in a number of working groups.

Principles for Responsible Investments (PRI)

The UN Principles for Responsible Investment is a global initiative for institutional investors. By signing, Alecta has undertaken to integrate the initiative's six principles for responsible investment in its activities.

Insurance Sweden

Alecta participates in reference groups within the industry organisation, Insurance Sweden, including those dealing with issues of sustainability and sustainability reporting. Alecta submits opinions on proposals for consultation and engages in dialogue with the Swedish Financial Supervisory Authority and the Ministry of Finance and other government agencies.

Sweden Green Building Council

The Sweden Green Building Council members' organisation promotes exchanges of experiences between different operators in the field of civil engineering. The organisation provides tools and training as well as support for developing sustainability activities. Alecta Fastigheter participates in the work.

Swedish Investors for Sustainable Development (SISD)

SISD has gathered together the largest Swedish owners on the stock market in a network to focus on Agenda 2030 and the 17 Sustainable Development Goals. The initiative provides opportunities for shared learning, and is a platform for exchange with the global equivalent Global Investors for Sustainable Development (GISD).

Swedish National Advisory Board for Impact Investing (NAB)

NAB is an international organisation promoting so-called impact investments. These are investments with a clear purpose to contribute positively to sustainability. The members are from different parts of the financial and public sector, as well as civil society. Alecta is a support member.

Swesif

Swesif is a members' association for organisations in Sweden that want to spread and increase knowledge about sustainable investments through regular seminars and opportunities for exchange between members.

Other initiatives for investors

Alecta has signed a number of initiatives or sustainability appeals with different purposes. Alecta pursues direct engagement activities under the UN PRI's Climate Action 100+ initiative, which has produced several concrete results and climate commitments from companies. Alecta is now also participating in Nature Action, which has a corresponding focus on biodiversity. The Access to Medicine Index surveys how the largest pharmaceutical companies work to increase access to medicine in developing countries. The Labour Rights Investor Network is a global investor initiative aimed at sharing knowledge on labour law principles and integrating employee rights into asset management.

Research partnerships

Alecta participates in and contributes to a variety of academic research studies by providing support in the form of financial or other resources. For example, Alecta has financed research by the Karolinska Institute on sick leave among private sector employees. The results of the research were presented in a scientific report and seminar in spring 2024. A joint research programme with Afa Försäkring was launched in 2023 and is expected to last for three years and include seven different research projects. The purpose of the research is to gain more knowledge about how we can improve the prevention of mental ill-health and take advantage of employees' ability to work. Alecta also supports research at the Stockholm School of Economics and, through the Swedish Institutional Investors Association, a Swedish institute for corporate governance at Stockholm University.

Gilla Din Ekonomi ("Like Your Personal Finances")

Gilla Din Ekonomi is a personal finance network among public agencies, organisations and businesses. The goal is to increase people's understanding of personal finance through different educational initiatives. Alecta's pension economist actively contributes as a lecturer.

minPension ("My Pension")

The minPension portal is a cooperation among companies in the pension sector and is 50 per cent operated and financed by the Swedish state and 50 per cent by the pension companies. As several pension funds provide information to the same portal, users can log in and view their entire pension. The aim is to provide clear and simple information on pensions from an independent platform.

SNS

SNS, the Centre for Business and Policy Studies, is a forum for dialogue about key social issues based on knowledge and research. The members include representatives from business, politics, public administration and research.

“ Alecta supports the UN Global Compact initiative, and endorses its ten principles for responsible business.

Peder Hasslev CEO



Signatory of:



Reporting of goals and indicators

PENSIONS ► PAGE 20

INVESTMENTS ► PAGE 22

PEOPLE AND WORKPLACE ► PAGE 28

The results for Alecta's overall sustainability goals and indicators are presented here. During 2023, work was done to formulate new overall sustainability goals for the period 2024–2028 based on our three focus areas Pensions, Investments and People and Workplace. The new goals and the indicators we use to follow up these goals are presented for the first time in this year's report.



Highlights of the year

PENSIONS

Alecta's activities during the year

- 2024 began with media reporting, which continued to focus on the Swedish Financial Supervisory Authority's investigations of Alecta. This has negatively affected Alecta's image. Compared to 2023, however, we have been able to focus more on spreading knowledge about Alecta as an occupational pension provider and our contribution to a sustainable pension system.
- Our pension economist has visited universities, Swedish companies and a large number of seminars to conduct education about the Swedish pension system and the importance of occupational pensions.
- In the autumn, we invited our 50 largest corporate customers to Alectadagen, a full day of inspiration, knowledge and dialogue. Going forward, we will hold Alectadagen twice each year.
- We meet the labour market partners in our partner networks every quarter. We present current figures and studies and talk about our activities to hundreds of representatives from both employers' and workers' associations.
- During the year, we have held several seminars and webinars aimed at the industry and our customers. Among other things, we have talked about our annual recurring studies on the financial situation of pensioners, the health insurance system and about our premium reductions and pension adjustments.
- We have conducted several media activities, mainly based on figures from the Pensioners' Economic Situation study.
- We have increased the amount of easily accessible content about our role and the pension system in our digital channels, mainly on Facebook and LinkedIn. In this way, we have been able to inform and engage both private and corporate customers on pension issues and on our role as an occupational pension provider.

INVESTMENTS

Alecta's activities during the year

- Alecta's asset management has studied in depth the prudent person principle and sustainability risks, and how these are analysed, monitored and followed up within each asset class. It has been instrumental in Alecta's review of ESG (Environmental, Social and Governance) integration in the investment process for each asset class and in implementing changes, mainly in equity management and alternative assets.
- This year's semi-annual reconciliations between ESG specialists and managers as well as analysts in equities and corporate bonds have had a particular focus on sector-relevant sustainability regulations, Alecta's new sustainability goals and biodiversity, in addition to regular follow-ups on ESG, climate and gender equality.
- Biodiversity has been a theme during the year where we have investigated the impact of different sectors on biodiversity. We have identified sectors where the issues have been assessed as significant and met with selected holding companies to understand their priorities and work within biodiversity, for example, in relation to the framework for nature-related financial information – TNFD (Taskforce on Nature-related Financial Disclosure). Together with industry colleagues in Sustainable Value Creation, we have immersed ourselves in the forest industry through dialogue with holding companies and other forest stakeholders, such as authorities and various conservation organisations.
- In Sweden, Alecta together with other institutional investors, has taken a clear position in favour of shareholders' rights to participate in physical general meetings. All Swedish holdings in Alecta's equity portfolio offered physical meetings and Alecta participated in these. We believe that the Swedish model with owner-led nomination committees and general meetings where the board and management meet the shareholders is a unique feature worth preserving. In this spirit, we welcomed the announcement by Nibe before the 2024 general meeting that it is introducing a formal nomination committee for the 2025 general meeting.
- For the first time, Alecta filed a shareholder proposal in its own name, with the US holding Amazon. The proposal is about respect for freedom of association in accordance with international conventions and follows on Alecta's engagement with the company due to reports of controversies in the US and other markets. The proposal, where Alecta was a co-filer, received approximately 30 per cent of the votes at the 2024 general meeting. Alecta is co-filing a similar proposal to the 2025 meeting.
- This year's revision of the Policy for Responsible Investments provides clarification that: Alecta's climate goals are not consistent with investments in new fossil projects, such as fossil expansion or new fossil infrastructure. It originates from a position of the Board but is also an expressed expectation among the members of the Net-Zero Asset Owner Alliance.

PEOPLE AND WORKPLACE


Alecta's activities during the year

- During the year, we continued to invest in the health of our employees. In order to have an even broader impact on the issues, we have formed a focus group for health. All employees have been offered to participate in an inspirational seminar on sustainability at work and we have given a lecture on sleep. The office has massage facilities, group exercise sessions several times a week and activities such as trying out mindfulness sessions, medical yoga and group running.
- All leaders at Alecta have completed training in Developmental Leadership during the spring. In conjunction with the training, the leaders did a 360 evaluation and had the opportunity for several sessions with a leadership coach. In April, a leadership day was held with a focus on finding a common view of developmental leadership. In addition, monthly leadership forums have been organised, with the attendance of 70 leaders (40 managers and 30 Agile leaders).
- During the year, Alecta continued to work to increase the number of suppliers signing our Code of Conduct, both when extending existing agreements and in new partnerships. As a result, 240 suppliers have signed our Code of Conduct, compared to 208 at the end of 2023.
- Alecta Fastigheter signed an agreement with Avanza regarding extended premises, which means that Avanza will lease parts of Alecta's current premises. This requires a great deal of work for Alecta to rebuild and tailor our office, while Alecta Fastigheter is moving to another property. Work will begin in 2025 and the new premises are expected to be completed in 2027. This means that we get more space for work and more public areas for focus work, workshops and social interaction. In the refurbishment, we integrate our focus on circularity taking care of materials and furniture and seek to reuse everything possible.
- During the spring, Alecta Fastigheter conducted a clothes swap day in the office and another in the autumn together with Alecta. The purpose of the clothes swap day was to inspire second-hand shopping and many employees took the opportunity to clean out their wardrobe and exchange for a new garment.
- During the year, Alecta Fastigheter conducted seminars and training initiatives on the theme of reuse and second-hand. Alecta Fastigheter has also started a collaboration with REbygg, a recycling hub to reduce the climate footprint and facilitate work on circularity and reuse in Gothenburg.










































Summary of sustainability goals and indicators

Within the framework of Alecta's Sustainability Policy and the issues identified as most material by external and internal stakeholders, Alecta has formulated a number of overall sustainability goals and indicators that we monitor on an ongoing basis. In 2023, we adopted new goals and partially new indicators that apply for the period 2024–2028. The new goals are reported for the first time in this year's report.

The overall goals and indicators we monitor are presented in a summary table below where we also indicate if there is a desired direction. In the section that follows, we describe the targets on a detailed level together with the results of the year and activities we carried out during the year.

  Indicates that we strive for increased volume, a positive trend or a decrease in impact

 Indicates that we are transparent about our work, results or data

PENSIONS	INVESTMENTS	PEOPLE AND WORKPLACE
<p>We shall provide stable pensions now and in the future – We shall be and be seen as a stable pension company</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Perception of Alecta as a stable company  – Perception of Alecta's sustainability work  	<p>We shall invest in line with the climate goal of 1.5 degrees and the ambition of net-zero climate impact by 2050</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Climate impact  – Climate goals  – Investments with a measurable environmental or social benefit  – Follow-up of the property portfolio  	<p>We shall reduce our environmental and climate impact</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Energy consumption  – Climate impact  – Paper consumption 
<p>We shall provide a good and stable pension</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Good return and strong financial position  – Economic value generated and distributed  – Actuarial assumptions, indexation and cushioning rule and variable forecast rate  	<p>We shall invest in companies that actively work to prevent human rights violations and promote gender equality and social responsibility in their own operations as well as in their value chains</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Gender equality in boards and management teams  – Gender Equality and Diversity Policy  – Human Rights Policy and working conditions  – DD (due diligence) processes for human rights  	<p>We shall be the most attractive employer in our industry</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Willingness for recommendation  – Forms and conditions of employment  – Work situation and sick leave  – Performance reviews and training  – Employee turnover  – Development opportunities, leadership and self-leadership  – Age and gender  – Opportunity to contribute and influence 
<p>We shall increase transparency and knowledge about Alecta and our role in the pension system</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Knowledge of Alecta  – Publications and research funding  	<p>We shall work to ensure that the holding companies have sound corporate governance and good business ethics.</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Participation in nomination committees  – Voting at general shareholders' meetings  – Anti-Corruption Policy  – Whistleblowing function  – Anti-corruption and business ethics training  – Sound remuneration structures  	<p>We shall follow rules and guidelines, have good business ethics and have good internal governance and control</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Fines, sanctions and corruption incidents  – Compliance and skills increase  – Whistleblowing 
<p>We shall ensure high customer privacy and high protection of personal data</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Customer Complaints and Customer Data  	<p>Follow-up of all areas</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Screening of investments  – ESG dialogues  	<p>Our suppliers shall meet our expectations in sustainability and business ethics</p> <p>INDICATORS:</p> <ul style="list-style-type: none"> – Suppliers' data  – Code of Conduct  – Screening and follow-up 

We shall provide stable pensions now and in the future

Our most important responsibility in terms of sustainability is to deliver stable pensions now and in the future. We shall be and be seen as a stable pension company and deliver a good and stable pension. Transparency and knowledge of the collective occupational pension as well as of Alecta and our role in the pension system are important dimensions. We are also committed to ensuring high levels of customer privacy and personal data protection.

We shall be and be seen as a stable pension company

Perception of Alecta as a stable company	2024	2023	2022	2021	2020
Percentage of private-sector employees who view Alecta as a stable and secure company	–	–	38%	38%	36%
Percentage of private-sector employees who view Alecta as a stable company	–	13%	–	–	–
Percentage of informed customers who view Alecta as a stable company	22%	–	–	–	–

22%

of our informed customers view Alecta as a stable company.

Alecta's communication shall strengthen trust in Alecta as a stable company and a responsible societal stakeholder, with products that provide a good pension. In 2023, we changed the question in our brand survey, which means that the figure is not comparable with previous years. In connection with the adoption of new targets and measurement indicators for 2024, we have chosen to report the proportion of informed customers, i.e. those who know that they are customers of Alecta, who perceive Alecta as a stable company. This means that this year's results are also not comparable to previous years' results.

Percentage that believe Alecta works in a sustainable way, %	2024	2023	2022	2021	2020
Private-sector employees (good knowledge) ¹⁾	12 (28)	7 (21)	9 (31)	8 (30)	12 (43)
Client companies (good knowledge) ¹⁾	20 (40)	16 (30)	20 (44)	20 (43)	22 (45)

¹⁾ The information in brackets refers to the results from the respondents who stated that they have good knowledge of Alecta.

Alecta annually examines the expectations of private-sector employees and corporate customers in relation to sustainability at pension companies, which also includes questions concerning Alecta's sustainability work. Together with other surveys on customers' perception of Alecta, the indicator aims to measure the results of our long-term operational goal of secure and satisfied customers.

During the year, we have seen positive developments and our customers believe that we are working more sustainably compared to the previous year. This year's results are in line with previous years' results, with the exception of 2023, which has been relatively stable over the years. In 2023, we saw an increase in respondents who gave Alecta's sustainability work a low score, which is likely due to the impact on Alecta's trust that the events in 2023 resulted in. The vast majority of respondents still choose the "don't know" option when asked how they perceive Alecta's sustainability work, which is consistent with surveys of customers' awareness of sustainability work in other industries. As in previous years, assessments are more positive among those who are very familiar with Alecta.

We shall provide a good and stable pension

Good return and strong financial position

One of Alecta's long-term operational goals is having a good return and strong financial position. On page 9, the objective is presented together with the 2024 target level and outcome.

Economic value generated and distributed ¹⁾ (GRI 201-1)

Group (SEK million)	2024	2023	2022	2021	2020
Economic value, generated					
Return on capital, before operating expenses ^{2, 3)}	65,183	85,752	–98,494	173,691	50,342
	65,183	85,752	–98,494	173,691	50,342
Economic value, distributed					
Claims incurred ⁴⁾	–31,971	–28,158	–24,880	–23,650	–22,681
Waiver of premium, corporate customers	–2,660	–2,577	–2,759	–2,755	–2,296
Refunds in the form of adjustment of paid-up values and premium reductions ⁴⁾	–34,665	–50,748	–15,283	–5,716	–8,926
Salaries and remuneration	–516	–500	–401	–357	–358
Suppliers and partners	–828	–756	–752	–708	–633
Yield tax and income tax in Sweden and abroad as well as social security fees for employees	–2,927	–1,969	–1,495	–1,181	–557
	–73,567	–84,708	–45,570	–34,367	–35,451

¹⁾ GRI (Global Reporting Initiative) requests a report of "retained value" but at Alecta the surplus goes to the policyholders.

²⁾ Unrealised profits/losses are included in the amount of SEK –13,307 million (2023: 15,474, 2022: –156,374, 2021: 121,672, 2020: 32,384). The year's return is described in the Administration Report on page 47.

³⁾ In the income statement, asset management and property management expenses totalling SEK 643 million (2023: 616, 2022: 518, 2021: 374, 2020: 309), have been offset against capital returns. See also Note 8 Operating expenses.

⁴⁾ Claims incurred also include refunds in the form of pension supplements and supplementary amounts, which are taken from the surplus fund; see the consolidated Equity Report. Refunds in the form of adjustment of paid-up values and premium reductions for risk insurance are also taken from the surplus fund.

A high level of trust and legitimacy are fundamental to Alecta's mission. Economic value generated reflects Alecta's capacity, and the distribution is characterised by the mutual concept of maximising the value given back to customers through cost-efficient operations.

Alecta creates economic value for its customers by giving them a good and secure pension. It does so by generating a strong return over time and by keeping the costs down. In Alecta's area of business, the value that is generated and delivered needs to be viewed from a long-term perspective. The value that is created during the year will be distributed for many years to come and the value that has been distributed during the present year has been accumulated over prior years. For this reason, the value that is generated and distributed in an individual year cannot be put in relation to other years.

Actuarial assumptions, indexation and cushioning rule and variable forecast rate

For our defined benefit schemes, we have a Funding Policy with well-balanced limits to balance financial and actuarial risks. This has meant that we have been able to ensure that pensions retain their value despite a period of very high inflation.

A review of asset allocation and Funding Policy was carried out in 2024 and resulted in the proportion of shares in the normal portfolio being reduced from 35 to 30 per cent and the upper limit in the funding range being reduced from 175 to 170 per cent. These measures are expected to further improve the possibility of future indexation, as well as provide an earlier and more stable refunds to corporate customers.

Our defined contribution product Alecta Optimal Pension is designed to enable a high pension for our customers. The average return over the past five years has been 6.8 per cent with a 60 per cent share component. Alecta Optimal Pension is also designed to reduce fluctuations in pension forecasts and pension payments. This has reduced uncertainty in monthly pension projections by around 90 per cent.

We shall increase transparency and knowledge about Alecta and our role in the pension system

Proportion of private employees who are aware that Alecta is the company that manages their occupational pension, %

2024

Private-sector employees	28
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Following how many people are familiar with Alecta is important to better understand the need for communication about occupational pensions and our mission. During the year, we have implemented various initiatives aimed at existing and future private customers. Our pension economist has participated in various contexts to conduct education on pension issues, we have arranged our own seminars, conducted media activities, and increased the amount of targeted content in our digital channels.

Reports and publications we have published and research we have funded

Since 2019, we have annually examined the financial situation of pensioners to contribute to a better understanding of our customers' everyday lives and a fact-based discussion about pensions. The study is based on actual income data for the three million Swedes who are over 55 years old. In 2024, an in-depth study was also conducted on the individuals included in the lowest income group. The results were presented at a webinar in October.

Alecta also participates in and contributes to a variety of academic research studies by providing support in the form of financial or other resources. Alecta's board has granted funding from Alecta's surplus fund to four initiatives for the period 2023–2028. This includes a research programme to prevent mental ill-health and strengthen employees' ability to work, in collaboration with Afa Försäkring and initiated by the Confederation of Swedish Enterprise, PTK and LO, and a research report on sick leave during the COVID-19 pandemic from the Karolinska Institute. Both initiatives aim to capitalise on employee job skills. Alecta also supports research at the Stockholm School of Economics and, through the Association of Institutional Shareholders (IÄF), a Swedish Institute for corporate governance at Stockholm University.

We shall ensure high customer privacy and high protection of personal data

Customer complaints, including data processing (GRI 418-1)

	2024	2023	2022	2021	2020
Customer complaints, total	823	872	429	542	447
Customer complaints about processing data and customer privacy	1	1	2	3	2

A central component in the continuous improvement process is to ask customers to provide information on their experience of Alecta and to respond to and act upon complaints. Alecta registers and analyses all cases when a customer states that we have failed in relation to the service requested by the customer or expresses dissatisfaction with the insurance distribution, the terms of an insurance contract, with information or with staff interaction. In 2023, the number of complaints increased, which was mainly linked to Alecta's investments in US banks and Heimstaden Bostad. The higher levels have continued in 2024, which is mainly due to the fact that during the first quarter of the year we received many complaints related to issues that arose in connection with customers covered by AGI (employer declaration at individual level) receiving their declaration documentation. The majority of all complaints are handled and closed directly in contact with the customer, and despite the increased number of complaints, customer satisfaction in our measurements remains at high levels throughout the year.

In 2024, Alecta registered one customer complaint that concerned the processing of personal data. However, this was not of such a nature that a notification to the Swedish Authority for Privacy Protection (IMY) was justified. Nor has Alecta submitted any report of a personal data breach to the Swedish Authority for Privacy Protection for other reasons.



Since 2019, we have annually examined the financial situation of pensioners to contribute to a better understanding of our customers' everyday lives and a fact-based discussion about pensions.

Alecta has a long-term perspective and is a committed owner who integrates the environment, social responsibility and good corporate governance to protect values and create returns in our investments. This means that we support the sustainability efforts of the companies we invest in and actively consider sustainability in our investments in other asset classes. We also want to increase investments with measurable social or environmental benefits, sustainable investments.

Climate and environment

We shall invest in line with the climate goal of 1.5 degrees and the ambition of net-zero climate impact by 2050

We are facing a comprehensive climate transition that affects all actors in society, and where each actor can also contribute to the work. Alecta's ambition is an investment portfolio that develops in line with climate targets, which is reflected in our investment process and in our engagement with the holdings.

We shall reduce the climate impact of our investments

Climate impact	2024	2023	2022	2021	2020
Shareholdings: Weighted carbon intensity of shareholdings, tCO ₂ -equivalents/SEK million in revenue	1.4	1.6	2.2	2.5	2.9
Absolute footprint of shareholdings, tCO ₂ e (based on EVIC) ¹⁾	180,594	216,153	269,283	315,212	371,409
Corporate bonds: Weighted carbon intensity of corporate bonds, tCO ₂ -equivalents/SEK million in revenue	9.9	7.1	8.2	7.9	13.0
Absolute footprint of corporate bonds, tCO ₂ e (based on EVIC) ²⁾	351,664	338,376	406,125	335,323	637,659
Directly owned properties: ³⁾ Climate footprint of directly owned properties, kgCO ₂ -equivalents/sq.m.	1.9	2.5	2.5	2.1	n/a
Absolute footprint of directly owned properties, tCO ₂ e	1,617	2,056	1,750	1,048	1,071

¹⁾ EVIC stands for Enterprise Value Including Cash and is used to make comparisons in a portfolio with both share and credit assets.

²⁾ The values for 2021 and 2023 have been corrected and updated.

³⁾ Directly owned properties refer to Standing Portfolio, see Definitions.

Measurements in the table above have been made in accordance with the recommendation from Svensk Försäkring (Insurance Sweden) for comparability with industry colleagues. Alecta includes the emissions of the holdings in scope 1 and scope 2 in the calculations. For both shareholdings and corporate bonds, we apply market-based scope 2, because we have an active investment model where we choose the companies we invest in, and believe that they should benefit from active choices of, for example, energy sources that generate a lower footprint. The same principle applies to the calculations of directly owned properties, where Alecta chooses electricity from renewable sources. The reduction in the footprint of directly owned properties is due to both operational efficiency and the fact that district heating suppliers have actively increased the share of renewable energy sources. Climate calculations and indicators are affected by both data quality and other factors, for example we can note that the intensity measurement decreased as a result of effects of currencies and inflation during the year.

Share of holding companies with SBTi ¹⁾	2024	2023	2022	2021	2020
Shareholdings: Number and percentage of companies with science-based climate targets (SBTi)	83 companies/ 53%	59 companies/ 48%	36 companies/ 38%	30 companies/ 28%	20 companies/ 17%
Corporate bonds: Number and percentage of companies with science-based climate targets (SBTi)	24 companies/ 59%	23 companies/ 61%	20 companies/ 45%	13 companies/ 29%	9 companies/ 21%

¹⁾ Climate targets according to the Science Based Target Initiative

Alecta believes that companies with science-based climate targets have clear interim goals on the way to net zero, and that is why it is a recurring topic in the dialogues we have with our holdings. We see that both the number and share of companies in the equity portfolio with SBTi targets have grown while the equity portfolio has expanded with more holdings in 2024. Among corporate bonds, the share is relatively stable.

In order for the investment portfolio to be in line with the climate target, the holdings need to have long-term ambitions, and when we look at scenarios ahead, the aggregated outcome in the long-term is affected by whether the companies have such long-term such targets. Most companies with science-based climate targets approved according to SBTi have targets that extend to 2025 or 2030. In order for Alecta's investment portfolio to be in line with the climate target, the companies need to adopt long-term targets.

Proportion of external managers with climate targets	2024
Real estate: Proportion of managers who have science-based climate targets	11 of 14
Infrastructure: Proportion of managers who have science-based climate targets	5 of 5

Prior to an investment, and under management, Alecta has a recurring dialogue with external managers about their climate goals and ambitions in their investment process. It is Alecta's ambition that managers should have or adopt such targets during the period of the relationship. By science-based climate targets, we here refer to targets that refer to the Paris Agreement targets or established ranges for short- and long-term footprint reductions. In 2024, Alecta collected data from all funds and managers within real estate and infrastructure. Work on more robust data and accounting for these assets is ongoing both at Alecta and at our external managers.

OUTCOME 2024

Number of corporate dialogues on climate (total):

23

Percentage of companies in the equity portfolio with confirmed science-based climate targets (SBTi):

53%

“
Ambitious work and long-term climate goals of holdings and external managers are an important factor for Alecta's investment portfolio to develop in line with the goals of the Paris Agreement. To be able to monitor developments, reliable data is required. We recurrently discuss climate goals, ambitions and accounting with both holding companies and portfolio managers.

We shall increase investments with a measurable environmental or social benefit

Investments with a measurable environmental or social benefit	2024	2023	2022	2021	2020
Green bonds, SEK billion	65	57	55	59	50
Social bonds, SEK billion ¹⁾	9	9	9	–	–
Other investments with a measurable environmental or social benefit, SEK billion	26	23	24	13	14
Total, SEK billion	100	89	88	72	64
– of which impact investments, SEK billion ²⁾	24	22	22	–	–

¹⁾ Social bonds were previously included in the category 'Other investments with measurable environmental or social benefit' but are reported separately from 2022.

²⁾ Impact investments (impact) refer to investments that meet Alecta's definition adopted in 2022, with criteria such as intention and additionality. These investments are in all three categories reported above.

Most of these investments are made in the form of fixed income investment, and each investment decision is made based on the mission to create return and value for the occupational pension. The majority of new investments made during the year are primarily in green bonds issued by real estate companies, state-owned companies and municipalities and regions.

Net-Zero Asset Owner Alliance climate goals

Alecta's commitment to what we call the Net-Zero Alliance includes formulating interim goals in five-year cycles in a number of different areas. The first cycle covers 2019–2024 and is presented in the table below. We have achieved all the goals, some of which have been greatly exceeded. The first phase of the initiative has involved many lessons and insights, including on methodology. At the same time, Alecta's investment portfolio has undergone clear changes – for example, in terms of the broadening of the equity portfolio made in the past year. There are challenges in the calculations and the underlying data that we bring into the next phase. At the end of 2024, Alecta worked on formulating new goals for 2025–2029.

Goals 2019–2024

Dialogue and impact	2020	2021	2022	2023	2024	Target: 2024	
Number of focused corporate dialogues on climate and transition (shareholdings)	12	12	14	22	23	20	
Reduction targets: Equity portfolio	BASE YEAR: 2019	2020	2021	2022	2023	2024	Target: 2024
Intensity, tons of CO ₂ (scope 1+2) per million in revenue	2.9					1.4	
Annual outcome ¹⁾	–1.4%	–14.2%	–11.3%	–31.0%	–8.6%		
Accumulated outcome	–1.4%	–15.4%	–25.0%	–48.2%	–52.7%		–25.0%
Linear interpolation of target	–5.6%	–10.9%	–15.9%	–20.6%	–25.0%		–25.0%
Reduction targets: Credit portfolio	BASE YEAR: 2019	2020	2021	2022	2023	2024	Target: 2024
Intensity, tons of CO ₂ (scope 1+2) per million in revenue	11.0					12.0	
Annual outcome ¹⁾	–5.5%	–14.6%	–16.3%	–32.9%	54.2%		
Accumulated outcome	–5.5%	–19.3%	–32.5%	–54.7%	–30.1%		–25.0%
Linear interpolation of target	–5.6%	–10.9%	–15.9%	–20.6%	–25.0%		–25.0%
Reduction targets: Directly owned properties ²⁾	BASE YEAR: 2019	2020	2021	2022	2023	2024	Target: 2024
Intensity, district heating, kg CO ₂ per sqm	4.1					1.9	
Annual outcome ¹⁾	–40.5%	–3.9%	1.8%	–13.0%	–5.0%		
Accumulated outcome	–40.5%	–42.8%	–41.8%	–49.3%	–51.8%		–50.0%
Linear interpolation of target	–13.0%	–24.0%	–34.0%	–43.0%	–50.0%		–50.0%
Transition financing	2019	2020	2021	2022	2023	2024	Target: 2024
Green bonds, SEK billion	40	50	59	55	57	65	Increase
Other green investments, SEK billion ³⁾			1.6	3.3	18.8	28.7	Increase
Round table discussions ⁴⁾	–	–	–	4	–	–	4
Commitment DFI ⁵⁾	–	1	2	–	–	–	2

¹⁾ Annual outcome is measured as the emission change for all holdings that existed at the beginning and end of the year. Holdings that enter the portfolio during the current measurement period are only included in the next measurement period. Similarly, disposal cannot be counted as emission reductions as the holding is only included in the calculation if it has been in the portfolio for the entire period. The ambition is to measure emission reductions, not changes as an effect of allocation decisions.

²⁾ For the directly owned properties, emissions from district heating are referred to. In 2022, methodology and scope were reviewed, which has led to the revision of previous years' figures. In the updated data, both area measurements and emission factors have been changed to more accurate values. In connection with the calculations for 2024, additional corrections were made to the annual outcomes for 2022 and 2023.

³⁾ This classification is based on the NZAOA reporting protocol. As of 2023, the holdings that are deemed to contribute to the transition within the asset classes include infrastructure and real estate, both directly owned and externally managed. For Alecta, this includes investments in wind power and the most energy-efficient properties. The increase between 2023 and 2024 is mainly due to the fact that the share of taxonomy-aligned holdings in shares and corporate loans has also been included. The reporting protocol has been developed over the years, and for 2021 and 2022 only one holding in renewable energy was included in the reporting.

⁴⁾ Refers to the Climate Capital initiative, which ended in 2023 and which brought together stakeholders in different advocacy and decision-making roles on climate transition in a series of four seminars. The initiative was a follow-up to a research report on the industrial sector climate transition initiated by the Swedish NZAOA members, through a collaboration with the Stockholm Environmental Institute (SEI).

⁵⁾ In 2021, on a number of occasions Alecta participated in Sida's Investment Lab for exchanges on the theme of 'blended finance' and sustainable investments in emerging markets. In June 2022, Alecta participated through the asset management in an NZAOA-organised workshop in parallel with the G7- meeting on how the blended finance of climate investments can be scaled up in developing countries. In October 2022 as a speaker, Alecta's CEO at the time attended high-level seminars with representatives from the UN and G7 on the same theme.

Social responsibility

We shall invest in companies that actively work to prevent human rights violations and promote gender equality and social responsibility in their own operations as well as in their value chains

Alecta believes that companies that act responsibly and promote gender equality can become both more efficient and more innovative. This applies to both own operations and value chains, where the emphasis is on identifying and mitigating risks linked to human rights and working conditions.

Gender equality on boards, equity portfolio	2024
Percentage of equal boards, at least 40 % of each gender	44%
Percentage of women on the board where Alecta is a member of nomination committee ¹⁾	40%

¹⁾ Refers to the 2023/2024 AGM season and elected members, not employee representatives

Alecta strives for the best possible composition on the boards where we serve on the nomination committee, and has in recent years achieved an average of approximately 40 per cent. In Alecta's new sustainability goals for the period 2024–2028, we expanded the target to include the boards of all shareholdings. We see gender equality and diversity as a way to increase the experience and skills base, and to encourage dynamic boards, and want to contribute to initiatives that promote a wider candidate pool. In 2024, we participated in Women in Governance, which brings together international women board members and owners for exchange on various themes, including diversity in the board.

When we reviewed all holdings in both the equity portfolio and corporate bonds in 2023, we identified the companies that had the greatest gap to achieve gender equality, based on both board, management, executives and employees in total. In 2024, we continued dialogues with a focus on holdings in the equity portfolio.

As shareholders, we can influence board compositions both through ownership engagement, general meetings and nomination committees, which is why Alecta reports board data for the equity portfolio's holdings. In 2023, the average number of women on the board in our holdings was 36 per cent, but a more relevant data point to follow is the proportion of boards that are equal. At the end of the year, 44 per cent of the holdings in our equity portfolio had gender-equal boards, with at least 40 per cent women on the board. The equivalent for the holdings in which we participate in the nomination committee is 60 per cent, and there is only one board where the proportion of women is lower than 30 per cent.

Equal management groups, equity portfolio	2024
Percentage of management groups with at least 30% of each gender	42%

In 2023, we reviewed the holdings in both the equity portfolio and corporate bonds and identified the companies that had the greatest gap in achieving gender equality overall at different levels. During 2024, we continued dialogues with these companies, and followed up on previous dialogues, focusing on the equity portfolio. The share of holdings with at least 30 per cent women in the management group amounts to 42 per cent at the end of the year.

Gender equality and diversity policy, external asset managers	2024
Real estate: Proportion of asset managers with gender equality and diversity policy	13 of 14
Infrastructure: Proportion of asset managers with gender equality and diversity policy	5 of 5

Gender equality in terms of board, management and investment teams have been recurring issues in the review of external managers, both previous to investments and in the dialogue under management and in follow-up. In the financial sector that manages private or alternative assets, there is generally great development potential regarding gender equality in the investment organisation, management and the board. In 2023 and 2024, we mapped the gender equality of external managers of property funds and infrastructure. Although the vast majority have adopted policies, they, like the sector in general, show great potential for improvement in gender equality in terms of organisations.

Human rights and working conditions policy, equity portfolio	2024
Percentage of companies in risk sectors with human rights policy and working conditions	98%

Based on an analysis using several different sources, Alecta has identified the sectors we assess as having higher risks in terms of human rights and working conditions. These include by way of example the mining sector, food and retail, as well as parts of the IT sector. At the end of the year, Alecta had 156 shareholdings, most of which have a human rights policy. In total, the number of holdings in the identified risk sectors amounts to 45 companies, of which 44 of these have a human rights and working conditions policy.

Due diligence (DD) processes for human rights, equity portfolio	2024
Percentage of companies in risk sectors with DD processes for human rights	62%

By due diligence process, we mean systematic work to identify, prevent, mitigate and act responsibly in relation to the material impact of the business on human rights. Of the holdings in risk sectors, 28 companies, or 62 per cent, had a due diligence process linked to human rights. In terms of all holdings, the share was 54 per cent. The results from the review will form the basis for dialogue both internally and with the holdings during 2025. Alecta plans to carry out thematic in-depth work in various areas during the period up to 2028, including human rights and working conditions. Through the Labour Rights Investors Network initiative, rooted in the international trade union movement, Alecta, for example, has exchanges with other investors and experts with the aim of increasing insights and understanding of challenges linked to working conditions in different markets and sectors.



In general, Alecta has a longer investment horizon for equities and can monitor developments over time. In addition to engage in dialogue and ask questions, the shareholdings allow us to exercise influence through voting on the companies' annual general meetings.

Corporate governance

We shall work to ensure that the holding companies have sound corporate governance and good business ethics

Good business ethics are the basis for long-term operations and what Alecta seeks when investing. We will promote sound corporate governance in our holding companies, with remuneration and incentive structures in line with this, and preventive work to counter corruption and act on irregularities.

Nomination committees in Swedish listed companies	2024	2023	2022	2021	2020
Number of Nomination Committees in which Alecta participates	20	20	20	22	21

Through its substantial holdings in Swedish publicly listed companies, Alecta participates in nomination committees that are tasked with nominating members to the boards of directors prior to the general shareholders' meetings. Alecta's representatives in the nomination committees are senior employees with experience from boards, senior management or asset management. During the 2023/2024 AGM season, Alecta participated in 20 nomination committees, through seven representatives from Alecta's asset management and senior management. Two of Alecta's representatives were women.

Voting at general meetings, shareholdings	2024	2023	2022	2021	2020
Percentage of holding companies where Alecta voted at the general shareholders' meeting	100%	100%	100%	97%	99%

Voting is an important tool for active ownership and our target is to always vote at all holdings. During the 2023/2024 AGM season, Alecta voted at the shareholders' meetings for all holding companies with shares carrying voting rights.

Alecta votes based on the principles of shareholder engagement included in our Policy for Responsible Investments. Every year, information is published on alecta.se detailing how Alecta voted at the shareholders' meetings, with a cut-off point of 30 June for the 2023/2024 AGM season. Alecta's 2024 Owners' Report describes particularly relevant votes. Most cases concern recurring general shareholders' meeting items, including election of board of directors, fees and dividends. There are proposals that concern climate or social aspects, such as equality or human rights. Alecta analyses each case based on our view of the company and votes in favour of proposals that we consider will contribute to the company's development. A total of 66 (71) such shareholder proposals were presented in Alecta's holdings, which was slightly less than the previous year. Alecta voted for 37 (39) of these. Most of the proposals Alecta supported were linked to human rights and other social issues with 26 (23) proposals, corporate governance 7 (10), and environment and climate 3 (5). In addition, 1 (1) proposal that addressed several ESG issues.

Anti-Corruption Policy, Shareholdings	2024
Percentage of companies with anti-corruption policy	99%

Of all holdings in the equity portfolio, only two do not have a clear policy against corruption. This is something Alecta will follow up in 2025.

Anti-corruption and business ethics training, shareholdings	2024
Percentage of companies in high risk sectors that train employees in anti-corruption and business ethics	n/a

Alecta plans to carry out thematic in-depth work in various areas during the period up to 2028, including anti-corruption and business ethics. In this context, we will both analyse which sectors are deemed to be most exposed to such risks, and how the holdings in these sectors work preventively and report it. Educational efforts are an important part of preventive work and in promoting a business ethical culture in the companies.

Whistleblowing function, shareholdings and external asset managers	2024
Shareholdings: Proportion of companies with whistleblowing functions available to employees and other stakeholders	n/a
Real estate: Proportion of external managers with whistleblowing functions available to employees (and other stakeholders)	14 of 14
Infrastructure: Proportion of external managers with whistleblowing functions available to employees (and other stakeholders)	5 of 5

In terms of holdings in the equity portfolio, the indicator on the whistleblowing function will be monitored in connection with thematic in-depth work on anti-corruption and business ethics in the period up to 2028. In the case of external managers, all external managers of properties and infrastructure that Alecta has followed up on have such functions in place. In the in-depth work, Alecta will look at whether these are available to stakeholders other than employees.

As part of sound corporate governance, we will promote the design of sound remuneration structures in holding companies

We will communicate with all companies where we voted against proposals linked to compensation	2024
Percentage of companies we have communicated with after voting against proposals linked to compensation	15%

Alecta works for soundly designed compensation programmes, which we can influence through our vote at the general meeting. In nearly 19 per cent of a total of 350 compensation voting cases, we identified shortcomings that caused us to vote against or abstain from supporting the compensation proposals or reports. In total, it affected 26 companies, of which we have had dialogues with four, and expressed our view on shortcomings in compensation programmes.

Some of the companies whose compensation programs we do not support are companies that have been added during the season, and all are based outside Sweden. Our ambition is to communicate with more of these going forward. In some cases, it is companies where we have prioritised other issues in the dialogue, such as working conditions, especially if the compensation proposals have generally received broad support. In terms of the entire portfolio, we have had dialogues about compensation with many more companies, where the companies have taken into account Alecta's and other owners' criticism and implemented changes or clarified their programmes, so that we have been able to support the proposals.



Business ethics are a priority for Alecta's customers when we ask about sustainability and investments. It is an important part of sound corporate governance.

Environment and climate, social responsibility and corporate governance

Transparency measures relevant to all target areas under Investments

Screening of holding companies (GRI G4 FSS FS11)	2024	2023	2022	2021	2020
Percentage of listed companies and corporate bonds reviewed in norms-based screening	100%	100%	100%	100%	100%
Percentage of assets of total investment portfolio reviewed in norms-based screening	47%	48%	54%	60%	59%
Number of holdings on the watchlist as a result of norm-based screening ¹⁾	4	n/a	n/a	n/a	n/a

¹⁾ Number of holdings on the watchlist is reported separately from 2024 onwards.

The first indicator in the table above shows the proportion of listed shareholdings and corporate loans that have been reviewed. The second shows the proportion of total assets that can be reviewed according to the norm-based screening process applied to equities and corporate bonds. As all listed shareholdings and corporate bonds are reviewed, the proportion of assets reviewed varies depending on the proportion of equities and corporate bonds in the portfolio. Developments in recent years show that these assets have decreased slightly as a share of the total portfolio, mainly due to a decrease in the shareholding in the defined benefit pension product, which still accounts for the majority of the assets under management.

Alecta reviews investments in accordance with the Policy for Responsible Investments. Before each new investment, and four times a year, all listed shareholdings and corporate bonds are reviewed based on ESG ratings, controversial activities, and the international conventions that Sweden has signed. This covers, among other things, the environment – including the precautionary principle, working conditions, corruption and human rights. In between, Alecta will regularly report on incidents or suspected violations of conventions linked to the holding companies, which may lead to special dialogues with the companies in addition to the ongoing contact. Of the 156 listed shareholdings in the portfolio at the end of the year, a total of four of these were on the watchlist, which means that they are subject to dialogue with Alecta or with our supplier who conducts dialogue on behalf of several investors. There are no remarks of watchlist status regarding any of the credit holdings.

The results of the four annual screenings are reported back to the internal ESG forum for follow-up and are raised at the semi-annual reconciliations with analysts and managers. Twice a year, the results are also reported to the Board's Finance Committee.

Other assets mainly consist of various fixed income investments in states and municipalities, as well as supranational institutions such as the World Bank or the European Investment Bank. Alecta's investment portfolio also includes directly owned properties, externally managed property and infrastructure funds and other alternative assets. These are reviewed by other methods prior to investment decisions.

ESG engagements (GRI G4 FSS FS10)	2024	2023	2022	2021	2020
Number of dialogues conducted in-house	92	76	43	48	44
– Of which E/S/G	35/18/39	37/14/25	11/8/24	20/15/13	26/15/3
– Of which proactive/reactive	n/a ¹⁾	74/2	40/3	40/8	30/14

¹⁾ The vast majority of dialogues are initiated by Alecta or the holding without the company being subject to the watchlist as a result of the norm-based screening. Alecta has previously categorised all dialogues initiated following watchlist status from the norm-based screening as 'reactive', but since the number of companies concerned is shown in the table that reports results from the review, we no longer assess that reporting divided into these categories becomes relevant.

During the year, Alecta is in regular contact with a large proportion of its holdings in the investment portfolio, as well as with counterparties. The vast majority of such contacts concern ongoing issues in connection with quarterly reports, analyst meetings or in follow-ups with external managers. We keep records of the contacts that take place with the intention of discussing ESG issues (environment, social issues and governance), and the areas that the issues primarily touched on. Environmental issues often also have a social dimension and corporate governance dialogues also have elements of climate or other aspects, but the dialogues have been classified based on the primary issue. The purpose of the dialogues is to highlight and address shortcomings in the companies' work or reporting with the aim of influencing change, but also to gain deeper knowledge of issues with significance for our analysis of the investment or before voting at the general meeting.

At the end of 2024, we had held 77 such dialogues with holdings in the equity portfolio, nine meetings with issuers in fixed income assets – mostly linked to corporate bonds – and six meetings or dialogues in alternative assets – both unlisted shareholdings and external managers in real estate or infrastructure. This year, most of the dialogues were related to corporate governance, i.e. specific issues for general meetings, board composition and also ESG governance more generally. Overall, eleven of these dialogues were primarily about remuneration, although remuneration is involved in several other dialogues on corporate governance. The second highest number of dialogues were about environmental issues, especially climate and biodiversity, which has been a theme throughout the year. Social dialogues focused on working conditions, gender equality and human rights. Of the four shareholdings that had a watchlist status in the norm-based screening, we had dialogues with Amazon, LVMH and Thermo Fisher during the year. At the end of the year, an investment was made in a holding with a watchlist status that Alecta plans to meet with in 2025. The purpose of a dialogue as a result of the norm-based screening is for the company to address the situation and strengthen its preventive work, according to a number of milestones. Such a process may take time, but it is important to see development in the right direction.

Through various initiatives and collaborations, Alecta supports a major number of dialogues with various companies, for example through Climate Action 100+, as well as dialogues with global asset managers through our participation in the Net-Zero Asset Owner Alliance. In this report, we only present the dialogues we conduct ourselves or where we are responsible for leading the dialogue as part of an initiative.

Alecta's Swedish property portfolio is managed by our wholly owned subsidiary Alecta Fastigheter AB. The company is covered by Alecta's overall climate goal of net zero in 2050, with interim targets for 2025, and has high ambitions in terms of sustainability. The company has a sustainability strategy and its own sustainability goals, which are followed up annually through various key performance indicators. Below is a selection of the key figures.

Real estate portfolio, directly owned properties Sweden					
	2024	2023	2022	2021	2020
Environmentally labelled properties, number ¹⁾	57	54	44	31	23
Environmentally labelled properties, sq.m ¹⁾	963,627	886,282	801,154	544,493	378,238
– percentage of lettable floor area, %	88	88	83	63	45
Climate risk inventoried properties, %	100	–	–	–	–
Environmental performance ²⁾					
Energy use, kWh/sq.m ³⁾	99	101	100	102	98
– of which property electricity	32	35	37	36	39
– of which district heating, normal-year corrected	57	57	54	57	51
– of which district cooling	10	9	9	9	8
Total energy consumption, MWh ⁴⁾	84,100	82,850	70,913	50,145	52,442
– of which property electricity	27,150	28,609	26,099	17,785	21,090
– of which district heating, normal-year corrected	48,796	47,043	38,373	28,088	27,022
– of which district cooling	8,154	7,198	6,441	4,272	4,329
Climate footprint from energy purchased⁴⁾, tCO₂	1,617	2,056	1,750	1,048	1,071
Water use, m³/sq.m ³⁾	0.40	0.41	0.39	0.32	0.33
Solar energy produced, MWh	1,127	–	–	–	–

¹⁾ The number and floor area of environmentally labelled properties are based on the total portfolio of directly owned properties within Alecta Fastigheter. Square metre refers to total floor area for environmentally labelled properties in the portfolio

²⁾ Environmental performance (energy, climate footprint and water use) refers to Standing Portfolio (property with a history of at least three years, with the exception of so-called project properties).

³⁾ Square metre refers to the A-temp floor area of the properties within the Standing Portfolio of the respective year.

⁴⁾ Heat consumption is normal-year corrected (other energy is actual consumption. However, the climate footprint of purchased energy is based on actual heat consumption.)

As part of Alecta Fastigheter's sustainability strategy, the subsidiary's board adopted a Climate and Energy Roadmap in 2023. It sets clear and ambitious targets for reducing energy use and emissions, as well as strategies for achieving them. These include more efficient cooling systems and heat pumps, digital connectivity and technical operational optimisation, reuse of materials in construction and more efficient transport. The properties included in the operational optimisation initiative reduced their energy consumption by 15 per cent on average during the period June–December 2024, compared to the same period last year. In real terms, this corresponds to a reduction of 3.4 GWh, which is mainly due to the operational optimisation. In some properties, the decrease is also partly due to investments and improved measurement.

Alecta Fastigheter has continued to invest in the certification or environmental labelling of properties. The certifications referred to are BREEAM In Use, Miljöbyggnad (ca. Environmental Building), Green Building and LEED. The number of environmental certifications at year-end is 57, an increase of three compared to 2023.

The environmental data in the table shows the performance of a so-called "standing portfolio", which includes the properties where Alecta has a history of at least three years, and which does not include properties classified as project properties. Project properties are, for example, properties undergoing major construction or renovation, where normal operation cannot be measured. The approach of a standing portfolio makes it possible to accurately follow developments, notwithstanding new properties in the portfolio with, for example, inferior performance at acquisition. Each property has a sustainability plan for continuous improvement work. The climate footprint for electricity is counted as zero because since 2015 Alecta has chosen to have electricity contracts with eco-labelled electricity from renewable sources and applies a 'market-based' approach to measuring Scope 2. For district heating, the footprint is calculated from the emission levels of each district heating network but with a one-year delay. That is, the 2023 emission levels are used for 2024.

Alecta Fastigheter's investment in solar cell installations in commercial properties with suitable roof areas has led to an increase in the number of installations from six to eleven compared to 2023. The sites generated a total of 1,127 (897) MWh in 2024. The electricity generated by the solar cell installations is mainly used in our own properties, but any surplus can be sold.

As of the financial year 2025, Alecta Fastigheter will prepare a sustainability report in accordance with the new EU Corporate Sustainability Reporting Directive (CSRD). The implementation of the regulatory framework is ongoing.

We have gathered the sustainability issues related to our office, our employees and our suppliers under a focus area that we call People and Workplace. We have our own environmental work that is characterised by concern for resources. We want to be an attractive employer with employees who are confident in complying with rules and guidelines. We also work to ensure that our suppliers meet our expectations in sustainability and business ethics.

Climate and environment

We shall reduce our environmental and climate impact

Our own environmental work is characterised by concern for resources, good environmental choices and a focus on recycling. As a service-sector company with a centrally located office, our work associated with direct environmental impact is strongly connected to our office, our travel and our cooperation with suppliers. Under normal operation, our most significant direct environmental footprint comes from customer letters and paper consumption, energy used in our property and business travel.

We shall reduce our energy consumption

Energy use, offices, MWh ¹⁾	2024	2023	2022	2021	2020
Total	1,349	1,710	1,883	1,978	2,129
– of which electricity	452	683	760	703	813
– of which district heating, normal-year corrected	696	809	839	1,000	1,003
– of which district cooling	201	218	284	275	313

¹⁾ During 2024, equipment has been installed in the property to better separate property electricity and business electricity. As we do not have complete measurements for the whole of 2024, there is some uncertainty in the numbers for business electricity. Previously reported figures for electricity refer to total consumption for the entire property.

In recent years, we have carried out extensive renovations of the head office, and much of the equipment was upgraded to more efficient alternatives that demonstrated excellent results from the outset. This included the replacement of lighting, heat pumps and fans. During the year, we separated ventilation for the restaurant from general ventilation and made operational optimisations of control systems, which has resulted in a heat saving of approximately 14 per cent and a cooling saving of approximately 8 per cent compared to 2023.

Alecta's office property has been certified since 2020 in accordance with the BREEAM In-Use standard with the certification, as Very good. Particularly distinctive for the property were positive results in energy, health and transport. In connection with the redevelopment of the office, we are reviewing the possibility of raising the rating of the property before the next certification.

We will be resource efficient and reduce our emissions with the goal to achieve a net-zero climate impact by 2050

Use of paper, kg	2024	2023	2022	2021	2020
Office operations, indicative based on volume of purchased paper ¹⁾	1,152	653	0	1,152	1,154
Customer letters, paper mailings	5,474	11,191	5,570	6,666	7,642

¹⁾ Office paper based on volumes purchased during the period. For 2020, purchases made between Nov 2019–Nov 2020 were reported. For 2021, purchases made during the year are considered, which is the purchases made since the previous measurement period. In 2022, no purchases were made because paper stock from the 2021 purchases was sufficient for this year as well. For 2023 and 2024, all purchases made during the year are included.

In our business, we send a large number of letters to our customers. However, we are actively working to increase the proportion of digital mailings, which over time has led to a steady reduction in the amount of paper mailings. In 2023, the total volume of paper increased due to a comprehensive one-time mailing related to the ITP procurement. In 2024, the share of digital mailings was 81.4 (82) per cent, and if these mailings were instead made in the form of paper mailings, it would have corresponded to nearly 23 tonnes of paper. We now also include one-time mailings in the calculation of the proportion of digital mailings, which means a slightly lower proportion even though our paper mailings have decreased.

Climate impact, kg CO ₂	2024	2023	2022	2021	2020
Energy, property ¹⁾	32,027	45,517	45,293	38,707	53,955
Customer letters, including transport ²⁾	120,676	232,578	115,295	140,040	164,890
Travel ³⁾	103,450	66,674	57,273	9,391	6,968
– of which air travel	103,227	66,416	57,147	9,274	6,761
– of which trains	223	258	126	117	207

¹⁾ All property electricity is origin-labelled from renewable sources. District cooling is produced from, for example, free cooling from water and waste heat. All carbon emissions are linked to district heating.

²⁾ The carbon footprint of customer letters is calculated using a standard model that includes paper manufacturing and shipping.

³⁾ Refers only to the parent company and includes air and rail travel made for business.

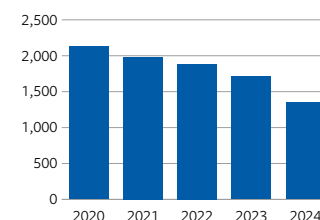
The climate impact from purchased energy consists of district heating and is affected by the energy mix at the supplier. Alecta's district heating supplier has phased out coal as an energy source, but residual waste may contain fossil elements that increase the footprint, such as plastics, which happened in 2023. This year we are seeing a reduction in the climate footprint due partly to reduced energy consumption, and partly to the emission factor for district heating has decreased.

We measure the carbon footprint of our business travel to enable us to make more informed decisions on the choice of travel. Despite the fact that travel has increased after the strong slowdown during the pandemic, we are well below the levels we had before the pandemic, which is likely due to a behavioural change in favour of more digital meetings. The trips made are mainly related to the asset management business, which involves meeting holding companies and other partners. To compensate for emissions related to travel, Alecta has in recent years financed climate benefits equivalent to the emissions through Solvatten. Solvatten is a Swedish innovation with a water container that uses UV light from the sun to clean and heat water, instead of burning coal or wood. The compensation for our travel in 2023 was equivalent to seven Solvatten devices, which contributes to climate benefits, better hygiene and health in vulnerable areas of Kenya.

OUTCOME 2024:

Energy use

We have steadily reduced our electricity use in the office.



Customer letters

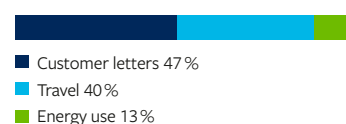
Customer letters including shipping are the largest source of Alecta's direct climate footprint in the day-to-day operations. We are therefore actively working to increase the proportion of digital mailings, which over time has led to a steady reduction in the amount of paper mailings.

81% (82)

of all customer mailings are now digital.

Carbon footprint distribution:

customer letters (including transport), travel and energy (office).



Social responsibility

We shall be the most attractive employer in our industry

The hub in our sustainability work is our employees. We have a high long-term goal of being the most attractive employer in our industry. The goal is long-term and we will work towards gradually reaching it by 2028. We also aim to be an employer that values each other's differences and offers opportunities for nurturing leadership, self-leadership and skills development.

The new sustainability goals for the period 2024–2028 have been supplemented with several new indicators to create better possibilities for following the progress towards the goals. Several of the indicators are based on employees' perceptions, which we follow up on an ongoing basis in mini-surveys and performance reviews, both in connection with employment and in exit interviews.

Willingness to recommend (outcome eNPS)	2024
Alecta	18
Alecta Fastigheter	60

Alecta measures willingness to recommend using the Employee Net Promotor Score (eNPS) on an average of four occasions per year. All employees are asked "How likely are you to recommend Alecta as a workplace to a friend or acquaintance?". The result is reported in the annual and sustainability report for the first time this year and refers to the result from the last measurement of the year. The events that occurred in March 2023 and the negative image of Alecta that this entailed probably still have a negative impact on the results. The results differs greatly between the departments where the main improvement work is also done. We also work extensively across the organisation to restore energy, motivation and job satisfaction as well as with annual action plans to work towards the goal of being the industry's most attractive employer.

Alecta Fastigheter also measures willingness to recommend through eNPS. The measurement takes place every week and the result refers to an average over three months. Alecta Fastigheter reports a good result for the year with an eNPS that is well above average for the property sector.



We also work extensively throughout the organisation to restore energy, motivation and job satisfaction and with annual action plans to work towards the goal of being the most attractive employer in the sector.

We shall offer a secure workplace and good employment conditions that enable balance in life

Employee information (GRI 2-7, GRI 2-8), forms of employment and collective bargaining (GRI 2-30)

Forms of employment Group	2024		2023		2022		2021		2020	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Number of employees at 31 December	273	214	254	197	227	167	220	146	213	142
Permanent employees	272	214	252	197	227	167	218	146	212	142
of whom full-time	255	206	235	189	211	161	199	142	184	139
of whom part-time	17	8	17	8	16	6	19	4	28	3
Temporary employees	1	–	2	–	–	–	2	–	1	–
Percentage covered by collective bargaining agreements ¹⁾	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of consultants (FTE)	14	31	18	32	16	37	3	21	9	25

¹⁾ Does not include employees in senior management.

Almost everyone at Alecta has a full-time position. Most of those reported as part-time employees are actually on temporary leave. The majority of those who have opted for temporary leave are women. Alecta has a number of hired consultants on long-term contracts, primarily within the IT organisation, and consultants are also hired to replace employees, e.g. for parental leave or for temporary resource requirements in different parts of the business such as Finance, Legal, Customer Relations, HR and Asset Management. All employees at Alecta are covered by current collective agreements.

Sick leave	2024	2023	2022	2021	2020
Group ¹⁾	2.9%	2.8%	–	–	–
– Women	3.4%	2.8%	–	–	–
– Men	2.2%	2.9%	–	–	–
Parent Company	3.1%	3.2%	3.3%	3.2%	3.3%
– Women	3.9%	3.1%	3.5%	3.6%	3.9%
– Men	2.1%	3.2%	3.1%	2.7%	2.6%

¹⁾ Reported for the Group from 2023, excluding employees of the subsidiary World Trade Centre Stockholm AB.

Alecta encourages all employees to take care of their health. We offer a number of activities, such as workout sessions, running groups, massage, medical yoga, lectures on behavioural change as well as support to get started with a healthy diet and lifestyle. We also have a benefit in the form of a wellness allowance of SEK 5,000. We regularly offer health examinations and regularly provide information about different types of addiction, as well as the support available to get away from risk and addiction. We work with frequent follow-ups and dialogues in the event of repeated sick leave to be able to provide the support that is needed. We know that it is important to quickly return to work after a longer sick leave or rehabilitation, and we want to facilitate work escalation at the pace that works for the employee.

Balance in life	2024
Percentage of employees experiencing balance in life ¹⁾	79%

¹⁾ Refers to the parent company according to results from the mini-survey in the second quarter of 2024.

As an Alecta employee, there must be good opportunities for balance in life. During the year, we continued to invest in the health of our employees. In order to have an even broader impact on the issues, we have formed a focus group for health. All employees have been offered the opportunity to participate in an inspirational seminar on sustainability in working life and the importance of taking care of their health. We have also given a lecture on sleep.

We will empower each other through nurturing leadership, self-leadership and good opportunities for development

Skills development and follow-up (GRI 404-3) ¹⁾

Group	2024	2023	2022	2021	2020
Hours of training, average per employee ²⁾	n/a	n/a	n/a	19	32
– average, women	n/a	n/a	n/a	n/a	35
– average, men	n/a	n/a	n/a	n/a	29
Employee performance reviews ³⁾	99%	99%	100%	78%	81%
Employee turnover	5.3%	6.7%	6.8%	11.3%	3.9%

¹⁾ Reported for the Group from 2024, excluding employees of the subsidiary World Trade Centre Stockholm AB. Comparison figures have been recalculated where possible.

²⁾ See description of changed approach for measuring training hours. No longer a target indicator. Includes parent company for the years 2020–2021.

³⁾ Includes parent company for the years 2020–2022.

All Alecta employees must have annual performance reviews. Managers are supported by the HR organisation to plan and conduct these reviews in a clear process. During these conversations, skills development plans are made and goals are set for development and follow-up during the year.

We offer all employees training on, among other things, Alecta as a company, the customer offerings and areas that include governance documents, such as information security, ethics as well as diversity and inclusion. We also offer in-depth training opportunities in self-leadership, collective intelligence and Agile working techniques. In 2024, we continued our efforts to offer in-depth knowledge in AI technology and launched AI tools adapted to Alecta's business for streamlining the work. At the same time, we are working to create the necessary conditions, such as data protection, to maximise access to AI technology.

In connection with business planning, we carry out extensive work on skills planning where all employees participate. The results of this work then form the basis for recruitment and planning of skills development initiatives. In 2024, we completed 34 recruitments. Most of the recruitments were in Asset Management, IT and Customer and were carried out externally, partly due to upcoming retirements and partly due to new positions or functions requiring new expertise.

Development opportunities	2024
Percentage of employees who feel that there are development opportunities ¹⁾	72%

¹⁾ Refers to the parent company according to results from the mini-survey in the third quarter of 2024.

Skilled employees who thrive and develop are crucial to our mission and reaching our goals. Alecta is a workplace that invests in and provides employees with good opportunities for development. The pace of development today is high and the needs for changes in skills at almost the same rate. We involve all employees in the annual skills plans to capture as many perspectives as possible and make it easier for staff to steer the development of their own skills in the directions we see a need.

Possibility to practice strong self-leadership	2024
Percentage of employees who feel that they have the possibility to exercise strong self-leadership ¹⁾	75%

¹⁾ Refers to the parent company according to results from the mini-survey in the second quarter of 2024. Based on the question "I have all I need to be able to carry out my work in a good way."

We have a strong belief in each employee's ability and willingness to develop their work and make wise decisions. We believe that decisions should be made by those who are most familiar with the issue and delegate both responsibility and mandate as far as possible. In order to strengthen self-leadership, i.e. the ability to lead oneself, be led by others and also lead others, we have developed guiding principles that includes behaviours that strengthen and prevent self-leadership.

The guiding principles are continuously evolving to focus on the behaviours we need to strengthen to meet our mandate, reach our business goals and also reach the goal of being the most attractive employer in the industry.

Leadership	2024
Leadership score ¹⁾	81%

¹⁾ Refers to the parent company according to results from the mini-survey in the first quarter of 2024.

Alecta measures leadership score by combining employees' responses to a number of statements about their individual leaders. Responses are converted to an index value where levels above 70 per cent indicate leadership that is on the right track.

Based on the "Developmental Leadership" model (sv: Utvecklande Ledarskap), we work for leadership that both supports development of employees and operations and also supports strong self-leadership.

Since the end of 2023, leaders in the Agile teams and other important functions have been added to Alecta's previous management group (now called leadership group). We now have a total of 70 leaders who meet monthly at leadership forums for training, workshops and inspiration in the field of leadership. All leaders have been trained in Nurturing Leadership and in 2024 a 360 assessment was conducted for each leader with subsequent coaching sessions to support individual development. To anchor the model throughout the organisation, all employees were invited to an introduction to Nurturing Leadership at the end of the year. By clarifying the expectations that Alecta has for its leaders, we also hope to facilitate the opportunity to receive feedback on our leaders.

We will include each other and see our differences as strengths

Diversity (GRI 405-1)

Group	2024	2023	2022	2021	2020
Average age of all employees	47	47	47	48	49
Age distribution employees ^{1) 2)}					
– 20–39 years, (W/M)	71/42	64/38	47/35	37/31	34/28
– 40–49 years, (W/M)	59/61	57/59	64/46	59/38	48/36
– 50+ years, (W/M)	130/103	118/91	104/79	106/73	111/73
Percentage of female employees	56%	56%	58%	60%	60%
Percentage of female managers	57%	58%	57%	57%	61%
Percentage of women in senior management ³⁾	44%	50%	33%	33%	44%
Percentage of women on the Board ⁴⁾	30%	22%	36%	36%	45%
Parent Company					
Percentage of female employees	56%	57%	58%	59%	59%
Percentage of female managers	51%	56%	55%	54%	61%

¹⁾ Does not include temporary employees.

²⁾ Employees of the subsidiary World Trade Center Stockholm AB are not included.

³⁾ Refers to the senior management of Alecta Tjänstepension Ömsesidigt. In the subsidiaries, the proportion of women in senior leadership is 56 per cent at Alecta Fastigheter AB and 17 per cent in the subsidiary World Trade Centre Stockholm AB.

⁴⁾ Refers to the board of Alecta Tjänstepension Ömsesidigt.

Our view is that diverse groups are more effective, dynamic and even more fun to be a part of than groups that are made up of very similar individuals. By welcoming different skills and personal strengths and using them in the best way, we guarantee that we build our collective intelligence. All employees should experience opportunities for development and influence. When recruiting, we strive to be as open-minded as possible. We have replaced the personal letter with a motivational text in which candidates can very briefly describe what attracts them to the position and how they think they can contribute to our business. We have a palette of tools to choose from to make selection easier, such as screening tests, major test packs and case/work examples.

Every two years we develop a diversity plan that sets the framework for our work over the next two years. As part of our efforts to embrace our differences, we have joined Diversity Charter, the world's largest diversity and inclusion network. Through our commitment, we gain access to knowledge and inspiration to work preventively based on the various grounds of discrimination.

Opportunity to contribute and influence

2024

Percentage of employees who feel they have the opportunity to contribute and influence ¹⁾	73%
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¹⁾ Refers to the parent company according to results from the mini-survey in the second quarter of 2024.

We know that the ability to contribute and influence, and to be part of a context where an employee's skills are needed, is important for motivation in the workplace. Utilising each other's skills and allowing the person most familiar with the issue to decide also helps strengthen our collective intelligence.

Alecta Fastigheter

Alecta Fastigheter uses a tool other than the parent company to measure employees' perceptions of, among other things, commitment, leadership and development. At Alecta Fastigheter, employees and resource consultants answer questions every week on a ten-point scale. The results are compiled into insights in 14 research-based areas such as personal development, autonomy and leadership. Below is a description of the selection of the insights that are closest to the follow-up of Alecta's overall sustainability goals. The results relate to an average over three months measured at the end of November 2024.

Balance in life

2024

Job satisfaction	8.5
Work situation	7.8

Developmental leadership, self-leadership and opportunities for development

2024

Leadership	8.9
Autonomy	8.3
Personal development	8.2

Inclusion

2024

Participation	8.7
Commitment	8.8



As part of our efforts to embrace our differences, we have joined Diversity Charter, the world's largest diversity and inclusion network.

OUTCOME 2024

Percentage of women in Alecta's senior management:

44% (50)

Percentage of female managers, Group:

57% (58)

Percentage of female managers, parent company:

51% (56)

Corporate governance

We shall follow rules and guidelines, have good business ethics and have good internal governance and control

The basis for being a sound company with good judgment is to respect and comply with the rules that affect our business. We want all our employees to know and be confident in following the rules and guidelines that apply to their work. We work to prevent corruption and to promote a culture of high awareness of corruption risks. We have a whistleblower function where employees can anonymously raise concerns about deviations and train our employees on when and how to use the whistleblowing function.

We want all our employees to know and be confident in following the rules and guidelines that apply to their work

Fines or sanctions, as well as incidents of corruption (GRI 205-3)	2024	2023	2022	2021	2020
Fines or sanctions following shortcomings in regulatory compliance, number and amount	0	0	0	0	0

As described in several places in this report, in 2023 the Swedish Financial Supervisory Authority initiated two investigations of Alecta. At the end of the year, these were still ongoing.

Ethics and integrity – training initiatives (GRI 205-2)

During the year, all Alecta employees received training in risk management and participated in a special lecture on ethics. Prior to the corruption risk analysis, workshops were conducted with relevant parts of the organisation based on inherent risks. In addition, asset management employees have received training on the prudent person principle. All employees who have a position involving their participation in distribution or following up distribution exercised by another actor have completed the annual training held in insurance distribution.

Alecta offers a number of training courses via the intranet to complement governance documents in areas such as corporate governance, handling of personal data, ethics, whistle-blowing, conflicts of interest, information security, complaints handling, crisis and continuity, business entertainment, private transactions by employees, handling the risk of corruption and operational risks.

All employees should know when and how to use our whistleblower function

Whistleblower function, reported cases	2024	2023	2022	2021	2020
0	x	x		x	
1–5			x		x

In order to uphold the integrity of the process and protect the whistleblower, Alecta has previously chosen to report the number of reported cases in intervals. Employees of Alecta and Alecta Fastigheter can report whistleblowing cases through an external service at WhistleB. At Alecta Fastigheter, external stakeholders can also report cases via the subsidiary's website. Cases that are reported must be investigated and handled in accordance with the board's Whistleblowing Policy. In 2024, no whistleblower cases were received.

Knowledge of the whistleblowing procedure	2024
Percentage of employees who know how the whistleblowing procedure works	86%

Since 2024, a nano-training program has been conducted annually for all employees with information and support in how the whistleblowing procedure works. The training is divided into two parts. The first part gives a description of the whistleblowing procedure and the second part consists of a knowledge test. In 2024, 95 per cent of employees completed the first part and 86 per cent of employees also completed the knowledge test. In addition, there is information about the whistleblowing procedure on the intranet and information is given to all new employees.

Risk analysis and preventive anti-corruption efforts

The insurance industry is characterised by privacy-sensitive activities, whereby privacy shortcomings could have major adverse effects on both the insured and the continued confidence in conducting the business. For this reason, particular restraint is required in connection with benefits and other situations that could influence behaviours or attitudes when performing duties.

Alecta's preventive anti-corruption efforts focus on the risk of bribes and corruption and are conducted in line with the Code of Business Conduct issued by the Swedish Anti-Corruption Institute (IMM), "The Code to prevent Corruption in Business" and recommendations from Insurance Sweden, the employers' organisation for the Swedish insurance industry.

We conduct an annual analysis of the risk of corruption with respect to different risk categories, such as Alecta's products, customers, distribution channels, investment activities, outsourced activities and significant suppliers as well as geographical areas. The overall assessment in 2024 is that the risk of undue influence within Alecta is low. In recent years, the purchasing process has been automated with several control steps, which has reduced the risk of undue influence. The risk of undue influence in investment activities is higher than in other parts of Alecta. There, the risk is deemed to be medium, primarily in light of our size as an investor. The risk analysis and anti-corruption work is intended to identify areas in Alecta's operations that may be more vulnerable to corruption and to limit the risks through internal governance, while at the same time equipping employees to react to different situations and identifying the need for clearer procedures where ambiguity exists. The risk analysis forms the basis for the board's Anti-Corruption Policy, which provides tangible guidance in what is appropriate behaviour and what constitutes improper influence. The policy is reviewed annually and covers Alecta's employees, board members, contractors and others who represent Alecta.



We want all our employees to know and be confident in following the rules and guidelines that apply to their work.

Our suppliers shall meet our expectations in sustainability and business ethics

Our supplier work is part of our basic responsibility. We are convinced that cooperation with suppliers with high quality environmental, social and ethical aspects creates greater value. We therefore want all our suppliers to support our Code of Conduct, which is based on the ten core principles of the UN Global Compact in the areas of human rights, labour law, the environment and anti-corruption. We also include sustainability aspects in our procurement of suppliers.

All suppliers must support the UN Global Compact's ten core principles in human rights, labour law, the environment and anti-corruption

Number of suppliers	2024	2023	2022	2021	2020
Total number of suppliers ¹⁾	585	528	559	531	548
– of which in Sweden	514	463	450	469	486
– of which in other EU countries	19	19	19	23	41
– of whom outside the EU	52	46	44	39	21
Number of suppliers with contracts for sustainability/Code of Conduct	240	208	22	7	–

¹⁾ Refers to the parent company's suppliers. This includes all suppliers, including those with whom we do not enter into agreements.

Since 2021, Alecta has had a Code of Conduct to be attached to contracts with suppliers, which has been facilitated by a new system support for contract management introduced in 2023. We are constantly working to increase the number of suppliers who sign Alecta's Code of Conduct or have their own code of conduct that corresponds to or is more extensive than Alecta's, both when extending existing agreements and in new collaborations. As a result, 240 suppliers have signed our Code of Conduct, compared to 208 at the end of 2023. In total, at the end of the year, Alecta had current contracts with 392 suppliers, of which 240 – or 61 per cent – of these, have the Code of Conduct attached to the contract.

Alecta Fastigheter does not yet have a follow-up of the Code of Conduct for all its supplier agreements, but plans to work with a full follow-up being in place in 2025. The intention is that Alecta Fastigheter's suppliers, including those with a code of conduct, will also be included in the reporting in the future.

All suppliers procured by the purchasing department will be screened for sustainability criteria before entering into an agreement

Supplier sustainability screening	2024
Number of suppliers screened for sustainability criteria	5

Before Alecta's purchasing department procures new suppliers, the different candidates are asked a number of questions, including questions regarding their sustainability work. Sustainability issues refer, for example, to whether the supplier has a channel for whistleblowing or certifications in sustainability and how the company works with sustainability issues. In 2024, the purchasing department only participated in five procurements as the focus has been on implementing the adjustments in our contract management system that follow from the new EU Digital Operations Resilience Act (DORA). As described below, a major effort is underway to review the monitoring of outsourced suppliers and the use of ICT suppliers, including a review of the criteria used for procurement.

We will conduct annual follow-up of all suppliers that constitute outsourced activities

Follow-up of suppliers that constitute outsourced activities	2024
Number of suppliers that constitute outsourced activities and which we have followed up on.	n/a

Within the framework of our contract management system, we have previously followed up on a number of sustainability criteria with our suppliers that constitute outsourced operations. In connection with the implementation work of DORA, in 2024 we initiated work to broadly review the follow-up of outsourced operations and ICT suppliers where sustainability criteria will be included. During this work, we have not systematically followed up sustainability criteria and therefore cannot report any figures for 2024.

61% ⁽⁵⁵⁾

of the suppliers with whom we have agreements have signed our Code of Conduct.

GRI Content Index

About the sustainability reporting

Alecta's sustainability report has the same scope as the financial report, covers the financial year 2024, and has been prepared in accordance with the guidelines of the Global Reporting Initiative (GRI), GRI Standards. The statutory sustainability report covers pages 10–34. The scope of the entire sustainability report is described in Alecta's annual and sustainability report on pages 35–36. It is an annual report and the previous annual and sustainability report was published on 27 March 2024.

The report has been reviewed by Alecta's auditors, PwC. The review does not include sustainability information on Alecta's products in accordance with the SFDR regulation.

Scope and boundaries

Alecta is a mutual occupational pension company owned by our customers. We manage collective occupational pensions and operate in Sweden. Alecta's asset management activities comprise international investments in equity, debt securities and real assets. Alecta's directly owned real estate holdings exist only in Sweden and the Swedish properties are managed through the wholly owned subsidiary, Alecta Fastigheter AB. There have been no significant changes in the organisation's size, structure, ownership or suppliers during the reporting period.

The Sustainability Report mainly covers the parent company Alecta Tjänstepension Ömsesidigt, and Alecta's subsidiary, Alecta Fastigheter AB. The real estate companies that are joint-owned by Alecta are defined as joint ventures and are handled as financial instruments. Employee data is reported for the Group. The description of Alecta's direct environmental impact and suppliers refers to the parent company, and environmental indicators for the directly owned properties managed by Alecta Fastigheter are reported according to the standing portfolio approach, which is described below. The reporting of information connected with governance is reported in accordance with the split financial year to reflect the work cycle of the nomination committee and AGM season. Other exceptions or boundaries are indicated in the report.

Calculation methods and definitions

Carbon footprint: The calculations of the climate footprint for equity and corporate loans have been made in accordance with the new standard from Insurance Sweden. The weighted average carbon intensity shows the portfolio's exposure to carbon-intensive companies, where the carbon intensity of the holding company is measured as the company's greenhouse gas emissions in relation to its revenues. This metric is calculated by totalling each company's carbon intensity based on their weight in the Alecta portfolio.

The absolute footprint shows the total carbon emissions of the portfolio in scopes 1 and 2. This metric is a total of Alecta's share of the holding companies' footprint calculated as the value of the shareholding in relation to the holding company's debt-free market value (enterprise value) multiplied by the holding company's carbon emissions. A company's emissions to both shareholders and lenders are allocated by using the debt-free market value as a base. Previously, the footprint was measured relative to the stock market value, which meant that the entire footprint was allocated to the shareholder. For both shareholdings and corporate bonds, we apply market-based scope 2, because we have an active investment model where we choose the companies we invest in, and believe that they should benefit from active choices of, for example, energy sources that generate a lower footprint. The same principle applies to the calculations of directly owned properties, where Alecta chooses electricity from renewable sources.

Employees and consultants: Employees refer to permanent employees with the exception of employees on long-term leave, (e.g. employees on parental leave, long-term sick leave or unpaid leave). Consultants are recalculated to full-time equivalents (FTEs) for a more accurate picture of operations.

Standing portfolio: To be able to compare the environmental performance of directly owned properties over time, each year we report key performance indicators for a portfolio of properties that have been part of the portfolio with a history of three years. Properties that were project properties are excluded for the duration of the project.

The contact person for questions about Alecta's sustainability report is Anna Hall – Sustainability Manager. Email address: hallbarhet@alecta.se

APPLICATION	Alecta Tjänstepension Ömsesidigt has reported in accordance with GRI Standards for the calendar year 2024.
GRI 1 applied	GRI 1: Foundation 2021
Relevant GRI Sector Standard(s)	GRI G4 Financial Services Sector Disclosures 2014

GRI STANDARD / other source	Disclosure	Page	Deviation/not reported		
			Omitted information	Reason	Comment
General information					
GRI 2: General information 2023	2-1 Business information	34, 46			
	2-2 Entities included in the organisation's sustainability report	34			
	2-3 Reporting period, frequency and contact point	34			
	2-4 Corrections to previously reported information				See page 22 and 23.
	2-5 External assurance	34, 37, 39–40			
	2–6 Business, value chain and other business relationships	33, 45			
	2-7 Employees	29–31	Employees by region	Not applicable	Alecta only operates in Sweden
	2-8 Other workforce	29			
	2-9 Structure of corporate governance and board composition	11–12, 39–40, 43–44	Independent	Not applicable	Alecta is a mutual company
	2-10 Nomination and appointment of board of directors	11–13, 38–39	Shareholder info	Not applicable	Alecta is a mutual company that applies the Swedish Corporate Governance Code, according to which the Nomination Committee shall strive for gender balance in proposals to the Board.
	2-11 Board chair	40, 44–45			
	2-12 The role of the board chair in follow-up of sustainability work	11–13, 39–42			
	2-13 Work delegation sustainability work	11–13			
	2-14 The board's role in the sustainability report	12, 102			
	2-15 Conflicts of Interest	13, 100–101	Shareholder info	Not applicable	Alecta is a mutual company
	2-16 Whistleblowing or other reporting of criticism	32	Other channels to the board	Not applicable	Whistleblowing is the board's formal channel
	2-17 Board sustainability competence	11			
	2-18 Board evaluation	11, 40			
	2-19 Compensation guidelines	40, 42, 99	Sustainability	Incomplete information	Reported on alecta.se (for the business) The board receives fixed fees.
	2-20 Compensation process	39–40, 42			
	2-21 Relative compensation	96–99	Median compensation	Incomplete information	
	2-22 Sustainability strategy commitment	10–12			
	2-23 Policy commitments	10–13, 22–26	Particularly vulnerable groups	Not applicable	Alecta does not identify specific groups, see in more detail in the SFDR section at the back of the publication.
	2-24 Establishment of policy commitments	11–15			
	2-25 Negative impact management processes	22, 26, 32	Stakeholders (external)	Not applicable	The whistle-blowing function is for internal stakeholders
	2-26 Communication channels and whistle-blowing functions	13	Stakeholders (external)	Not applicable	The whistle-blowing function is for internal stakeholders
	2-27 Regulatory compliance	21, 32			
	2-28 Membership	16			
	2-29 Stakeholder relations	13			
	2-30 Collective Agreement	29			
List of material topics					
GRI 3: Material Topics 2021	3-1 Process for defining material topics	14–15			
	3-2 List of material topics	15–16			

GRI STANDARD / other source	Disclosure	Page	Deviation/not reported			
			Omitted information	Reason	Comment	
Economic performance						
GRI 3: Material Topics 2021	3-3 Governance of material topics	9, 10, 13, 15, 32, 39–42, 55				
GRI 201: Economic Performance 2016	201-1 Economic value generated and distributed	20				
	201-2 Financial consequences and other risks and opportunities related to climate change	(22–23)	Description and quantification of financial consequences	Incomplete information	Alecta annually publishes a separate climate report for the investment portfolio in accordance with TCFD, which describes financial consequences.	
Corruption						
GRI 3: Material Topics 2021	3-3 Governance of material topics	11–13, 16, 32				
GRI 205: Anti-corruption 2016	205-1 Activities assessed for risk of corruption risks	32				
	205-2 Information and training regarding corruption policies and procedures	32	Training and education	Incomplete information	Workshops on corruption risks were held for relevant groups in 2024 but no central training.	
	205-3 Confirmed corruption incidents and actions taken	32				
Training and education						
GRI 3: Material Topics 2021	3-3 Governance of material topics	11–14, 16, 30				
GRI 404: Training and Education 2016	404-1 Average number of training hours per employee and year	(30)	Number of hours per employee	Information not available	Alecta does not record the number of skills development hours.	
	404-3 Percentage of employees receiving regular evaluation and performance reviews	30				
Diversity and equality						
GRI 3: Material Topics 2021	3-3 Governance of material topics	11–14, 16, 31				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity in governance body and among employees	31	Age groups and other relevant diversity parameters	Incomplete information	Alecta reports a somewhat different age breakdown than GRI requests, and no breakdown by age category or based on any other diversity parameters.	
Customer Integrity						
GRI 3: Material Topics 2021	3-3 Governance of material topics	11–13, 15, 21				
GRI 418: Customer Privacy 2016	418-1 Complaints related to violation of customer privacy or loss of customer data	21				
Financial Services Sector Disclosure – Sector standard for financial actors						
GRI 3: Material Topics 2021	3-3 Governance of material topics	11–13, 15, 19				
GRI G4: FSS	FS10 Percentage and number of companies in the company’s portfolio with which the company has had a dialogue on environmental or social issues	26				
GRI G4: FSS	FS11 Percentage of assets under management subject to environmental or social screening	23, 26				

Issues in the sector standard for financial actors not considered essential	
Topic	Explanation
FS6-8 Product indicators	Not applicable to an occupational pension provider such as Alecta, adapted information with some similarity is provided within the framework of the SFDR regulation.
FS 13-14 Indicators for local communities and vulnerable groups	Not applicable to an occupational pension provider that only provides occupational pensions through collectively agreed and collectively procured arrangements.

Auditor's Limited Assurance Report on Alecta Tjänstepension Ömsesidigt's Sustainability Report and statement on the Statutory Sustainability Report

This is the translation of the auditor's limited assurance report in Swedish. If there are differences, the Swedish original has precedence.

To the Council of Alecta Tjänstepension Ömsesidigt, corporate identity number 502014-6865

Introduction

We have been engaged by the Board of Directors and Group Management of Alecta Tjänstepension Ömsesidigt to undertake a limited assurance of Alecta Tjänstepension Ömsesidigt's Sustainability Report for the year 2024. The company has defined the scope of its sustainability report on page 34. The Statutory Sustainability Report is defined on page 34. The limited assurance procedures performed does not include the information about Alecta's products in accordance with the EU Disclosure Regulation provided on pages 108–125.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act in the older version that applied before 1 July 2024. The criteria are described on page 34 of the Sustainability Report, and consists of the parts of the sustainability reporting framework issued by the GRI (Global Reporting Initiative) Sustainability Reporting Standards which are applicable to the Sustainability Report. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination

regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Alecta Tjänstepension Ömsesidigt according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared and Statutory Sustainability Information according to the EU Disclosure Regulation has been provided.

Stockholm, the day stated in our electronic signature
Öhrlings PricewaterhouseCoopers AB

Morgan Sandström
Authorised Public Accountant

Corporate Governance Report

Good corporate governance ensures that the company is managed responsibly, sustainably and as efficiently as possible with satisfactory risk management and internal control.

Corporate governance at Alecta

Alecta is a mutual occupational pension company that is owned by the employers who are Alecta policyholders and by those insured at Alecta.

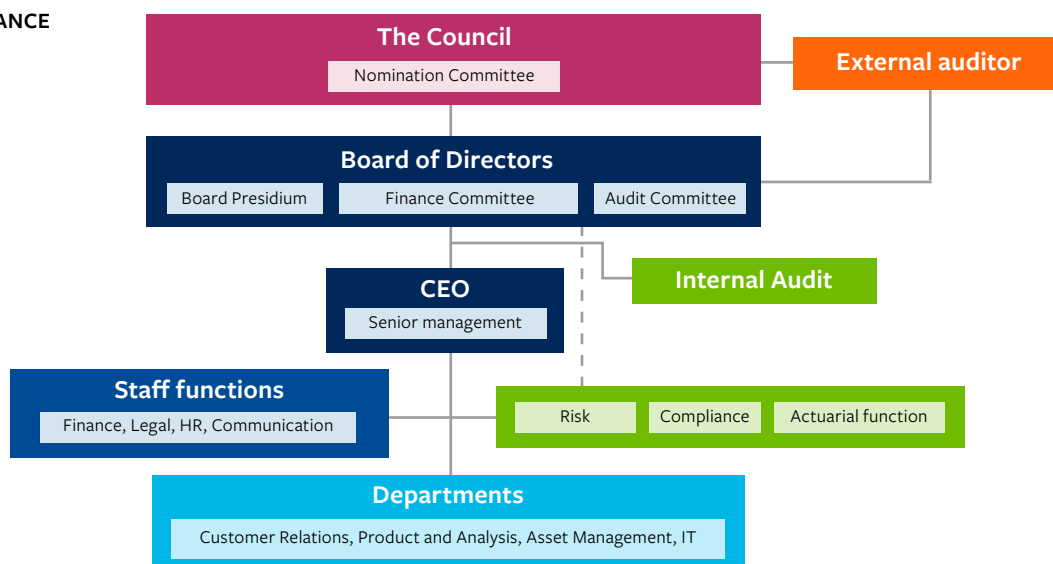
Preparing a corporate governance report is not a requirement for Alecta according to the Swedish Act on Annual Accounts in Insurance Companies. However, Alecta applies the Swedish Corporate Governance Code (the Code) even though it has no

formal obligation to do so. However, rules in the Code that are not adapted to the fact that the company is a mutual insurance company are not applied. Another deviation from the Code is that the interim report is not reviewed annually by the company's auditor.

Corporate governance involves the decision-making systems and processes through which a company is governed and controlled.

Photo: Evelina Carborn



CORPORATE GOVERNANCE
MODEL

The Council and Nomination Committee

Alecta's highest decision-making body is the Council, (previously called the Council of Administration), which corresponds to the General Meeting of Shareholders in the Occupational Pension Companies Act). The Council's duties include electing the Board of Directors and external auditors, annually addressing the issue of release from liability for the Board of Directors and CEO in respect of their management during the financial year, adopting Board of Director's fees and guidelines for remuneration for senior management, adopting income statements and balance sheets for the Parent Company and the Group, and deciding on the appropriation of the profit or loss for the year.

At the ordinary Council's meeting in 2023, the Confederation of Swedish Enterprise, Unionen, the Association of Managerial and Professional Staff (Ledarna), Swedish Association of Graduate Engineers and the PTK Negotiating and Collaboration Council informed that they intended to carry out a review of Alecta's corporate governance. The review resulted in a number of concrete proposals for changes which were voted on in the ordinary meeting of the Council of Administration on 25 April 2024. These changes included the change of name of the Council of Administration to the Council, a reduction in the number of members of the Council, a Nomination Committee consisting of more independent members replacing the Council of Administration's Preparatory Committee and an increased number of independent members of the Board of Directors.

The Council consists of 28 (formerly 38) members. Proposals of the members of the Council and the Nomination Committee are prepared by the Preparatory Council, which consists of half representatives from the Confederation of Swedish Enterprise and half representatives from Unionen, the Association of Managerial and Professional Staff (Ledarna), the Swedish Association of Graduate Engineers (Sveriges Ingenjörer) and the Council for Negotiation and Cooperation (PTK).

The Council elects Board Members and Chair of the Board at the ordinary Council's meeting for a period of one year and external auditors for a period of one to four years.

Elections of the Board, Chair of the Board, Deputy Chair of the Board and external auditors are prepared by a Nomination

Committee (formerly known as the Preparatory Committee), appointed by the Council. In the composition of the Board of Directors, the Nomination Committee shall take into account that the composition is characterised by diversity and breadth of members' skills, experience and background and strive for a gender balance. The Nomination Committee also submits proposals on director fees, including remuneration for committee work and fees for Alecta's auditors. The members of the Nomination Committee are proposed by the Preparatory Council.

Since the meeting of the Council of Administration held in April 2024, the Nomination Committee has the following ordinary members: Kenneth Bengtsson, Peter Hellberg, Cecilia Lager, Suzanne Sandler, Elisabeth Arbin and Andreas Miller.

The Chair and Deputy Chair of the Council constitute the Chair and Deputy Chair of the Nomination Committee. The other members are appointed by the Council. For the period, a fee of SEK 60,000 has been paid to the Chair of the Council, who is also the Chair of the Nomination Committee. No remuneration has been paid by Alecta to other members for their work on the Nomination Committee or the Council.

External auditors

External auditors are elected by the Council for a term of one to four years. The duty of the external auditors is to examine Alecta's Annual Report and accounting as well as the management performed by the Board of Directors and Chief Executive Officer.

The current external auditor Öhrlings PricewaterhouseCoopers AB (PwC), was elected for the first time at the ordinary meeting of the Council of Administration in 2023 for one year and re-elected for a year at the latest ordinary meeting of the Council of Administration in April 2024, with authorised auditor Morgan Sandström as auditor in charge. For each financial year, the external auditors issue an audit report, which is included in Alecta's annual and sustainability report.

During the 2024 financial year, PwC, in addition to its external audit assignment, performed other assignments for Alecta, such as tax consultations and inquiry assignments. For more information on external auditor fees, refer to Note 46 Disclosures of auditors' fees.

Board of Directors

The Board of Directors is responsible for the organisation and administration of Alecta. The Board decides on Alecta's strategies and long-term targets and is responsible for ensuring that Alecta has adequate internal control. The Board is thereby responsible for ensuring that the necessary governance documents for Alecta's operations are in place, and takes decisions on matters such as Investment Policy, Actuarial Guidelines, Corporate Governance Policy and Risk Management Policy.

Directors and CEO

According to the Articles of Association, the Board shall consist of nine to thirteen members to be elected by the Council. The Chair shall normally be independent of Alecta and the organisations Confederation of Swedish Enterprise, Unionen, the Swedish Organisation for Managers (Ledarna), the Swedish Association of Graduate Engineers (Sveriges Ingenjörer) and the Council for Negotiation and Cooperation (PTK). The Board shall normally have two Deputy Chairs, one of whom is from the Confederation of Swedish Enterprise and one from Unionen, the Swedish Organisation for Managers (Ledarna), the Swedish Association of Graduate Engineers or the Council for Negotiation and Cooperation (PTK).

The Board appoints Alecta's CEO and, through the Audit Committee, the head of the internal audit and defines the framework for their work. The CEO is responsible for the day-to-day management of the company in accordance with the guidelines and directions of the Board and for ensuring that the operations are organised so that the company complies with applicable laws and regulations. The CEO shall also ensure that the Board receives reports on the performance, results and financial position of Alecta on an ongoing basis and is kept up to date on significant operational events. The CEO's overall decisions within the day-to-day management of the company are normally prepared by senior management, which, in addition to the CEO, consists of heads of Alecta's departments and central functions.

The Board of Directors' rules of procedure, etc.

As a feature of governance, Alecta applies both rules of procedure for the Board of Directors and instructions for the CEO, which are adapted to rules in the Code.

Alecta's Board of Directors continuously evaluates the CEO's work. A formal evaluation is conducted once a year. Similarly, the work within the Board is also evaluated annually. The results of the Board's evaluation are reported to the Council's Nomination Committee.

Alongside the activities of the Board itself, the Board operates through three committees: the Board Presidium, which also functions as a Remuneration Committee, the Finance Committee and the Audit Committee. The duties of the committees are defined in the rules of procedure for the Board.

Board Presidium

The main duties of the Board Presidium are to administer and adopt decisions on those matters which the Board delegates

to the Board Presidium, to advise the CEO in the day-to-day management of the company and, prior to the Board meeting, prepare the agenda and major decisions to be presented at the meeting. The Board Presidium also acts as a Remuneration Committee and convenes at the initiative of the Board Chair. In 2024, the Board Presidium held eight meetings, six of which were scheduled.

Finance Committee

The Finance Committee's main duties are to monitor the day-to-day investment operations, to prepare investment guidelines, investment policy and responsible investment policy prior to Board decisions, and to prepare the asset management matters to be addressed by Alecta's Board. The Finance Committee was previously tasked with deciding on certain investment matters which are not within the remit of the CEO. As of 1 January 2024, the Finance Committee is only a preparatory committee. The Finance Committee held five meetings during 2024, four of which were scheduled.

Audit Committee

The Audit Committee's main task is to continuously evaluate and communicate to the Board its view of Alecta's risk exposure and Management's risk management. When it comes to financial risks, this involves ensuring that financial risk reporting functions well. The Audit Committee also supports the Board in monitoring and evaluating the internal and external audits, preparing matters related to the Board's work on assuring the quality of Alecta's financial reporting and overseeing Alecta's financial reporting. In addition, the Audit Committee monitors the effectiveness of Alecta's internal control. In 2024, the Committee held eight meetings, five of which were scheduled.

Work of the Board of Directors in 2024

In 2024, the Board held 16 meetings, seven of which were scheduled. In addition, once annually the Board usually meets up in a Board seminar for a couple of days to discuss matters of strategic importance to Alecta.

The major matters addressed by the Board and its committees during the year included:

- work with improvement program regarding Alecta's asset management, including, among other things, the determination of new investment policy (previously investment guidelines),
- Alecta's investment in Heimstaden Bostad,
- work with responses to the Swedish Financial Supervisory Authority's investigations linked to Alecta's investments in the US banks and Heimstaden Bostad,
- refunds and premium setting for 2025,
- the work on cyber risk resilience through the alignment with DORA,
- revised owner directive for Alecta Fastigheter, and
- culture and leadership.

Risk management and internal control

At Alecta, the duties of every manager and employee include working for well-balanced internal control and appropriate risk management, although the Board of Directors and the CEO have ultimate responsibility for this. To ensure adequate risk management, statutory and regulatory compliance and compliance with internal governance documents, Alecta's risk management and internal control procedures are based on a model with risk management at several levels – in day-to-day operations and through four central functions.

Operational risk management

Alecta's departments and staff functions are responsible for the risks that arise in their respective activities. This responsibility entails identifying, evaluating, controlling and internally reporting risks. The departments and staff seek to ensure that clear processes and procedures have been established, which together with the internal governance documents govern Alecta's actions in different respects.

Central functions

As support for the Board, CEO and the business, within Alecta there are the central functions specified in the Act on occupational pension companies, Risk, Compliance, the Actuarial function and Internal Audit. These functions use a risk-based approach and therefore give priority to activities and follow-ups in those areas where Alecta's risks are greatest. In 2024, the number of resources were expanded within the Risk and Internal Audit functions.

Risk management is an integral part of Alecta's governance. To protect its customers and other stakeholders, Alecta applies strict standards for how risks are controlled and managed. More information on risks and risk management is provided in the Administration Report on page 55 and in Note 3 Risks and risk management.

Risk

The mission of the Risk function is to make it easier for Alecta's Board of Directors, CEO and managers to manage, control and make decisions on risks. At least quarterly, Risk submits a written report to the Board and the CEO. Risk's mission is to:

- work for increased awareness and better knowledge of risks and to support the operations in their risk management work,
- improve processes, methods and documentation for risk management, and
- check and assess the quality of the business's risk management, make independent assessments and compile these in reports for senior management and the Board of Directors.

Compliance

The Compliance function's mission involves regulatory compliance risks in the operations subject to licences and other regulations that govern Alecta's operations. At least quarterly, Compliance submits a written report to the Board of Directors and the CEO.

The Compliance function's mission is to:

- advise the CEO and the Board on how to prevent non-compliance;
- assess the impact of regulatory changes;
- identify and assess the risk of non-compliance; and
- assess whether Alecta's measures to prevent regulatory non-compliance are appropriate.

Actuarial function

The Chief Actuary is responsible for the Actuarial function and reports to the CEO and the Board. The Chief Actuary is responsible for the tasks incumbent on the Actuarial function under the Occupational Pension Companies Act and regulations. The Chief Actuary works closely with Alecta's other actuaries, who have the Actuarial Group as their organisational domicile. The Chief Actuary is chair of Alecta's actuarial committee, which is a forum for the Actuarial function and a preparatory and advisory body for the Chief Actuary. The tasks of the Actuarial function include:

- coordinating and assuring the quality of the actuarial calculations and inquiries,
- assisting the Board and the CEO and, on their own initiative, submitting reports to them on matters relating to actuarial methods, calculations and assessments, and
- submitting the annual actuarial report.

Internal Audit

The internal audit is an independent examination function. The internal audit works on behalf of the Board and its duties are:

- to evaluate the internal control system,
- to evaluate other parts of the corporate governance system, and
- to report results and, following the evaluations, present recommendations to the Board of Directors.

Governance documents and monitoring

Everyone who works at Alecta has a responsibility to help ensure good internal control and is required to follow Alecta's governance documents. The governance documents relating to policies, guidelines and functional descriptions are adopted by the Board or the CEO and are revised when required or at least annually. All employees have an independent responsibility to keep themselves informed through Alecta's intranet of those governance documents which affect them. The managers also have a responsibility to inform their employees of changes in the governance documents. As part of their mandatory introduction programme, new employees receive information about Alecta's ethical rules.

A prerequisite for effective governance is that the outcome is regularly followed up and reported back. In this way, the governance is adapted to new needs or conditions. The managers are responsible for ensuring appropriate monitoring and that controls are in place in their respective areas of responsibility.

Business follow-up

The Controller function continuously monitors operational performance regarding planned activities as well as cost outcomes and target achievement in relation to business and operational plans. On a quarterly basis, the Controller function also prepares an internal report for the Board of Directors and senior management.

Internal control over financial reporting

The Board assures the quality of the financial reporting through, inter alia, the work of the Audit Committee. In this context, the committee addresses, where necessary, the critical accounting matters and reviews the financial reporting that Alecta intends to submit.

When compiling data for financial reporting, Alecta's Finance Department conducts checks to ensure the quality of the data provided and that the financial reporting complies with laws and other regulations.

External auditors attended five of the Audit Committee's meetings in 2024, whereby different matters related to the audit were subject to discussion between the auditors and members of the committee. During the year, the Audit Committee also examined and evaluated the work of the external auditors.

The entire Board reviews interim reports before they are published and reviews and approves the annual and sustainability report before it is published.

The external auditors have submitted written reports to the Board concerning the year's examination, which are an audit plan, a status report and the year-end report. They have also participated in a board meeting to verbally report on the 2024 audit and review of the CEO and the Board's management.

Guidelines for remuneration of senior management

The Council of Administration (now the Council) established the following guidelines for remuneration and other terms of employment for Alecta's senior management at its ordinary meeting on 25 April 2024:

Remuneration for the CEO and other senior executives in senior management consists of basic salary, pension provisions, severance pay and other benefits. Other senior executives are defined as the eight individuals who during the year together with the CEO comprise Alecta's senior management.

Salary

Salary is set taking into account competencies, spheres of responsibility, authorities and performance, and is to be based on market-aligned conditions and principles. Variable remuneration is not payable to either the CEO or to any other senior executives.

Provision for pensions

All members of senior management are covered by the FTP plan. The usual retirement age is 65. For the CEO, a provision of 35 per cent of salary is set aside for pensions, including contributions to the FTP plan.

Severance pay and other benefits

The CEO and other senior executives are subject to a period of notice from Alecta of six months in combination with severance pay equivalent to 12 months' salary, which is fully deductible against income from new employment. According to an agreement that was reached before these period of notice conditions started to apply, a senior executive is subject to a period of notice of 18 months in the event of termination by Alecta, with full deductibility of benefits received in any new employment during a corresponding period.

All members of senior management are entitled to sickness compensation corresponding to 90 per cent of cash gross salary during the first 12 months of any illness. Otherwise, the same benefits as for other employees apply, such as health insurance and a fitness allowance.

Process and decision-making

Matters relating to salary and other terms of employment of the CEO and other senior executives, as well as on any variable remuneration programmes in Alecta for other employees, are prepared by the Board Presidium, in its capacity as the Remuneration Committee, for adoption by the Board.

In November 2024, the Board decided to terminate the general incentive programme that has been in place at Alecta since 2013.

For information on remuneration to management and on remuneration and incentive programmes to other employees for 2024, see Note 45.

The Council and auditors

Members

The Council's 14 members elected by the Confederation of Swedish Enterprise for the period 2023–2025 (as of 31 December 2024).

Members

Björn Alvengrip, Helsingborg ²⁾
 Kenneth Bengtsson, Stockholm, Chairman ¹⁾
 Antje Dederig, Bromma
 Eva Dunér, Gothenburg
 Andreas Edenman, Nacka (2024–2025)
 Erik Haara, Täby (2024–2025)
 Jonas Hagelqvist, Stockholm
 Sofia Larsen, Örebro
 Carina Malmgren Heander, Stockholm
 Anna Nordin, Saltsjö-Boo
 Yvonne Pernodd, Enskede
 Pia Sandvik, Stockholm (2024–2025)
 Per Wallentin, Västra Frölunda (2024–2025)
 Ulrik Wehtje, Malmö

¹⁾ Member of the Nomination Committee

²⁾ Deputy member of the Nomination Committee

The Council's 14 members elected by Unionen, the Association of Managerial and Professional Staff (Ledarna), Swedish Association of Graduate Engineers and the Council for Negotiation and Cooperation (PTK) for the period 2023–2025 (as of 31 December 2024).

Members

Elisabeth Arbin (Swedish Association of Graduate Engineers), Uppsala ¹⁾
 Christina Balder (Unionen), Trollhättan
 Magnus Hedberg (PTK), Enebyberg
 Peter Hellberg (Unionen), Bandhagen, Vice Chairman ¹⁾
 Jens Jacobsson (Swedish Association of Graduate Engineers), Stockholm (2024–2025)
 Ulrika Johansson (Unionen), Luleå
 Hans Lindau (Unionen), Sandared (2024–2025)
 Kenneth Lund (Unionen), Uddevalla (2024–2025)
 Andreas Miller (Ledarna), Uppsala ¹⁾
 Robin Olofsson (Unionen), Sollentuna (2024–2025)
 Annika Salomonsson (Unionen), Stenhamra (2024–2025)
 Therese Sysimetsä (Unionen), Stockholm
 Annelie Söderberg (PTK), Stockholm
 Henrik Vahldiek (Union), Växjö

Auditors

Öhrlings PricewaterhouseCoopers AB, auditor in charge Morgan Sandström

Board of Directors

Jan-Olof Jacke

Position: Chair

Born: 1965

Elected: 2019

Committee: Board Presidium

Other board appointments: Swedish Exhibition & Congress Centre (chair), Folk och Försvar (chair), the Research Institute of Industrial Economics, ICC Sweden, Royal Swedish Academy of Engineering Sciences, Mindforce Game Lab, The Swedish-American Chamber of Commerce in New York

Other appointments: –

Other: CEO and member of Board and member of the Executive Board Confederation of Swedish Enterprise

Attendance Board Meetings: 16/16

Committee attendance: 8/8

Elisabeth Sasse

Position: Deputy chair

Born: 1966

Elected: 2023

Committee: Board Presidium, Finance Committee

Other board appointments: –

Other: –

Attendance Board Meetings: 16/16

Committee attendance: 14/14 ¹⁾

Marcus Dahlsten

Position: Member of the Board

Born: 1974

Elected: 2020

Committee: Audit Committee

Other board appointments: Trygghetsfonden TSL, Fair Transport AB and the Swedish International Freight Association (Transportindustriförbundet)

Other appointments: CEO of the Swedish Confederation of Transport Enterprises (Transportföretagen TF AB) and the Swedish Aviation Industry Group (Svenska flygbranschen) as well as CEO and board member of the Swedish Road Transport Employers' Association (Biltrafikens Arbetsgivareförbund), the Swedish Motor Trade Employers' Association (Motorbranschens Arbetsgivareförbund), the Swedish Shipowners' Association (Sjöfartens Arbetsgivareförbund), the Swedish Bus and Coach Federation (Sveriges Bussföretag) and Ports of Sweden (Sveriges Hamnar)

Other: –

Attendance Board Meetings: 16/16

Committee attendance: 8/8

Martin Fridolf

Position: Member of the Board

Born: 1964

Elected: 2021

Committee: Audit Committee

Other board appointments: –

Other appointments: –

Other: CEO Ledarna

Attendance Board Meetings: 16/16

Committee attendance: 8/8

Markus Granlund

Position: Member of the Board

Born: 1975

Elected: 2019

Committee: Audit Committee (Chair)

Other board appointments: Swedish Exhibition & Congress Centre Foundation, Speed Group Holding AB

Other appointments: –

Other: Acting CEO of TFS Trial Form Support International AB

Attendance Board Meetings: 16/16

Committee attendance: 8/8

Hans Fahlin

Position: Member of the Board

Born: 1957

Elected: 2024

Committee: Finance Committee

Other board appointments: Stiftelsen för Finansforskning (chair), Jacob Palmstiernas stiftelse för finansforskning (chair), Hans Dalborgs stiftelse för finansforskning (chair), Sven Stenbäcks Stiftelse, Artis projects and Development AB, Föreningen Svenska Tonsättares Internationella Musikbyrå (Stim)

Other appointments: Finansiell Modellering H.F.A. Handelsbolag

Other: –

Attendance Board Meetings: 10/11 ²⁾

Committee attendance: 4/4

Bo Kratz

Position: Member of the Board

Born: 1962

Elected: 2024

Committee: The Finance Committee (Chair),

Other board appointments: –

Other appointments: –

Other: –

Attendance Board Meetings: 11/11 ²⁾

Committee attendance: 4/4

Björn Oxhammar

Position: Member of the Board

Born: 1958

Elected: 2023

Committee: Finance Committee

Other board appointments: –

Other appointments: –

Other: –

Attendance Board Meetings: 16/16

Committee attendance: 5/5

Heléne Robson

Position: Member of the Board

Born: 1971

Elected: 2024

Committee: Audit Committee

Other board appointments: Akademikernas A-kassa (deputy chair), Aktiebolaget Akademikerförsäkring i Stockholm, Skiljenämnden TGL-KL, PTK, Government Disciplinary Board for Higher Officials (Statens ansvarsnämnd)

Other appointments: –

Other: General Counsel Swedish Association of Graduate Engineers

Attendance Board Meetings: 11/11 ²⁾

Committee attendance: 5/5

Viveka Strangert

Position: Member of the Board

Born: 1967

Elected: 2024

Committee: Audit Committee

Other board appointments: Loomis Sverige AB (chair), Loomis Digital Solutions AB (chair), Fidelio Capital AB, Ikano Bank AB (publ), Freedom Topco AB

Other appointments: –

Other: –

Attendance Board Meetings: 11/11 ³⁾

Committee attendance: 6/6

Hannes Hultcrantz

Position: Employee representative SACO

Born: 1982

Elected: 2025

Committee: –

Other board appointments: –

Other appointments: –

Other: –

Attendance Board Meetings: 0/16 ⁴⁾

Birgitta Pernkrans

Position: Employee representative Forena

Born: 1969

Elected: 2015

Committee: –

Other board appointments: Forena

Other appointments: –

Other: –

Attendance Board Meetings: 16/16

¹⁾ Member of the Audit Committee until 30 May, then member of the Finance Committee.

²⁾ Board and committee member as of 25 April.

³⁾ Board and committee member from 25 April participated as an adjunct to one of these six meetings.

⁴⁾ Elected as employee representative for SACO on 13 March 2025. Succeeded Mikael Persson, who attended 16/16 board meetings in 2024.

Senior Management

Peder Hasslev

Position: Chief Executive Officer
 Born: 1963
 Employed since: 2023
 Education: Master of Business Administration, Bachelor of Political Science.
 Previous experience: CEO Saminvest, Chair PFA Pension, Deputy CEO, Head of Asset Management AMF
 Board appointments: Insurance Sweden, Employer Organisation of the Insurance Industry (FAO)

Katarina Thorslund

Position: Deputy CEO, Head of Customer Relations ¹⁾
 Born: 1962
 Employed since: 2003
 Education: B.Sc. in Mathematics
 Previous experience: Chief Financial Officer and Chief Actuary at Alecta. Previously Chief Actuary at Folksam Gruppförsäkring.
 Board appointments: Fund delegation at the Legal, Financial and Administrative Services Agency, Alecta Fastigheter AB (Chair)

Pablo Bernengo

Position: Head of Asset Management
 Born: 1974
 Employed since: 2023
 Education: Degree in Economics
 Previous experience: Head of Asset Management at AP3 (3rd AP Fund), CEO and Head of Asset Management at Öhman Fonder

Karin Cederbaum

Position: Head of Legal Affairs/General Counsel
 Born: 1973
 Employed since: 2024
 Education: Law degree
 Previous experience: Head of Corporate and Insurance Law at Skandia Life insurance company. Managerial roles within the Compliance function at Swedbank AB. CEO of securities company Säkra Spar AB.

Martin Hedensiö

Position: Head of Communication
 Born: 1964
 Employed since: 2016
 Education: MSc. in Accounting and Auditing
 Previous experience: Director of Communications at Svenska Spel, Vice President Corporate Communications Europe, Middle East & Africa at Nasdaq, Executive Partner, Head of Corporate and Financial Communications at Hallvarsson & Halvarsson, Deputy CEO of Springtime, Investor Relations Director at Electrolux.

Ulf Larsson

Position: Head of IT
 Born: 1968
 Employed since: 1998
 Education: Bachelor of Arts in Business Administration
 Previous experience: Head of IT Architecture and Group Head of Infrastructure at Alecta. Previously, consultant at WM-data.

Marie Litezings

Position: Head of Customer Relations ²⁾
 Born: 1977
 Employed since: 2025
 Education: Master of Business Administration, Uppsala University
 Previous experience: Head of Insurance at AMF, other leading roles in AMF, among others Head of Product and Offer. Various Roles within E*TRADE and Stadshypotek Bank.
 Other board appointments: Board Member Min Pension

Fredrik Palm

Position: Head of Product and Analysis
 Born: 1976
 Employed since: 2013
 Education: M.Sc. in Mathematical Statistics
 Previous experience: Chief Actuary Alecta. Self-employed actuarial consultant. Consultant and partner of consulting firm.

Maria Wahl Burvall

Position: Head of Human Resources
 Born: 1964
 Employed since: 2014
 Education: M.Sc. in Business and Economics, majoring in Economics and Statistics
 Previous experience: Economist, HR specialist and Head of HR at the Riksbank.

Camilla Wirth

Position: Head of Finance
 Born: 1970
 Employed since: 2017
 Education: M.Sc. in Business and Economics
 Previous experience: CFO Nordax Bank AB (publ), CFO Aberdeen Property Investors IIM AB, Auditor and Consultant at KPMG Financial Services.
 Other board appointments: Board Member Alecta Fastigheter AB

¹⁾ Head of Customer Relations until 18 March 2025, Deputy CEO until 31 March 2025.

²⁾ Head of Customer Relations as of March 19, 2025.

Administration Report

The Board of Directors and the Chief Executive Officer (CEO) of Alecta Tjänstepension Ömsesidigt hereby present the Annual and Sustainability Report for 2024.

Organisation number: 502014-6865
Registered office: Stockholm, Sweden

Ownership and structure

Alecta is a mutual occupational pension company. This means that the company is owned by the policyholders and those insured, and that any surplus generated is returned to the policyholders and the insured parties.

Alecta Tjänstepension Ömsesidigt is the parent company of the Alecta Group. During the year, operations have been conducted in-house within the Group with a few exceptions; parts of the IT operations that are carried out by external parties under contractual agreements and parts of property management, which for most of the year have been outsourced to external suppliers. In addition, some of the tasks performed by Collectum and other selection centres outside the framework of the ITP and other pension plans are also considered to be performed on behalf of Alecta and other participating insurance companies and occupational pension companies.

Operations and products

Alecta offers occupational pensions through selection centres under collectively agreed occupational pension plans, i.e. insurance schemes based on collective bargaining agreements that are tied to the employment relationship and for which the premiums are paid by the employer.

Alecta's primary task is to manage the different parts of the ITP occupational pension plan on behalf of the Confederation of Swedish Enterprise and the Council for Negotiation and Cooperation (PTK), which are parties to collective bargaining agreements. Alecta thereby manages both defined benefit and defined contribution pensions, as well as risk insurance in the form of disability pension, survivor protection and premium waiver. Defined contribution retirement pensions are offered through the Alecta Optimal Pension product, which for ITP is both the default option and a selectable option.

Under the ITP agreement, there is the option of funding the employees' retirement pensions through recognising liabilities on the balance sheet under the so-called "PRI model". Obligations secured under the PRI model are administered by Alecta on behalf of PRI Pensionsgaranti with the same service and quality as if insurance had been taken out for the employees' retirement pension.

Alecta Optimal Pension is also a selectable option in the other collective bargaining areas: FTP for employees in the insurance industry (where Alecta is also the default option), SAF-LO collective pension insurance for private sector employees, government employees in the PA 16 collective bargaining area, KAP-KL/AKAP-KR for municipal and local authority employees and PA-KFS for employees of municipally-owned enterprises.

Alecta also offers occupational group life insurance (TGL) within the ITP and FTP agreement area.

Employees

In 2024, the average number of employees in the Alecta Group was 471 people (423), which is 462 on a full-time equivalent basis (422).

At year-end 2024, the total number of employees in the Group was 487 people (451), of whom 365 were in the parent company (349). The proportion of female employees was 56 per cent (56) and the average age of all employees was 47 years of age (47).

Disclosures on the average number of employees, salaries and benefits are provided in Note 45. The note also describes the principles for determining the remuneration and benefits for senior executives, as well as the applicable drafting and decision-making processes.

Profit for the year and financial position

The Group reported a profit for the year after tax of SEK 89.7 billion (59.5). Comments on the profit/loss and financial position are presented in the following report.

Premiums written

Premiums written in 2024 totalled SEK 87.4 billion (99.5), see Note 4. Premiums written can be divided into invoiced premiums and guaranteed refunds.

Invoiced premiums amounted to SEK 48.7 billion (43.7), where the increase compared to the previous year is mainly due to higher premiums per insured in defined contribution insurance.

Guaranteed refunds totalled SEK 38.7 billion (55.8) and consist of premium reductions on employers' premiums for defined benefit savings insurance, disability and premium waiver insurance, family cover and TGL, as well as an increase in earned pension entitlements (adjustment of paid-up policy values). The reduction in guaranteed refunds is largely due to the adjustment of paid-up policy values that was implemented in January at 6.48 per cent and based on the change in the Consumer Price Index between September 2022 and September 2023 being significantly lower than what had been implemented in the previous year (10.84).

Capital return

The financial markets

During the year, inflation in Sweden, as in the rest of the Western world, has fallen and is now at or just below the central banks' inflation targets. The positive inflation trend has led to the Riksbank, as well as the major central banks, easing monetary policy through reduced key interest rates, which has created the conditions for a global recovery. However, economic growth differs between regions. The US economy continues to surprise positively, while growth in Europe's largest economies remains weak.

The strong growth in the United States combined with concerns that Trump's trade policy may drive up inflation, however, has led to reduced expectations of further interest rate cuts.

Europe also faces further challenges in terms of continued geopolitical unrest and political instability, particularly in Germany.

Lower inflation and lower market interest rates have positively impacted stock markets. In particular, companies in the technology sector have performed strongly, driving the US stock markets (MSCI USA ESG), which rose by 23.6 per cent for the year. At the same time, Swedish (MSCI Sweden) and European stock markets rose by 6.5 and 6.2 per cent, respectively, in local currencies. Stock market development as a whole has contributed to Alecta's share assets developing well during the year.

In the interest rate market, volatility has been high during the year. Long-term interest rates rose sharply during the last quarter of the year, after falling in the previous quarter, reaching their highest levels by the end of the year. Overall, interest rate development has resulted in lowered returns for Alecta's bond holdings, which are nevertheless slightly positive. Interest rate development has also had a corresponding impact on Alecta's pension commitments that are on the liabilities side, contributing to an increased solvency ratio and financial position for Alecta.

For Alecta's alternative assets, which largely consist of properties, sentiment has gradually improved during the year. This has increased optimism about the industry's recovery and future transactions.

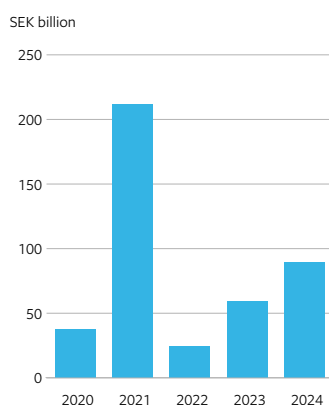
The Swedish krona has weakened during the year, particularly against the US dollar, which strengthened in the last quarter of the year. Since the beginning of the year, the Swedish krona has weakened by one per cent against the euro and 9.9 per cent against the US dollar.

Returns

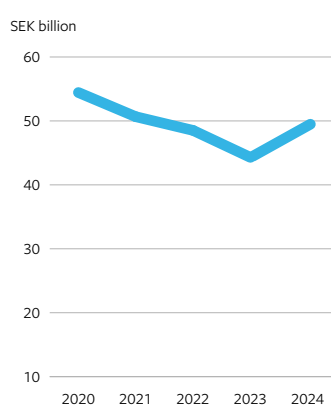
The total return on Alecta's investments in 2024 was 5.3 per cent (7.4). The positive return is mainly attributable to rising share prices. The positive interest rate development of alternative assets, including real estate, infrastructure and alternative credits, also contributed positively to returns.

Alecta's average annual return over the past five years is 5.0 per cent (6.8). The return on shares for the year was 9.6 per

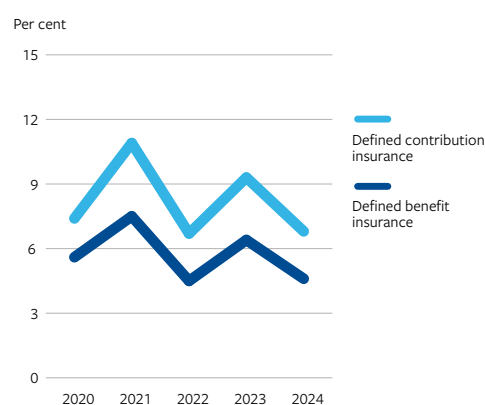
PROFIT/LOSS FOR THE YEAR



INVOICED PREMIUMS



TOTAL RETURN, FIVE-YEAR AVERAGE



cent (15.8), debt securities had a return of 1.3 per cent (6.7) and the return on alternative assets was 5.1 per cent (–5.9). At the end of the year, the alternative assets consisted of 62 per cent (60) real estate and the remaining part of mainly alternative credits, i.e. debt instruments with higher credit and market risk, as well as infrastructure investments.

The return on Alecta's defined contribution savings product, Alecta Optimal Pension, was 6.8 per cent (8.7). Over the past five years, Alecta Optimal Pension has generated an average annual return of 6.8 per cent (9.3).

The return on the Alecta defined benefit insurance product was 4.9 per cent (7.1). The average annual return over the past five years was 4.6 per cent (6.4). In the income statement, return on capital for the Group including unrealised value changes, was SEK 64.5 billion (85.1). At year-end 2024, the market value of total investment assets amounted to SEK 1,314.6 billion (1,245.5), refer to the total return table. Of these, the Alecta Optimal Pension accounted for SEK 274.3 billion (243.8).

Changes in the portfolio

At year-end, the proportion of shares of the portfolio was 35.2 per cent (38.3). The proportion of shares varied during the year as a result of market events but was also due to the active selection of upward and downward weighting of the proportion

of shares during the year. The largest change was made during the fourth quarter when the management chose to increase the share of US equities from 33 per cent to close to 40 per cent.

At year-end, the proportion of alternative assets was 19.4 per cent (19.6). The decrease is primarily explained by changes in value for Swedish and foreign properties.

The composition of the portfolio is presented on page 49.

Insurance claims incurred

Claims incurred consist partly of insurance claims paid and partly of changes in provisions for claims outstanding.

During 2024 insurance claims paid that consist primarily of benefits incurred in retirement pensions, disability and life insurance increased to SEK 27.7 billion (25.2). The increase is largely attributable to a greater number of new retirees and a higher average pension amount than for retirees whose payments ended due to death or because the beneficiary reached the final payment age and to an increase in transferred capital in defined contribution pensions. Operating expenses incurred in connection with the settlement of claims are also included in claims paid and in 2024 these totalled SEK 174 million (179), see Notes 7 and 8.

The change in the provision for claims outstanding was SEK 1.7 billion (0.6).

Total return table for investments, total	Market value 31/12/2024		Market value 31/12/2023		Total return, per cent		
	SEK million	%	SEK million	%	2024	2023	Average 2020–2024
Shares	463,051	35.2	447,341	38.3	9.6	15.8	10.9
Debt securities	596,203	45.4	524,613	42.1	1.3	6.7	0.2
Alternative assets ¹⁾	255,360	19.4	243,504	19.6	5.1	–5.9	4.1
Total investments	1,314,614	100.0	1,245,458	100.0	5.3	7.4	5.0

Total return for each year and asset class for the period 2020–2024, which are included in the average total return are presented in the five-year summary on page 57.

The total return table has been prepared in accordance with the recommendations of Insurance Sweden. The reporting and valuation of the investments are not consistent with the accounting principles applied in the financial statements. Total assets on the balance sheet amount to SEK 1,352,374 million (1,293,891). The difference from market value according to the total return table above is, essentially, assets that are not classified as investment assets and items from the liabilities side that are deducted in the total return table. Total return according to Insurance Sweden's Recommendation amounts to SEK 65,431 million (85,416). Capital return, net according to the income statement amounts to SEK 64,540 million (85,137). The largest differences arise from currency effects in foreign subsidiaries booked against equity in the accounts and tax included in the total return table which in the income statement has been classified as tax.

Total return table for investments, defined contribution insurance (Alecta Optimal Pension)	Market value 31/12/2024		Market value 31/12/2023		Total return, per cent		
	SEK million	%	SEK million	%	2024	2023	Average 2020–2024
Shares	154,066	56.2	140,173	57.5	9.6	15.8	10.9
Debt securities	66,575	24.3	55,588	22.8	1.4	4.9	–0.6
Alternative assets ¹⁾	53,709	19.6	48,055	19.7	5.1	–5.9	4.1
Total investments	274,351	100.0	243,816	100.0	6.8	8.7	6.8

The proportion of shares in Alecta Optimal Pension is higher than in other Alecta products. The table above refers to the portfolio that constitutes Alecta's default option, which has a 60 per cent share component. The market value of the total Alecta Optimal Pension portfolio, i.e., including all asset classes is SEK 300.5 billion (265.3).

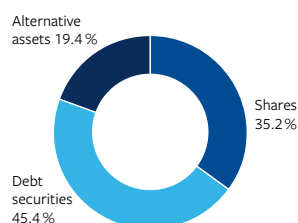
Total return table for investments, defined benefit insurance	Market value 31/12/2024		Market value 31/12/2023		Total return, per cent		
	SEK million	%	SEK million	%	2024	2023	Average 2020–2024
Shares	298,461	29.4	328,440	33.5	9.6	15.8	10.9
Debt securities	519,121	51.2	460,513	47.0	1.3	7.0	0.3
Alternative assets ¹⁾	196,532	19.4	191,216	19.5	5.1	–5.9	4.1
Total investments	1,014,114	100.0	980,170	100.0	4.9	7.1	4.6

The total return tables refer to the Group. Due to rounding, the sum of the figures shown in the tables above may differ from the totals.

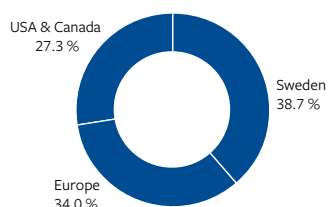
¹⁾ Alternative assets include real estate, infrastructure investments, private equity and so-called alternative credits that are subject to higher market risk than traditional debt securities.

Alecta portfolio composition as at 31/12/2024

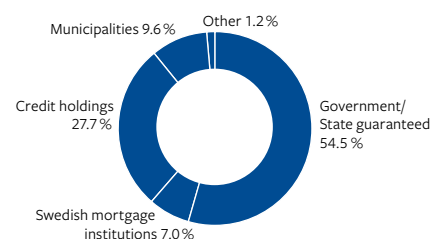
TOTAL INVESTMENT PORTFOLIO



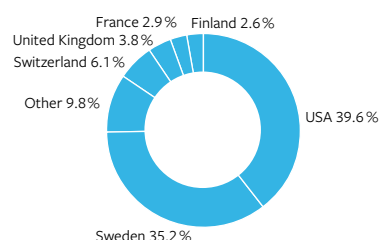
DEBT SECURITIES, geographic distribution



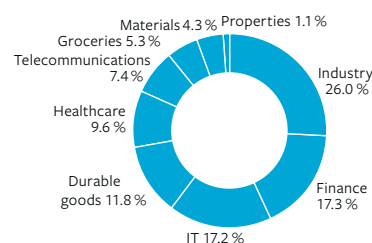
DEBT SECURITIES, type of issuer



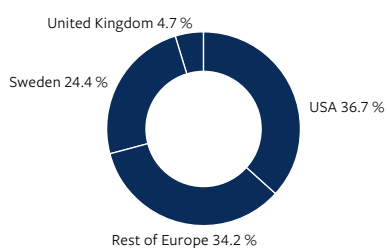
SHARES, geographic distribution



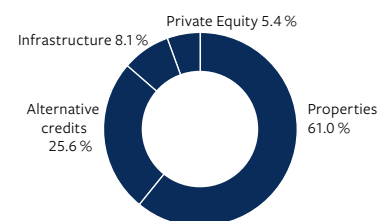
SHARES, sector distribution



ALTERNATIVE ASSETS, geographic distribution



ALTERNATIVE ASSETS, category



Alecta's five largest shareholdings as at 31/12/2024

Shares	Sector	Market value, SEK million
Investor	Finance	21,558
Microsoft	IT	20,813
Alphapet	IT	19,312
Atlas Copco	Industry	18,639
SEB	Finance	14,675

Market value according to total return table and refers to listed shareholdings. A list of Alecta's shareholdings, interests and real estate is published on alecta.se and disclosed in Note 18 Investments in associated companies and jointly controlled entities.

Technical provisions

Technical provisions consist of the net present value of Alecta's guaranteed obligations for insurance contracts that are in effect and are divided into provisions for life insurance and provisions for claims outstanding. Technical provisions totalled SEK 647 billion on 31 December 2024. This is an increase of SEK 25.5 billion (92.0) for 2024, which was due to the following reasons:

- Premiums and payments resulted in an increase in technical provisions of SEK 59.8 billion (74.6), of which SEK 30.8 billion (46.3) refers to guaranteed refunds of earned pension entitlements, as well as premium reductions for defined benefit savings insurance of SEK 4.0 billion (5.1).
- The difference between underlying premiums and assumptions in the calculation of technical provisions reduced the provisions by SEK 31.5 billion (36.9) for savings insurance.
- The results from disability and waiver of premium reduced the provisions by SEK 2.0 billion (2.3).
- Higher market interest rates in 2024 meant that the interest rate curve used in the valuation increased, which reduced provisions by SEK 18.1 billion (44.0). The average cash flow-weighted interest rate increased from 2.74 to 2.95 per cent in 2024.
- Cumulative return after deduction for released tax and operating expenses meant that the technical provisions increased by SEK 16.2 billion (15.5).
- Other changes and results led to an overall increase of SEK 1.0 billion (2.9) in technical provisions.

For further information, see Notes 35 and 36.

Operating expenses

Operating expenses for the insurance business, which are referred to as operating expenses in the income statement, totalled SEK 678 million (602). The increased operating expenses are essentially attributable to running IT costs for operations, licenses and purchased services, mainly related to the implementation of the DORA regulations. Staff costs increase as a result of increased staffing, mainly within IT and central staff. The one-off staff costs in 2023 reduce the impact of the cost increase. Operating costs are no longer burdened by amortisation costs for intangible assets as our insurance system was fully amortised as of the first quarter of 2023. In 2024, the Board of Directors decided to terminate the variable compensation programme and not to pay any variable compensation for 2023. The variable compensation reserve for 2023 has thus been recognised as income in 2024.

Management expense ratio

The total management expense ratio for the Group is unchanged at 0.07 (0.07) compared to the previous year. For defined contribution insurance and defined benefit insurance, the key ratio has also remained unchanged at 0.05 per cent (0.05) and 0.07 per cent (0.07) respectively.

Tax

In 2024, the yield tax net of foreign tax credits was SEK 2,132 million (1,081). Yield tax is payable on pension products and family cover.

The income tax expense, which comprises current and deferred tax was SEK 2,178 million (1,197). The deferred tax expense is net of income and expenses. In addition to Swedish income tax, the item also includes withholding tax and foreign income tax. In the parent company, the business segments disability pension, waiver of premium and TGL are subject to income tax.

Distribution of surplus

A surplus arises when the return on Alecta's assets exceeds the financial cost of its guaranteed obligations but can also arise when the discount rate used to value the guaranteed obligations is higher than the agreed premium rate. In addition, a surplus can also arise in other situations, for example when Alecta's actual outcomes for mortality, morbidity and operating expenses are positive. A more detailed presentation of how the surplus arises is provided in the alternative income statement on pages 58–59. Alecta is a mutual company, which means that any surplus generated is returned to our customers, i.e. the policyholders and the insured parties. This takes place in the form of refunds. Over the past 15-year period (2010–2024), Alecta has distributed SEK 182 billion in refunds. The refunds have been distributed to policyholders and insured parties in the form of pension supplements, increases in earned pension entitlements and premium reductions.

For Alecta's defined contribution insurance product, Alecta Optimal Pension, any surplus or deficit is allocated directly to the insured parties on a monthly basis. The funding range is 98–102 per cent with a target funding of 100 per cent. Any surplus is distributed in connection with the payment of a supplement to the guaranteed pension in accordance with the actuarial guidelines adopted by the Alecta board of directors.

For defined benefit insurance products, on an annual basis the Alecta board of directors decides whether and in what form refunds are to be distributed. For 2024, the Board approved an upward adjustment of defined benefit pensions of 6.48 per cent. The decision covers both pensions in payment as well as earned pension entitlements, known as paid-up policies, and is based on the change in CPI between September 2022 and September 2023. The Board also resolved to adopt a premium reduction for defined benefit age and family pensions of 30 per cent in relation to the unreduced premium level. The Board also resolved to retain the premium reductions of 90 per cent for disability insurance and to reduce premium reductions for premium waiver insurance from 60 per cent to 50 per cent. For family cover, it was decided not to give any premium reduction. For TGL, the premium reduction was SEK 5 per insured party and month.

Of the premium for premium waiver insurance and collective final payment, SEK 155 million has been financed by special indexation funds. Alecta has also funded research projects with SEK 5 million in 2024 within the framework for the joint research programme on mental illness, which is jointly financed by Afa Försäkring and Alecta.

For more information on surplus distribution, see Changes in equity and note 33.

Collective funding and solvency

The defined contribution insurance plans had a collective funding ratio of 100 per cent (99), which is within the funding range of 98–102 per cent.

Alecta's funding policy for its defined benefit insurance products specifies the maintenance of a collective funding ratio of 125 to 170 per cent under normal conditions and to apply the following limits for the allocation of refunds:

- 125 per cent – lower limit for indexation of pensions (pension supplement)
- 135 per cent – lower limit for increase in earned pension (adjustment of paid-up policy values)
- 150 per cent – lower limit for premium reduction
- 170 per cent – lower limit for other refunds to policyholders

During the year, Alecta's Board of Directors decided to reduce the upper limit of the funding range from 175 to 170 per cent. The amendment entered into force on 31 December 2024. At year-end 2024, the collective funding ratio for the Group's defined benefit insurance products was 162 per cent (158). The collective funding capital totalled SEK 382.8 billion (354.7).

The solvency ratio at year-end 2024 was 202 per cent (199).

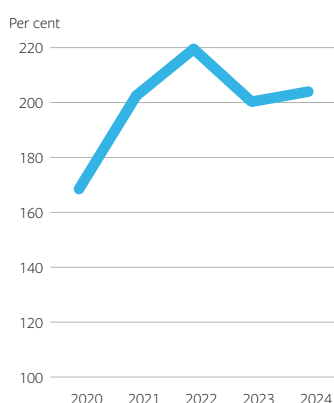
PERFORMANCE IN 2024	SOLVENCY RATIO	COLLECTIVE FUNDING RATIO, defined benefit insurance
Opening balance	199.1	157.6
Returns	10.4	7.8
Cumulative return, TP	-5.1	-4.6
Changed discount rate	5.8	4.6
Premiums	2.2	2.1
Guaranteed pension paid	4.2	2.4
Distributed refunds	-2.5	-0.6
Adjustment of paid-up policy values	-9.6	-4.5
Premium reductions risk	-1.2	-1.9
Premium reductions savings	-1.2	-1.0
Disability result	0.6	0.5
Tax	-0.4	-0.3
Other	-0.6	-0.3
Closing balance	201.6	161.8

Proposed appropriation of profits

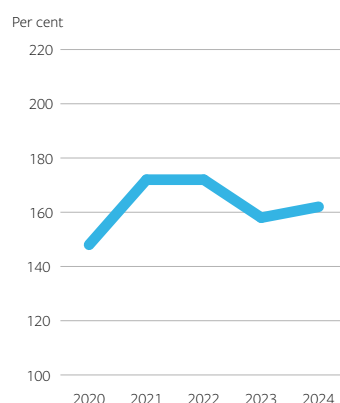
The Board of Directors and CEO propose to the Council that the parent company profit for 2024 of SEK 90,246,855,257 be transferred to the surplus fund.

The Board and CEO propose that the Council approve the resolution of the Board regarding refunds as set out in the section, Distribution of surplus in the Administration Report on pages page 50–51 and the section, Index-linked pension and premium reductions, page 52.

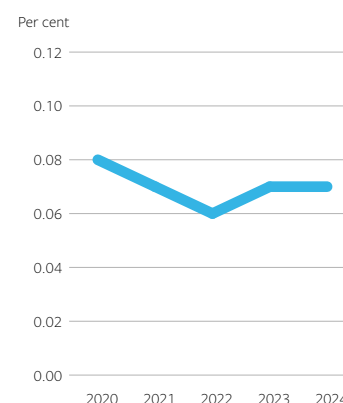
SOLVENCY RATIO



COLLECTIVE FUNDING RATIO, defined benefit insurance



MANAGEMENT EXPENSE RATIO, total



Important events during the year

New governance structure

At the ordinary Council of Administration's meeting in 2023, the Confederation of Swedish Enterprise, Unionen, the Association of Managerial and Professional Staff (Ledarna), Swedish Association of Graduate Engineers and the PTK Negotiating and Collaboration Council (the "Organisations") informed that they intended to carry out a review of Alecta's governance.

The review resulted in a number of concrete proposals for changes that were voted through in the ordinary meeting of the Council of Administration on 25 April 2024 and in brief means the following:

- A major proportion of members of Alecta's Board of Directors who are unaffiliated in relation to Alecta and the Organisations.
- A preparatory board has been formed, for example, with the task of preparing and coordinating proposals for members of the Council and members and deputies to the nomination committee and preparing ownership instructions.
- A nomination committee replaces the previous preparatory committee.
- Introduction of nomination committee instructions for the work of the nomination committee.
- Introduction of ownership instructions that complement what is stated in the articles of association on Alecta's operations and the governance of Alecta.
- The Council of Administration changes its name to the Council and the number of members of the Council are reduced from 38 to 28.

Improvement Programme

In view of the events surrounding the US banks and investments in Heimstaden Bostad AB, Alecta has in the autumn of 2023 and in 2024 established a number of improvement measures, the majority of which have been implemented. The measures are within governance, risk management and skills and culture.

In addition, extensive ALM work has been carried out (Asset Liability Management) to find the best future portfolio allocation for defined benefit pension, which considers the special conditions that prevail given that ITP 2 is being slowly phased out.

The Swedish Financial Supervisory Authority's investigations

As described in Alecta's annual and sustainability report for 2023, the Swedish Financial Supervisory Authority is working on two ongoing studies on Alecta, partly regarding the investments in Silicon Valley Bank, First Republic Bank and Signature Bank, and partly regarding the investments in Heimstaden Bostad.

At year-end the investigations are still ongoing and over the past year there has been continued communication with the Financial Supervisory Authority regarding these investigations. At the end of June, Alecta received a statement of opinion with the Financial Supervisory Authority's preliminary assessments.

Alecta submitted comments on these within the set time, on 6 September.

Heimstaden Bostad AB

Heimstaden Bostad AB, Alecta's single largest holding has a value of SEK 40.7 billion at the end of the year. The value developed positively during the period, 8.0 per cent. Alecta still believes that the shareholder agreement regarding Heimstaden Bostad is unbalanced to Alecta's disadvantage. Alecta has a strong focus on improving this, but no change has been achieved during the period.

In December, Alecta initiated arbitration proceedings against Heimstaden Investment AB as Alecta believes that the establishment of, and investments in, the fund manager Heim Global Investor AS and its funds constitute a breach of the shareholder agreement regarding Heimstaden Bostad AB.

Renewed trust as default option in the FTP plan

In competition with other pension companies, Alecta received renewed trust as the default option for the FTP 1 and FTPK defined contribution retirement pensions in the insurance industry's occupational pension plan, FTP. The agreement is valid for five years from 2025.

The capital fee is reduced from 0.10 per cent to 0.09 per cent at the start of the new contract period. Moreover, the product remains unchanged. This means, inter alia, that the fee cap is maintained at SEK 480 per year.

Index-linked pension and premium reductions

In autumn 2024, the Alecta Board of Directors resolved to index-link defined benefit pensions by 1.6 per cent for 2025, matching the inflation rate over the past year.

As a result of Alecta's strong financial position in accordance with Alecta's consolidation policy, the Board also decided on a premium reduction for 2025 for a defined benefit retirement and family pension of 25 per cent in relation to the unreduced premium level. The increase affects the approximately 1.5 million customers at Alecta who are covered by the ITP 2 occupational pension. The decision applies to pensions in payment and earned pension that has not yet begun to be paid.

In addition to the premium reduction for retirement and family pensions, the Board has also decided to continue to provide premium reductions for risk insurance in 2025. The Board decided on a premium reduction for disability insurance of 90 per cent, as well as 60 per cent for premium waiver in the event of illness and parental leave.

Lowered upper limit in funding range

Alecta's Board of Directors has decided to change the funding policy for defined benefit insurance. The limit for when surpluses can start to be paid to corporate customers is reduced from 175 to 170 per cent while the shareholding in the normal portfolio is reduced from 35 to 30 per cent.

A comprehensive analysis of the asset and liabilities (ALM work) forms the basis for the Board's decision. The analysis, which runs until 2060, simulates that the proportion of risk-bearing assets is gradually phased out as the stock ages, and that the funding range is gradually reduced.

The change in the funding policy is expected to lead to earlier and more stable payment of surpluses to the companies. In addition, the possibility of long-term indexation of pensions is improved. The change came into effect from 31 December 2024.

Investments in alternative assets

Within alternative credits, Alecta invested during the year in a transaction where the underlying exposure means that Alecta shares credit risk with a global bank on lending to their core customers. The investment amounted to around GBP 80 million.

For investments in existing credit funds, fund managers have, during the first year, used almost USD 600 million, in accordance with Alecta's fund commitments.

During the year, Alecta invested in three additional credit funds with its selected managers. The total commitment is USD 800 million.

In October, Alecta invested approximately SEK 100 million in Polarium via a new issue of a total of SEK 500 million. Alecta's initial investment in the company was made in October 2022. Alecta also participated in a new issue that the company carried out in August 2023.

Alecta Fastigheter AB

Since 2021, the Group's management of all directly and indirectly owned Swedish properties has taken place at Alecta Fastigheter AB, where operations are being built up with the aim of creating a future-oriented and efficient company. As part of this, management is gradually being brought in-house from being previously outsourced. As of April 2024, Alecta Fastigheter AB took over the management and development of the company's properties in Bredden, Upplands Väsby.

In May, two properties in Sundbyberg were acquired from Atrium Ljungberg AB. The acquisition includes high-quality office space as well as the possibility of developing building rights and comprises approximately 36,400 sqm of lettable space. Alecta Fastigheter took possession of the properties in June 2024.

During October, two properties were acquired in Solna Centrum with building rights for residential purposes. The seller was Besqab. These properties are a strategically important piece of the puzzle for Alecta Fastigheter's continued development of Solna Centrum.

In November, two properties in Gothenburg were acquired from NCC AB. The acquisition relates to two newly produced office units; Våghuset and Brick Studios, in the emerging urban part Masthuggskajen. The properties comprise approximately 27,000 sqm of lettable area. Alecta Fastigheter took possession of the properties on 12 December 2024.

Furthermore, during the year Alecta Fastigheter has rented out 8,000 sqm to the design hotel chain, Ruby Hotels at Fridhemsplan in central Stockholm. In central Gothenburg, Alecta Fastigheter's new co-working initiative, Flexiwork, has been opened, where the first unit is Flexiwork Hovet within Alecta Fastigheter's 31,000 sqm Regina block.

Organisational changes

At the ordinary Council of Administration meeting in April, Jan-Olof Jacke was re-elected as Chair.

At the end of September, it was announced that Katarina Thorslund, Head of Customer Relations and Deputy CEO, will retire in the first half of 2025. Katarina has worked in various roles at Alecta for a total of approximately 35 years. The recruitment of replacements began in the autumn. In January 2025, it was announced that Marie Litezings will be the new head of the Customer relations department. Marie joins us from AMF where she has held various positions for 17 years, most recently as Head of Insurance. She took over as Head of Customer Relations in March 2025 and is part of Alecta's management.

In October, Karin Cederbaum took over the position of General Counsel and Head of Legal. Karin most recently comes from a role as CEO of Säkra Spar, and has previously worked as General Counsel in the Insurance business area at Skandia Liv and as Head of Compliance at Swedbank. Karin is part of Alecta's management.

Significant events after the balance sheet date

In February, Alecta received a notification from the Swedish Financial Supervisory Authority that Magnus Hall has been approved as the new Chair of the Board in the management review conducted by the authority. Alecta's Nomination Committee therefore intends to nominate Magnus Hall as new Chair of the Board ahead of the ordinary meeting of the Council on 8 May 2025 where a decision on a new Chair of the Board will be made.

Magnus Hall has been CEO of Vattenfall and AB Holmen. He is Chair of the Board of Södra Skogsägarna and Höganäs AB. He has previously been a board member of AMF, Chair of the Association for Good Practice in the securities market and vice president of IVA, Royal Swedish Academy of Engineering Sciences.

Expected future outlook

Financial markets

Capital markets are still characterised by recent shocks with pandemics, conflicts, inflation and subsequent rise in interest rates. Economically, European, and not least Swedish, growth has been negatively affected with a recession as a result. The United States, on the other hand, has shown surprising resilience. Relative economic development is driving the financial market with a strong US dollar, relatively high US interest rates and a relatively strong US stock market, although the US stock performance is largely also a result of the composition with a higher share of growth-oriented companies. The US election result is expected to reinforce this picture with tax cuts for US businesses and households as well as tariffs on imported goods.

The interest rate market continues to be characterised by the lower short-term interest rates, which are expected to fall even in 2025, combined with rising supply of bonds globally. The rising supply is partly driven by continued, and in many cases growing deficits, and partly through sales of previous purchases by central banks (then in order to drive down interest rates). Europe faces significant investment needs in terms of transition, a new security policy regime and low competitiveness. This will put policy and budget discipline to the test, likely resulting in more bonds. Overall, the development should lead to steeper yield curves with higher long-term interest rates.

The stock market has had a good development against a background of soft landing in the global economy, lower inflation and short-term interest rates, which in many cases has translated into high valuation. Looking ahead in 2025, the expectation is that US growth will continue to perform well, European growth will recover and inflation will stay fairly well in line with the set targets. This is basically a good environment for risk-bearing assets.

When assessing the risk picture, the high valuation is a risk. Significantly higher interest rates via higher inflation or the higher bond supply are another. If global growth fails or security policy developments clearly deteriorate, or possibly a poor combination of the above, it could also threaten the good environment.

The labour market and pensions market

The recession in 2024 is expected to improve slowly in 2025, and unemployment seems to be stuck at about the same level. Experience from the 2022 and 2023 inflation years is hampering domestic demand in households and is compounded by uncertainties due to an unstable environment. Nor is demand from the EU area expected to increase significantly, as Europe is suffering from weak productivity growth and has fallen behind the US ever since the financial crisis in 2008.

For a long time, there have also been skills shortages in the labour market, which means that companies' demand is not met by job seekers with the right skills, which partly explains the relatively high unemployment rate. Unemployment com-

bined with a shortage of skills is a situation that will not go away. Structural change is underway in both industry and the public sector, which is investing to meet and benefit from the very rapid technological development in generative AI. The need for new skills is obvious, but competition for top-level expertise is fierce. Therefore, it is a more reasonable strategy to try to strengthen the AI skills of existing staff. Re-skilling is as much the focus of the employee as of the employer.

Automation and robotization have had a major impact on jobs in low-wage professions and among low-skilled workers, especially men. The jobs now exposed to developments in generative AI instead affect highly educated and well-paid workers in industries such as finance and insurance, information technology and media, public administration, economics, law, as well as science and education. And to a greater extent than before, these are jobs that employ many women.

But while robotization replaced manual tasks and eliminated many jobs, it is not clear how generative AI will affect jobs for the highly educated. The use of technology can replace but also complement people, giving them the tools to perform better. In other words, technological development can prove beneficial for some professions. In any case, for the individual, the need for skills renewal is increasing.

Studies show that the companies that most demand AI skills are large, have high turnover and productivity growth and have many employees with a high level of education (according to a study from the Institute for Business Research, IFN, June 2024). The demand for AI-related skills is particularly high in industries such as information technology and media, economics, law and science. This is mainly where investments in AI jobs are made. But the impact of technology on work content is reaching much broader categories.

While skills shortages are a reality for many companies, policy initiatives currently seem to be more about limiting labour immigration and raising pensions for those who have stopped working. The pension debate is characterised by the view that retirees as a group are in a particularly difficult financial situation, and the basic approach of the new parties in the parliamentary pension group is to increase pensions. In light of an ageing electorate, the message may seem politically reasonable, but is not supported by the facts.

There is also a hope that the introduction of a "stimulus" in the national pension will make it possible to increase pensions at no cost. Two studies have been launched, one on the level of the national pension and one on a stimulus, and conclusions will be presented in 2025. Any hopes for more money for the pension system and a rapid introduction of stimulus may prove too optimistic and these studies have the potential to lead to continued debate.

Rapid technological developments, particularly in the field of AI, have favoured a handful of global companies with access to huge amounts of data, which is needed to 'train' machine learning algorithms. This raises concerns about the power of

these companies. Global tech companies operating in Sweden also challenge our labour market model by refusing to sign collective agreements, which in 2023 led to several conflicts with ideological undertones.

In the occupational pension sector, it is becoming increasingly clear that pension companies are not only competing for their customers' premiums but increasingly for their movable capital. The scale of capital transfers in both collective and non-collective occupational pensions grew significantly in 2024 and has become established at a significantly higher level than before. A contributing factor is the development in fintech and open insurance, where players with access to customer data are helping pension companies quickly and easily tailor targeted offers. Technology may increase the pace of the transfer market, but fundamentally the situation has not changed. Many occupational pension customers find it difficult to understand and evaluate the solution they have, which means that they are happy to listen to the provider they trust. Closest to the customer wins.

The combination of a changing labour market, where white collar jobs are changing as a result of developments within generative AI, and a greater propensity to transfer their occupational pension capital when customers meet new experts, has consequences for the pension industry. Companies cannot count on the average customer to stay as long as before, either because customers change jobs, lose their employment or transfer their pension capital. This may make it more difficult for companies to further squeeze their charges. Increasing transfers may also force companies to keep more of the capital readily available, which in that case impairs the ability to invest at good returns.

Product reporting

Alecta operates in accordance with principles of mutuality, and it is important that income and expenses are allocated equitably among the different Alecta products. Our ability to take advantage of economies of scale and distribute shared expenses across all products, enables us to add value for our customers. The Alecta product areas are:

Savings insurance

- Defined benefit pensions (primarily ITP)
- Defined contribution pensions (mainly ITP but also in other collective bargaining areas)

Risk insurance

- Disability pension (mainly ITP)
- Survivor cover (mainly ITP)
- Premium waiver (mainly ITP)

Alecta monitors the financial performance of its different products very closely. The allocation of operating expenses between

the different products is based on specific allocation principles and allocation keys. The allocation keys are reviewed regularly to ensure the most equitable allocation possible.

In addition to the equitable allocation of income and expenses among its different products, Alecta also endeavours to bear the risks in an equitable manner. Alecta's monitoring of solvency and risk is intended to ensure that each product has adequate capital cover for these risks.

Risk management and risk organisation

To protect the interests of Alecta's customers and other stakeholders, we need to ensure that we maintain strict control of the risks and how the risks are managed. Insurance risks must be managed in a way that ensures that Alecta is able to meet its insurance obligations. The investment risks taken must generate the highest possible return without jeopardising Alecta's obligations to insured parties. Other risks such as compliance, sustainability and information security risks must be managed in a way that does not prevent Alecta from fulfilling its tasks. Operational risks in the business are to be managed in a way that contributes to internal control.

It is the responsibility of the Board of Directors to ensure that Alecta's risk exposure is well-balanced and that the internal control is good. The Board has delegated the task of monitoring Alecta's investment activities to its investment committee and the task of monitoring Alecta's risks and how management handles these to its audit committee.

The CEO is responsible for the day-to-day management of operations, which includes ensuring a high level of internal control.

Insurance risks

The Board of Directors defines actuarial guidelines describing the methods and principles to be used for actuarial guidelines. The CEO determines the basis for actuarial calculations, which contains more detailed calculation models, as well as the assumptions to be applied in the actuarial calculations. The Senior Actuary is responsible for the management and monitoring of Alecta's insurance risks, which involves a responsibility to continuously adapt actuarial guidelines and the basis of actuarial calculations by submitting proposals for changes.

Investment risks

The Board of Directors decides on Alecta's Investment Guidelines, which set out the direction and framework for the investment activities. The Board also decides on the governance document, Investment Policy, which complements the governance documents Investment Guidelines and the Risk Management Policy. Investment policy regulates in more detail how investment activities may and should be conducted. The Board is responsible for ensuring that the policy is followed. The Board's Finance Committee prepares and makes recommendations in

the matters of asset management to be dealt with or decided by the Board. The CEO is responsible for the placement activities under the mandate set out in the Investment Policy and other resolutions of the Board. Subject to certain restrictions, this mandate has been sub-delegated to the Head of Asset Management, who is responsible for the management and monitoring of Alecta's financial risks.

Other risks

All managers and employees are responsible for ensuring good internal control in their respective business areas, which includes responsibility for managing and controlling risks and their potential consequences. Alecta's management of the above risk categories is described in greater detail in Note 3.

Risk management support functions:

- The independent central functions Compliance, Risk and Actuary make independent assessments of Alecta's risks and risk management. They also perform a supporting role in relation to management and other business functions. The Risk and Compliance Managers are also recipients of whistleblowing cases.
- The Data Protection Officer assists in ensuring that Alecta complies with the General Data Protection Regulation, GDPR.
- The Complaints Officer is tasked with assisting in the management of customer complaints.
- Portfolio Analysis and valuation, an independent function within Asset Management, is responsible for the day-to-day control of financial risks.
- The Information Security Officer (CISO) leads the work of the Information Security function and coordinates the work on information security and supports the activities in the area.
- IGC function – Internal Governance And Controls – supports operations by coordinating and developing processes and procedures within internal control.
- The internal audit function conducts independent audits and evaluations of the company's internal control on behalf of the Board.

Corporate governance

Alecta applies the Swedish Corporate Governance Code (the Code), although it has no formal obligation to do so. However, one minor deviation is that the interim report is not annually reviewed by the company auditor. A corporate governance report prepared in accordance with the Code is available on pages 38–45.

Sustainability reporting

In accordance with Chapter 6, Section 1 of the Act on Annual Accounts in Insurance Companies and Chapter 6, Section 11 of the Annual Accounts Act in its older version, which according to the transitional provisions shall be applied for the financial year 2024, Alecta has chosen to prepare its statutory sustainability report as a separate report from the administration report. The Board is responsible for the sustainability report. It covers the whole Group and describes Alecta's standpoint on key sustainability issues, including sustainability risks and governance of the work. The sustainability report has been submitted to the auditors along with the annual report and encompasses pages 10–33. The auditor's report on the review of the sustainability report, the scope of which is defined by the content index of the Global Reporting Initiative (GRI) on pages 34–36, and opinion on the statutory sustainability statement, can be found on page 37. Feedback on Alecta's pension products in accordance with the EU disclosure regulation (SFDR) is available on pages 108–125.

Five-year summary

GROUP, SEK MILLION	2024	2023	2022	2021	2020
Profit/loss					
Premiums written	87,364	99,527	66,200	55,759	62,749
<i>Invoiced premiums</i>	48,666	43,678	47,897	50,043	53,823
<i>Guaranteed refunds</i>	38,698	55,849	18,303	5,716	8,926
Insurance claims incurred	-29,432	-25,863	-23,037	-24,633	-21,424
Net return on capital	64,540	85,137	-99,012	173,292	50,033
Profit/loss before tax	93,980	61,750	23,598	212,646	38,332
Profit/loss for the year	89,669	59,472	24,126	211,410	37,662
Financial position					
Assets under management ¹⁾	1,314,331	1,247,395	1,155,313	1,233,221	1,039,949
<i>– of which is defined contribution insurance</i>	301,807	266,559	225,980	227,532	168,047
Technical provisions	646,998	621,507	529,531	613,809	621,962
Collective funding capital	382,835	354,712	385,615	418,346	278,344
Capital base ²⁾	657,127	615,880	625,762	619,312	410,551
Required solvency margin ³⁾	248,223	242,702	241,210	–	–
Minimum capital requirement ^{2) 4)}	27,380	26,486	22,187	25,612	25,923
Key performance indicators					
Total return for the Group, per cent ⁵⁾	5.3	7.4	-7.9	16.6	5.0
<i>– of which is shares</i>	9.6	15.8	-15.3	40.6	10.9
<i>– of which is debt securities</i>	1.3	6.7	-7.7	-0.8	2.3
<i>– of which alternative assets</i>	5.1	-5.9	8.9	13.2	0.2
Total return, defined contribution insurance, per cent ⁶⁾	6.8	8.7	-9.8	24.1	6.6
Total return, defined benefit insurance, per cent ⁶⁾	4.9	7.1	-7.4	15.2	4.7
Direct return for the Group, per cent	2.6	2.4	2.9	1.9	1.6
Management expense ratio ⁷⁾	0.07	0.07	0.06	0.07	0.08
Management expense ratio, defined contribution insurance ⁷⁾	0.05	0.05	0.04	0.05	0.06
Management expense ratio, defined benefit insurance ⁷⁾	0.07	0.07	0.07	0.08	0.08
Total asset management expense ratio ⁸⁾	0.13	0.14	0.12	–	–
Asset management expense ratio ⁹⁾	0.025	0.028	0.023	0.019	0.022
Collective funding ratio, defined contribution insurance, per cent ¹⁰⁾	100	99	100	100	100
Collective funding ratio, defined benefit insurance, per cent	162	158	172	172	148
Solvency ratio, per cent	202	199	218	201	167

¹⁾ Defined as equity, provisions for life insurance and claims outstanding.

²⁾ Information refers to parent company and Group. As of 2023, when calculating the capital base, special indexation funds are deducted.

³⁾ The key performance indicator is a new requirement from 2022 (according to FFFS 2019:23) as Alecta is a mutual occupational pension company as of 1 January 2022 according to the Swedish Occupational Pension Undertakings Act (2019:742).

⁴⁾ Up to and including 2021 named required solvency margin.

⁵⁾ Information refers to the Group defined benefit and defined contribution retirement pensions and risk insurance. Calculated for all years in accordance with the recommendations of Insurance Sweden.

⁶⁾ Calculated for all years in accordance with the recommendations of Insurance Sweden. Total return for defined contribution insurance refers to the portfolio constituting Alecta's default option, which has a 60 per cent share component.

⁷⁾ Calculated as operating expenses and claims settlement expenses relative to average assets under management.

⁸⁾ A new key performance ratio for 2023, calculation has not been done for years earlier than 2022. Calculated as total asset management expenses relative to average assets under management. Note 8 Operating expenses contains a summary of total asset management expenses.

⁹⁾ Calculated as internal operating expenses for asset management relative to average assets under management. Note 8 Operating expenses contains a summary of asset management expenses.

¹⁰⁾ Surplus/deficit is allocated to the insured parties on a monthly basis, which is why the collective funding ratio is nearly always 100 per cent. The 2023 outcome of 99 per cent did not achieve the target funding of 100 per cent but is within the funding range of 98–102 per cent, see also page 51.

Alecta has conducted a review of which items and key performance indicators are deemed relevant to report in the five-year summary. All indicators and most of the items specified in the general recommendations of the Swedish Financial Supervisory Authority (FFFS 2019:23) are presented. In addition, some additional items and indicators not included in the general recommendations are presented.

Alternative income statement

Group

It can be difficult to obtain an understanding from the income statement of how the profit of an occupational insurance company was achieved. The main reason for this is that the changes made to the technical provisions during the year are recognised on a net basis in the income statement items, Change in provision for life insurance and Change in provision for claims outstanding. As these figures are presented on a net basis, it is not possible to deduce solely on the basis of the income statement, the mortality results for the company or its total financial results for assets and liabilities.

The alternative income statement is intended to give readers a better understanding of the factors behind the reported results and is prepared through allocation of the change in TPs and other items from the income statement amongst the four sub-results of administration result, risk result, financial result and tax result. For each sub-result, income and expenses are matched.

Consolidated profit was SEK 89.7 billion (59.5).

ALTERNATIVE INCOME STATEMENT (SEK MILLION)	2024	2023
Administration result	80	194
Risk result	2,542	4,980
Financial result	91,110	55,351
Tax result	-4,062	-1,053
Profit/loss for the year	89,669	59,472

Administration result

The administration result was SEK 80 million (194) and represents the difference between Alecta's income and operating expenses (excluding asset management expenses, which are presented in the financial results). TPs include a provision for future operating expenses for the company's current insurance portfolio. The provision for operating expenses is reversed on an ongoing basis and along with operating expenses charged to premiums written, constitutes Alecta's income (released operating expenses).

Other income, which consists primarily of administrative fees from PRI Pensionsgaranti is presented separately in the alternative income statement. In Note 8 Operating expenses, other income has instead been deducted from operating expenses.

ADMINISTRATION RESULT (SEK MILLION)	2024	2023
Income	974	1,019
<i>of which is released operating expenses</i>	932	975
<i>of which is other income</i>	41	44
Expenses	-894	-825
Total administration result	80	194

Risk result

The risk result was SEK 2.5 billion (5.0) and shows how closely Alecta's assumptions on mortality, morbidity and use of insurance options are consistent with actual outcomes. Insurance options refer to the potential right of the insured party to transfer the value of their insurance, decide when payments should begin or end and the right to discontinue regular premium payments. In addition to measured options other changes also occur, primarily on defined benefit insurance products that are included under the item, Other.

RISK RESULT (SEK MILLION)	2024	2023
Annual mortality result	-120	77
Annual morbidity result	1,973	2,314
Insurance options	689	904
Other	-	1,684
Total risk result	2,542	4,980

Financial result

The financial result was SEK 91.1 billion (55.4). The financial result is largely dependent on the performance of financial markets and normally accounts for most of the profit for the year. A longer description of Alecta's return on capital is provided in the Capital return section of the Administration Report.

The financial result is also affected by the cumulative return on TPs, changes to the discount rate and investment management operating expenses. Finally, the financial result is affected by the profit that arises when the discount rate used to value the insurance obligation exceeds the contractual premium interest rate. This profit is recognised in the item, Other profit sources and is essential to Alecta's ability to distribute substantial refunds to the insured parties and the policyholders and the item primarily relates to the profit effect of the difference between the premium bases and the assumptions we use when calculating FTA, refer to the Technical provisions section in the Administration Report.

FINANCIAL RESULT (SEK MILLION)	2024	2023
Return on capital result	64,540	85,137
<i>of which is asset management expenses</i>	-325	-340
Released operating expenses for asset management	79	76
Cumulative return on TPs	-19,599	-18,848
Other profit sources	31,998	38,087
Premier reduction defined benefit savings	-4,033	-5,101
Changes in TPs as a result of changed market interest rates	18,125	-44,000
Total financial result	91,110	55,351

Tax result

The tax result totalled SEK -4.1 billion (-1.1). TPs include a provision for future yield tax for guaranteed benefits. The result for yield tax is thus the income that arises on an ongoing basis as provisions for tax are reversed, less yield tax before tax credits for the year. Income tax is described in the Tax section of the Administration Report.

TAX RESULT (SEK MILLION)	2024	2023
Result, yield tax	-1,884	144
Income tax	-2,178	-1,197
Total tax result	-4,062	-1,053

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Income Statement

SEK MILLION	NOTE	Group		Parent Company	
		2024	2023	2024	2023
TECHNICAL ACCOUNTS, LIFE INSURANCE BUSINESS					
Premiums written	4	87,364	99,527	87,364	99,527
<i>Invoiced premiums</i>		48,666	43,678	48,666	43,678
<i>Guaranteed refunds</i>		38,698	55,849	38,698	55,849
Capital return, income	5	91,063	75,381	90,158	74,634
Unrealised gains on investment assets	6	84	23,257	116	23,257
Insurance claims incurred		-29,432	-25,863	-29,432	-25,863
<i>Insurance claims paid</i>	7	-27,722	-25,235	-27,722	-25,235
<i>Change in provision for claims outstanding</i>		-1,710	-628	-1,710	-628
Change in other technical provisions		-23,781	-91,348	-23,781	-91,348
<i>Provision for life insurance</i>		-23,781	-91,348	-23,781	-91,348
Refunds and discounts		-4,033	-5,101	-4,033	-5,101
Operating expenses	8	-678	-602	-678	-602
Capital return, expenses	9	-13,216	-5,718	-12,647	-5,444
Unrealised losses on investment assets	10	-13,391	-7,783	-12,663	-4,573
Life insurance, total balance on the technical accounts		93,980	61,750	94,405	64,487
NON-TECHNICAL ACCOUNTING					
Life insurance, balance on the technical accounts		93,980	61,750	94,405	64,487
Profit/loss before tax		93,980	61,750	94,405	64,487
Tax on profit for the year	11, 12	-4,311	-2,278	-4,158	-2,588
PROFIT/LOSS FOR THE YEAR		89,669	59,472	90,247	61,900

Statement of Comprehensive Income

SEK MILLION	Group		Parent Company	
	2024	2023	2024	2023
Profit/loss for the year	89,669	59,472	90,247	61,900
Items that can be subsequently reclassified to the income statement				
Translation difference that can later be reclassified as profit/loss	589	-211	-	-
Other comprehensive income	589	-211	-	-
COMPREHENSIVE INCOME FOR THE YEAR	90,258	59,261	90,247	61,900

Comprehensive income for the year is wholly attributable to the owners of the parent company.

Performance Analysis

Parent Company 2024

DIRECT INSURANCE OF SWEDISH RISKS

		DIRECT INSURANCE OF SWEDISH RISKS				
		Occupational pension insurance				Other life insurance
		Defined benefit insurance	Defined contribution traditional insurance	Occupational disability insurance	Waiver of premium insurance	Group life and occupational group life insurance
SEK MILLION	Total					
LIFE INSURANCE, BALANCE ON THE TECHNICAL ACCOUNTS						
Premiums written	87,364	51,102	29,868	2,410	3,751	234
Capital return, income	90,158	62,839	24,552	1,791	934	42
Unrealised gains on investment assets	116	81	32	2	1	0
Insurance claims incurred	-29,432	-19,730	-3,840	-2,536	-3,079	-246
Insurance claims paid	-27,722	-19,728	-3,840	-1,270	-2,659	-224
Change in provision for claims outstanding	-1,710	-2	-	-1,266	-420	-22
Changes in other technical provisions	-23,781	-13,677	-10,105	-	-	-
Provision for life insurance	-23,781	-13,677	-10,105	-	-	-
Refunds and discounts	-4,033	-4,033	-	-	-	-
Operating expenses	-678	-329	-108	-151	-67	-22
Capital return, expenses	-12,647	-8,830	-3,430	-251	-131	-6
Unrealised losses on investment assets	-12,663	-8,826	-3,448	-252	-131	-6
Life insurance, total balance on the technical accounts	94,405	58,597	33,520	1,013	1,279	-4
TECHNICAL PROVISIONS						
Provision for life insurance	631,632	522,139	109,493	-	-	-
Claims outstanding	15,366	27	0	9,660	5,629	50
Total technical provisions	646,998	522,166	109,493	9,660	5,629	50
Surplus fund	565,924	389,694	157,385	12,988	5,433	424
Total operating expenses, excluding property management expenses						
Operating expenses (administrative expenses in the insurance business)	-678	-329	-108	-151	-67	-22
Claims settlement expenses (included in Insurance claims paid)	-174	-85	-39	-42	-6	-3
Asset management expenses (included in Capital return, expenses)	-316	-235	-72	-6	-3	0
Total operating expenses, excluding property management expenses	-1,169	-650	-219	-199	-76	-25

Balance Sheet

SEK MILLION	NOTE	Group		Parent Company	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
ASSETS					
Intangible assets					
Intangible assets	13	–	–	–	–
Investment assets					
Land and buildings	15	45,533	39,984	11,667	11,049
Investment in Group companies, associated companies and joint ventures					
Shares and participations in Group companies	16	–	–	11,971	11,759
Debt securities issued by, and loans to, Group companies	17, 19	–	–	24,785	18,630
Shares and participations in associated companies and joint ventures	18, 19, 22, 23, 41	69,361	65,531	59,377	55,901
Debt securities issued by, and loans to, associated companies and joint ventures	18, 19, 22, 23, 41	743	378	743	378
Other financial investment assets					
Shares and participations	19, 22, 23, 24	618,433	596,161	617,587	595,339
Bonds and other debt securities	19, 22, 23, 25, 41, 42	573,370	523,795	573,370	523,795
Loans secured by real estate	19, 22, 26	6,986	6,934	2,880	4,767
Other loans	19, 22, 23, 27	16,587	11,319	16,587	11,319
Derivatives	19, 22, 28, 29	4,998	32,792	4,998	32,792
		1,336,010	1,276,895	1,323,966	1,265,730
Receivables					
Receivables related to direct insurance operations	19, 30	1,591	1,853	1,591	1,853
Other receivables	12, 19, 31	5,102	6,617	4,735	6,163
		6,693	8,470	6,326	8,015
Other assets					
Tangible fixed assets	14	26	12	2	2
Cash and bank balances	19, 42	3,589	3,879	3,475	3,606
		3,615	3,891	3,477	3,608
Prepaid expenses and accrued income					
Accrued interest and rental income	19, 32	5,922	4,525	5,947	4,538
Other prepaid expenses and accrued income		133	111	73	55
		6,055	4,636	6,019	4,593
TOTAL ASSETS		1,352,374	1,293,891	1,339,788	1,281,947

Balance Sheet, cont.

SEK MILLION	NOTE	Group		Parent Company	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
EQUITY, PROVISIONS AND LIABILITIES					
Equity					
Surplus fund	33	565,924	552,838	565,924	552,838
Translation difference	33	1,707	1,118	–	–
Retained earnings		10,032	12,459	–	–
Profit/loss for the year		89,669	59,472	90,247	61,900
		667,332	625,888	656,171	614,738
Technical provisions					
Provision for life insurance	35	631,632	607,851	631,632	607,851
Claims outstanding	36	15,366	13,656	15,366	13,656
		646,998	621,507	646,998	621,507
Other provisions					
Provisions for taxes	12	2,339	2,016	185	30
Other provisions	37	4	6	2	2
		2,342	2,021	187	32
Liabilities					
Liabilities related to direct insurance operations	19, 38	766	708	766	708
Derivatives	19, 22, 28, 29	29,609	11,622	29,609	11,622
Other liabilities	19, 39	2,685	30,842	3,932	32,421
		33,060	43,172	34,307	44,751
Accrued expenses and prepaid income					
Other accrued expenses and prepaid income	19, 40	2,640	1,303	2,125	919
		2,640	1,303	2,125	919
TOTAL EQUITY, PROVISIONS AND LIABILITIES		1,352,374	1,293,891	1,339,788	1,281,947

Statement of Changes in Equity

Group

Group	Surplus fund ¹⁾				Retained earnings	Profit/loss for the year	Total
	Collective surplus	Discretionary participations	Other reserves				
		Allocated refunds to insured parties and policyholders ²⁾	Special indexation funds ³⁾	Translation reserve ¹⁾			
SEK MILLION							
OPENING EQUITY AS OF 01/01/2023	349,600	230,461	9,858	1,329	10,408	24,126	625,782
Appropriation of profits from previous years	22,075	–	–	–	2,051	–24,126	–
Allocated refunds							
Defined benefit plan	–42,071	42,071	–	–	–	–	–
Defined contribution plan	–27,701	27,701	–	–	–	–	–
Guaranteed refunds							
Pension supplements, defined benefit plan	–	–5,269	–	–	–	–	–5,269
Supplementary amounts, defined contribution plan	–	–410	–	–	–	–	–410
Adjustment of paid-up policy values, defined benefit plan	–19,252	–27,016	–	–	–	–	–46,267
Premium reduction risk	–	–4,480	–	–	–	–	–4,480
Collective risk premium ⁴⁾	–	–	–142	–	–	–	–142
Other changes							
Fees	–9	–	9	–	–	–	–
Interest	–1,462	1,178	284	–	–	–	–
Effect of changes in market interest rates	–2,101	2,101	–	–	–	–	–
Research grants ⁵⁾	–1	–	–	–	–	–	–1
Other ⁶⁾	909	–3,495	–	–	–	–	–2,586
Profit/loss for the year	–	–	–	–	–	59,472	59,472
Other comprehensive income							
The period's translation difference	–	–	–	–211	–	–	–211
Comprehensive income for the year	–	–	–	–211	–	59,472	59,261
CLOSING EQUITY AS OF 31/12/2023	279,988	262,842	10,008	1,118	12,459	59,472	625,888
OPENING EQUITY AS OF 01/01/2024	279,988	262,842	10,008	1,118	12,459	59,472	625,888
Appropriation of profits from previous years	61,900	–	–	–	–2,427	–59,472	–
Allocated refunds							
Defined benefit plan	–14,983	14,983	–	–	–	–	–
Defined contribution plan	–30,123	30,123	–	–	–	–	–
Guaranteed refunds							
Pension supplements, defined benefit plan	–	–6,587	–	–	–	–	–6,587
Supplementary amounts, defined contribution plan	–	–497	–	–	–	–	–497
Adjustment of paid-up policy values, defined benefit plan	–13,038	–17,782	–	–	–	–	–30,820
Premium reduction risk	–	–3,845	–	–	–	–	–3,845
Collective risk premium ⁴⁾	–	–	–155	–	–	–	–155
Other changes							
Fees	–6	–	6	–	–	–	–
Interest	–1,635	1,289	346	–	–	–	–
Effect of changes in market interest rates	824	–824	–	–	–	–	–
Effect of change in assumption, morbidity	–280	280	–	–	–	–	–
Research grants ⁵⁾	–5	–	–	–	–	–	–5
Other ⁶⁾	–509	–6,396	–	–	–	–	–6,905
Profit/loss for the year	–	–	–	–	–	89,669	89,669
Other comprehensive income							
The period's translation difference	–	–	–	589	–	–	589
Comprehensive income for the year	–	–	–	598	–	89,669	90,258
CLOSING EQUITY AS OF 31/12/2024	282,133	273,586	10,206	1,707	10,032	89,669	667,332

¹⁾ See accounting principles in Note 33.

²⁾ Funds that have been allocated to Alecta's insured parties and policyholders under different discretionary resolutions. These funds constitute part of Alecta's risk capital and are not guaranteed until assigned. Formally, Alecta can recall the funds. Of SEK 273,586 million (262,842), SEK 1,179 million (1,268) are funds intended for cost coverage of measures within the ITP plan, where the collective agreement parties have been given the right to designate use. The decision on the final use of the funds is made by Alecta's Board of Directors, provided that the Board unanimously agrees that the designated use is consistent with Alecta's interests as an insurance company. See accounting principles in Note 33.

³⁾ Funds contributed to Alecta for indexation of pensions or for other pension promotion purposes or alternatively, to be transferred to a foundation designed for indexation of pensions. The Council decides on the use of the funds. See accounting principles in Note 33. When calculating the company's capital base, special indexation funds are deducted. Alecta has investigated whether special indexation funds should be separately reported outside the surplus fund and has discussed the issue with the Swedish Financial Supervisory Authority in 2024. Alecta has continued to report special indexation funds as part of the surplus fund for 2024.

⁴⁾ Premiums for waiver of premium insurance and collective final payments have been reduced as a result of the increased employers' expenses arising from the rules for coordination and calculation of pensionable salaries introduced by the parties to ITP 2 in 2008.

⁵⁾ Research grants to Karolinska Institute and Swedish House of Finance.

⁶⁾ The item consists of cumulative return, inheritance gains and portfolio changes. Most of the change for 2024 consists of paid refunds in connection with the transfer of defined contribution insurance.

Statement of Changes in Equity

Parent Company

SEK MILLION	Surplus fund ¹⁾			Profit/loss for the year	Total
	Collective surplus	Discretionary participations Allocated refunds to insured parties and policyholders ²⁾	Other reserves Special indexation funds ³⁾		
OPENING EQUITY AS OF 01/01/2023	349,600	230,461	9,858	22,075	611,994
Appropriation of profits from previous years	22,075	–	–	–22,075	–
Allocated refunds					
Defined benefit plan	–42,071	42,071	–	–	–
Defined contribution plan	–27,701	27,701	–	–	–
Guaranteed refunds					
Pension supplements, defined benefit plan	–	–5,269	–	–	–5,269
Supplementary amounts, defined contribution plan	–	–410	–	–	–410
Adjustment of paid-up policy values, defined benefit plan	–19,252	–27,016	–	–	–46,267
Premium reduction risk	–	–4,480	–	–	–4,480
Collective risk premium ⁴⁾	–	–	–142	–	–142
Other changes					
Fees	–9	–	9	–	–
Interest	–1,462	1,178	284	–	–
Effect of changes in market interest rates	–2,101	2,101	–	–	–
Research grants ⁵⁾	–1	–	–	–	–1
Other ⁶⁾	909	–3,495	–	–	–2,586
Profit/loss for the year	–	–	–	61,900	61,900
Other comprehensive income	–	–	–	–	–
Comprehensive income for the year	–	–	–	61,900	61,900
CLOSING EQUITY AS OF 31/12/2023	279,988	262,842	10,008	61,900	614,738
OPENING EQUITY AS OF 01/01/2024	279,988	262,842	10,008	61,900	614,738
Appropriation of profits from previous years	61,900	–	–	–61,900	–
Allocated refunds					
Defined benefit plan	–14,983	14,983	–	–	–
Defined contribution plan	–30,123	30,123	–	–	–
Guaranteed refunds					
Pension supplements, defined benefit plan	–	–6,587	–	–	–6,587
Supplementary amounts, defined contribution plan	–	–497	–	–	–497
Adjustment of paid-up policy values, defined benefit plan	–13,038	–17,782	–	–	–30,820
Premium reduction risk	–	–3,845	–	–	–3,845
Collective risk premium ⁴⁾	–	–	–155	–	–155
Other changes					
Fees	–6	–	6	–	–
Interest	–1,635	1,289	346	–	–
Effect of changes in market interest rates	824	–824	–	–	–
Effect of change in assumption, morbidity	–280	280	–	–	–
Research grants ⁵⁾	–5	–	–	–	–5
Other ⁶⁾	–509	–6,396	–	–	–6,905
Profit/loss for the year	–	–	–	90,247	90,247
Other comprehensive income	–	–	–	–	–
Comprehensive income for the year	–	–	–	90,247	90,247
CLOSING EQUITY AS OF 31/12/2024	282,133	273,586	10,206	90,247	656,171

¹⁾ See accounting principles in Note 33.

²⁾ Funds that have been allocated to Alecta's insured parties and policyholders under different discretionary resolutions. These funds constitute part of Alecta's risk capital and are not guaranteed until assigned. Formally, Alecta can recall the funds. Of SEK 273,586 million (262,842), SEK 1,179 million (1,268) are funds intended for cost coverage of measures within the ITP plan, where the collective agreement parties have been given the right to designate use. The decision on the final use of the funds is made by Alecta's Board of Directors, provided that the Board unanimously agrees that the designated use is consistent with Alecta's interests as an insurance company. See accounting principles in Note 33.

³⁾ Funds contributed to Alecta for indexation of pensions or for other pension promotion purposes or alternatively, to be transferred to a foundation designed for indexation of pensions. The Council decides on the use of the funds. See accounting principles in Note 33. When calculating the company's capital base, special indexation funds are deducted. Alecta investigated whether special indexation funds should be separately reported outside the surplus fund and has discussed the issue with the Swedish Financial Supervisory Authority in 2024. Alecta has continued to report special indexation funds as part of the surplus fund for 2024.

⁴⁾ Premiums for waiver of premium insurance and collective final payments have been reduced as a result of the increased employers' expenses arising from the rules for coordination and calculation of pensionable salaries introduced by the parties to ITP 2 in 2008.

⁵⁾ Research grants to Karolinska Institute and Swedish House of Finance.

⁶⁾ The item consists of cumulative return, inheritance gains and portfolio changes. Most of the change for 2024 consists of paid refunds in connection with the transfer of defined contribution insurance.

Notes

NOTE 1 Group and Parent Company Accounting Principles

This annual and sustainability report refers to the financial year 2024 for Alecia Tjänstepension Ömsesidigt with its registered office in Stockholm and organisation number 502014-6865. Postal address is 103 73 Stockholm. The street address for the head office is Regeringsgatan 107.

This annual and sustainability report was approved for publication by the Board of Directors on 20 March 2025 and will be presented to the Council for adoption on 8 May 2025.

The amounts specified in the notes refer to SEK millions unless otherwise stated. Due to rounding, the sum of the figures shown in the tables above may differ from the totals. Figures in brackets refer to the previous year.

Presentation

General accounting principles and new accounting rules are described in Note 1 below. Other accounting principles are described in the relevant Note in order to enhance the reader's understanding of each area of accounting.

Basis of Preparation of Financial Statements

The Group and the parent company annual report has been prepared in accordance with the Swedish Act on Annual Accounts in Insurance Companies (ÅRFL) and the Swedish Financial Supervisory Authority regulations and general advice on annual accounts in insurance companies and occupational pension companies (FFFS 2019:23) with its amendment regulations. Furthermore, the Swedish Financial Reporting Board Recommendation RFR 2 Accounting for legal entities has been applied.

Both the Group and the parent company apply so-called legally restricted IFRS, which means that international standards adopted are applied as far as possible, i.e. with the limitations that follow from ÅRFL, RFR 2 and FFFS 2019:23. Alecia has transitioned from full IFRS to legally restricted IFRS in the consolidated financial statements from 2022.

Alecia does not apply IFRS 17 Insurance Contracts, which entered into force on 1 January 2023, as this is not a requirement for statutory IFRS.

Consolidated Financial Statements

The consolidated financial statements consist of the parent company, Alecia Tjänstepension Ömsesidigt and those subsidiaries in which the parent company directly or indirectly owns more than half of the voting rights for all shares and participations or otherwise has a controlling influence. Controlling influence means that Alecia directly or indirectly has a right to design a company's financial and operational strategies for the purpose of obtaining financial returns. Disclosures on shares and participations in Group companies are provided in Note 16. Profits or losses from subsidiary operations that were acquired or sold during the year are included in the consolidated financial statements from the acquisition date until the date when the parent company ceases to have a controlling influence. All intragroup transactions, balance sheet items, income and expenses are eliminated in their entirety at consolidation. Untaxed reserves in legal entities are eliminated in the consolidated financial statements and allocated to equity and deferred tax.

Basis of measurement

The basis for valuation applied in preparing the consolidated financial statements is the historical acquisition cost with the exception of derivatives and assets and liabilities categorised as financial assets and financial liabilities at fair value through profit or loss. The breakdown by category is described in Note 19.

The technical provisions are calculated at present value and these calculations are based on prudent actuarial assumptions including on interest rates, mortality, morbidity, operating expenses and other variables.

The preparation of financial statements in compliance with ÅRFL (Lagen om årsredovisning i försäkringsföretag [Annual accounts Act for Insurance Companies, AAIC]) and legally restricted IFRS requires the use of some critical accounting estimates. Management is also required to make certain judgements in applying the Group's accounting principles. Areas that involve a high degree of judgement that are complex or areas in which

assumptions and estimates have a material impact on the consolidated financial statements are described in Note 2.

Asset acquisitions and business combinations

In preparing the financial statements, the acquisition method has been applied to both the acquisition of participations in entities as well as to the direct acquisition of assets and liabilities in entities. If the acquisition concerns participations in a company, this method is regarded as a transaction in which the Group indirectly acquires the assets and contingent assets of the subsidiary and assumes its liabilities and contingent liabilities. The consolidated cost is determined through acquisition value allocation in association with the acquisition. In the analysis, the acquisition value of the participations or assets and liabilities and the fair value of acquired identifiable assets and assumed liabilities and contingent liabilities are determined.

When an entity is acquired, an assessment is made of whether the acquisition should be classified as a business or an asset. For the acquisition of property through a business transaction, the acquisition is treated as if the property was purchased directly. This type of acquired company normally has no employees and no organisation, nor any operations other than those directly attributable to the holding of the property. The acquisition value constitutes the fair value of the assets and any associated loans. Deferred tax is not recognised as a liability on premiums attributable to the acquisition. Any deductions related to deferred tax received in addition to reported tax in the acquired company are recognised as a deduction from the fair value of the acquired property, both at acquisition and in the subsequent financial statements.

If the acquired assets and assumed liabilities belong to an entity that also engaged in business activities through employees, Alecia defines the acquisition as a business combination. Business combinations are reported in accordance with IFRS 3 which means, for example that acquisition costs are expensed directly, as well as deferred tax being recognised as the difference between the market value of the acquired assets and their residual tax value.

Alecia determines whether each acquisition should be classified as a business or an asset for each individual acquisition. As at 31 December 2024, all acquisitions made by Alecia have been classified as asset acquisitions.

Translation of foreign currency

The functional currency of the parent company is the Swedish krona and the financial statements are presented in Swedish kronor.

Translation of subsidiaries' balance sheets in foreign currency is done at the closing rates at the balance sheet date. Translation of subsidiaries' income statements in foreign currency is done at the average rate for the year. Translation differences arising at translation are recognised in Other comprehensive income and are transferred to the Group translation reserve.

Monetary assets and liabilities in foreign currency have been translated to Swedish kronor at the closing rates on the balance sheet date. Realised and unrealised changes in value resulting from changes in exchange rates are recognised on a net basis in the income statement in Capital return, income or Capital return, expenses.

Insurance contracts

As an insurer, Alecia provides a range of insurance products. Alecia distinguishes between pension products and disability and life insurance products. Disability and life insurance products consist of risk insurance policies for which the premium is determined for periods of one year at a time. These insurance policies do not include a savings component. For pension products, the pension entitlement is earned during the premium payment period. For accounting purposes, all Alecia products are classified as insurance contracts. The defining feature of an insurance contract is the inclusion of a significant insurance risk of some kind.

Allocation of surplus and deficit funds

With regard to Alecia Optimal Pension, which is a defined contribution product, surpluses and deficits are allocated to the insured parties on a monthly basis. An allocated surplus is disbursed in the form of a supplement to the

NOTE 1 Group and Parent Company Accounting Principles, *cont.*

guaranteed pension – a so-called “supplementary amount”. The surplus is not guaranteed but is part of the Alecta risk capital. The size of the surplus or deficit depends on changes in the pension capital, which in turn reflect the actual outcomes for the returns, tax, mortality and operating expenses for the relevant defined contribution insurance collective. The Company allocates surpluses and deficits by calculating the rebate rate on a monthly basis in arrears, which means that the collective funding ratio is normally close to 100 per cent. The surplus is recognised as equity on the balance sheet.

A surplus or deficit arising in other products is transferred to the Alecta surplus fund. The primary function of the surplus fund is to safeguard Alecta’s ability to meet its insurance commitments and secondly, it is used for distribution of surpluses to policy holders and insured parties. A surplus that is distributed to policyholders and insured parties can take the form of disbursement of pension supplements, an increase in earned pension entitlements, a reduction in insurance premiums, cash payments and allocations to policyholders in the form of business-related funds. Pension supplements, premium reductions and business-related funds will be guaranteed in association with disbursement, deposit and use and in association with this, capital is transferred from the surplus fund. An increase in earned pension entitlements will be guaranteed in association with its allocation to the insurance policies and results in a technical provision.

Changes in accounting principles

New and amended IASB accounting standards applied from 2024:

There are no new accounting standards from IASB nor any amended accounting standards applied that have affected the Alecta financial statements from 2024.

New and amended IASB accounting standards to be applied from 1 January 2025 or later. Only those standards that are expected to have a material impact on Alecta are described.

There are no new or amended accounting standards from the IASB with application from 2025 or later that are expected to materially affect Alecta’s financial statements.

Capital return

Capital return includes net operating income from investment properties, interest income, interest expenses, dividends on shares and participations, foreign exchange gains and losses, capital gains and losses, and unrealised changes in value on investment assets less operating expenses for asset management. Capital gains and losses are recognised on a net basis for each asset class in Capital return, income and Capital return, expenses. Unrealised gains and losses are also recognised on a net basis for each asset class. Unrealised gains and losses consist of the change in the difference between acquisition value and fair value for the year. When an asset is sold the accumulated unrealised changes in value are reversed as unrealised gain or loss and an equivalent realised profit or loss is reported. Both realised and unrealised changes in value for the year are recognised through the income statement in the period in which they arise. Capital return is presented in Notes 5, 6, 9 and 10.

Investment assets

General information

Investment assets consist of the balance sheet items, Land and buildings, Investments in Group companies, associated companies and joint ventures, as well as Other financial investment assets.

Reporting of business events

Financial assets at fair value are recognised at fair value after the acquisition date. The cost of investment assets excludes transaction costs related to financial instruments. Purchases and sales of financial assets are recognised on the balance sheet on the transaction date. Transactions that are not liquid-regulated as of the balance sheet date are reported as receivables or liabilities to the counterparty under other receivables and other liabilities. Purchases and sales of land and buildings are recognised on the balance sheet on the completion date.

Transaction costs

Transaction costs that are directly attributable to purchases and sales of financial investment assets are recognised through the income statement and included in net capital gain or loss in the items Capital return, income or

Capital return, expenses. Transaction costs attributable to purchases and sales of land and buildings and assets measured at amortised cost are reported as an increase in acquisition value or a decrease in capital gain or loss.

For acquisitions of companies classified as a business combination, the transaction costs are recognised through the income statement and included in the item Capital return, expenses.

Other financial investment assets

Alecta identifies and classifies its financial investment assets in the category of financial assets valued at fair value via the income statement. For shares held for trading and derivatives, the category of financial assets measured at fair value via the income statement is mandatory, while others are classified into the category at initial recognition based on the business model. This classification is based on the fact that Alecta manages and measures all investment assets at fair value. The valuation of financial assets traded on an active market is based on observable market data. The fair values of financial assets that are not traded on an active market are determined using established valuation techniques. In the event of acquisitions at below cost price, the so-called day-1 gain is recognised for bonds accrued over the life of the instrument and for shares only at the time of sale or when a market price exists. Note 22 provides fair value disclosures for each class of financial instrument in a table format, based on a hierarchy with three levels of fair value.

Cash and cash equivalents

Cash and cash equivalents constitute a financial asset and are classified in the amortised cost valuation category. Cash and cash equivalents are termed cash and bank balances in the Group, as well as the parent company.

Technical provisions

Technical provisions consist of the net present value of the company’s guaranteed commitments for insurance contracts in effect, as well as the provision for life insurance and the provision for claims outstanding. These provisions are calculated according to generally accepted actuarial principles. This means that the provisions are measured at present value and that the calculations are based on prudent actuarial assumptions on interest rates, mortality, morbidity, operating expenses and other variables. Technical provisions also include pension commitments to Alecta’s employees in accordance with the FTP plan.

Pensions in the Alecta Group

With the exception of a few pension plans in subsidiaries, pension plans within the Alecta Group are reported as defined contribution plans. This means that contributions are recognised as an expense in the period in which the benefits are earned, which in most cases is the same as when the contribution is paid.

Parent company accounting principles

The parent company applies the so-called legally restricted IFRS, which means that international accounting standards are applied to the extent possible under Swedish accounting and taxation legislation. From 2022, legally restricted IFRS is also applied in the Group, which means that the consolidated financial statements have become more similar to the financial statements in the parent company. However, some differences remain. The most significant differences are described below.

Shares and participations in Group companies

Shares and participations in Group companies are recognised at cost in the parent company, but are eliminated in the consolidated financial statements.

Debt securities issued by and loans to Group companies

Intracompany loans and receivables are recognised at amortised cost in the parent company, but are eliminated in the consolidated financial statements.

Appropriations, untaxed reserves

Swedish tax legislation allows companies to reduce their taxable income for the year through provisions for transferring funds to untaxed reserves on the balance sheet through the income statement item, Appropriations.

Due to the relationship between accounting and taxation, the deferred tax liability attributable to untaxed reserves is not reported separately in the parent company.

NOTE 2 Significant estimates and judgements

The preparation of financial statements and application of different accounting standards are often based on estimates and judgements made by management and the Board of Directors. In most cases, these estimates and judgements are based on historical experience, but may also be based on other factors, including expectations of future events. Management evaluates these estimates and judgements on an ongoing basis. Actual outcomes may differ from the estimates and judgements applied.

Those areas in which Alecta deems estimates and judgements to have the biggest impact on earnings and/or on assets and liabilities are listed in the table below, and presented in more detail in the respective notes indicated in the table references.

Significant estimates and judgements	Note
Technical provisions ¹⁾	3, 35, 36
Financial Instruments ²⁾	3, 22
Investment properties	15
Income tax	12

¹⁾ Notes 35 and 36 describe the valuation of technical provisions, current assumptions and changes introduced during the year. Note 3 describes the sensitivity of the assumptions.

²⁾ The measurement of financial instruments is described in the accounting principles in the respective notes. Note 3 presents a sensitivity analysis that shows the impact on solvency ratio and profit/loss for the year. Note 22 describes valuation techniques by valuation category. Estimates and judgements affect instruments in the valuation categories Level 2 and Level 3. The note also contains a sensitivity analysis that illustrates estimated effects on fair value for level 3 instruments as well as specific information about the valuation of Heimstaden Bostad.

NOTE 3 Risks and risk management

A general description of Alecta's risk management and risk organisation is provided on page 55 of the Administration Report. In this note, Alecta's different risk categories are described in greater detail.

Risk of loss

This risk category refers to the risk of consequences, for example in the form of loss of reputation or financial loss. Such consequences may result from a failure to manage risks in the risk categories described below.

Insurance risks

Insurance risks are risks associated with Alecta's insurance products and insurance portfolio and concern factors such as pricing, the calculation of technical provisions and the calculation and allocation of surplus funds. These calculations are based on actuarial assumptions, primarily assumptions on mortality, morbidity, operating expenses and interest rates, each of which constitutes a risk.

To determine the reliability of the actuarial assumptions used, Alecta's reported earnings are analysed from an actuarial perspective each year. This is done by comparing actual outcomes for mortality, morbidity, operating expenses and capital return to the assumptions used. The assumptions are revised when the analysis shows this to be necessary. Changes to assumptions can lead to a change in technical provisions and/or the determination of premiums. As Alecta's insurance collectives are large and diversified the concentration risks are negligible.

Mortality risk

Mortality risk is the risk that the average life expectancy of the insured parties will differ from what has been assumed. The risk varies depending on whether the insurance is a death benefit or life benefit. In a death benefit insurance policy, the insurance amount is paid out when the insured party dies. Alecta's family pension, family cover and occupational group life insurance products are death benefit policies. In a life benefit insurance policy, the insurance amount is paid out when the insured party reaches the age specified in the contract. Retirement pension is a life benefit insurance policy. Retirement pension with repayment cover is an example of a combined death benefit and life benefit insurance policy.

A reduction in mortality means that the insured party lives longer than what had been assumed. A life benefit insurance policy is negatively affected by reduced mortality, as the costs for the policy increase because the pensions have to be paid out over a longer period than originally assumed. The opposite applies to death benefit insurance.

Under the applicable mortality assumptions, a man or a woman born in the 1950s is expected to live for a further 22.8 (22.8) and 23.9 (23.9) years, respectively after their 65th birthday. The increase in life expectancy for individuals born thereafter is assumed to be approximately 0.7 (0.7) years for each subsequent birth decade.

A 20 per cent decrease in assumed mortality means that the life expectancy of people aged 65 today will increase by 1.5 (1.5) years and the Alecta life insurance provision will increase by approximately 4 per cent (5).

Morbidity risk

Morbidity risk is the risk that the insured party will remain ill for a longer period or at a higher level of compensation than originally assumed. Alecta's morbidity risk is included in its disability and waiver of premium insurance products. When an insured party falls ill, a technical provision is made based on specific assumptions on the future degree of incapacity to work and the duration of the illness.

If the probability that illness ends decreases by 20 per cent, which means that the expected duration of cases of illness increases, while the level of working capacity increases by 20 per cent, the technical provisions for disability pension and premium waiver would increase by approximately 31 per cent (32).

Operating expenses risk

The operating expenses risk consists of the possibility that Alecta's operating expenses will be higher than has been assumed. Alecta monitors operating expenses on an ongoing basis to ensure they are in line with the levels assumed in the calculations.

Interest Risk

Interest risk arises from the assumptions on future returns used as a basis for calculating premiums and benefits and calculation of technical provisions. Technical provisions are valued primarily on the basis of the yield curve defined in the regulations of the Swedish Financial Supervisory Authority. In the annual and sustainability report, the yield curve is expressed as a cash flow-weighted average interest rate. The impact of the interest rate on Alecta's profit/loss and solvency ratio is described in the sensitivity analysis on page 70. A further description of management of the total interest rate risk for assets and liabilities is provided under Matching risk on the next page.

Financial risks

Financial risks exist in the investment activities and consist of market, credit and liquidity risks, matching risk and solvency risk. The goal for the investment activities is to generate a sustainable, real return, i.e. a positive, inflation-adjusted return that consistently exceeds both inflation and the growth of Alecta's insurance commitments. In 2024, the central function, Risk, carried out audits of risk management in Asset Management.

Market Risk

Market risk is the risk that the value of Alecta's investments will be negatively affected by changes in interest rates, exchange rates or the prices of shares, bonds or alternative assets. To limit market risk and avoid concen-

NOTE 3 Risks and risk management

trations in the portfolio, Alecta spreads its investments across different asset classes and markets:

Asset allocation

Asset category	Exposure		Share of portfolio	
	2024	2023	2024	2023
Shares	463,051	477,341	35.2 %	38.3 %
Debt securities	596,203	524,613	45.4 %	42.1 %
Alternative assets ¹⁾	255,360	243,504	19.4 %	19.6 %
Total	1,314,614	1,245,458	100.0 %	100.0 %

¹⁾ Alternative assets include real estate, infrastructure investments, private equity and so-called alternative credits that are subject to higher market risk than traditional debt securities.

The table shows Alecta's asset allocation based on the classification in the total return table, see page 48. A detailed breakdown by asset class is presented in the diagrams on page 49.

To ensure that Alecta is able to meet its solvency requirements by a comfortable margin even in adverse market conditions, the investment policy establishes limits for risk levels. Different derivative instruments, such as interest rate futures, equity futures, forward exchange contracts and interest rate and currency swaps, are used to reduce the risks in the event of major price fluctuations and to increase the cost-effectiveness of Alecta's asset management activities.

Currency risk:

In investment activities, currency risk arises from investments in foreign assets. By using FX swaps and FX futures, the entire holding of foreign bonds as well as parts of foreign equities and alternative assets is currency indexed. The total currency exposure after currency indexation was equal to 5.2 per cent (7.1) of the investments at year-end. Without currency hedging, 53.8 per cent (49.3) of the assets would have been exposed to exchange rate fluctuations.

Currency exposure after currency hedging	Exposure		Share of investment portfolio	
	2024	2023	2024	2023
CHF	4,800	8,405	0.4 %	0.7 %
DKK	9,753	25,326	0.7 %	2.0 %
EUR	-1,293	-4,595	-0.1 %	-0.4 %
GBP	4,486	5,065	0.3 %	0.4 %
USD	43,868	48,592	3.3 %	3.9 %
Other	6,195	5,083	0.5 %	0.4 %
Net exposure	67,809	87,875	5.2 %	7.1 %

Summation is in absolute terms, which means that a negative position in one currency cannot cancel a positive exposure in another currency.

Credit risk

Credit risk is the risk of financial losses due to the insolvency of an issuer or counterparty. Alecta analyses the credit risks associated with different types of investment and establishes credit limits for issuers and counterparties. Limits have also been established for single exposures, i.e. limits for Alecta's total equity and debt securities exposure to the same corporate group. Portfolio analysis and valuation daily checks that the limits are not exceeded. Debt securities income investments consist primarily of investments in securities issued by borrowers with very high credit ratings. Investments are undertaken primarily in bonds assigned a rating of BBB- or higher by the Standard & Poor's, Moody's and Fitch rating agencies. In addition to external ratings, all issuers are assessed for credit risk using internal credit rating models.

Credit exposure ¹⁾	Bonds and other debt securities			
	Market value including forward exposure		Share	
	2024	2023	2024	2023
Rating Aaa/AAA	327,535	285,675	45.4 %	45.4 %
Rating Aa/AA	265,965	209,905	36.8 %	33.4 %
Rating A/A	37,054	56,367	5.1 %	9.0 %
Rating Baa/BBB	26,037	20,965	3.6 %	3.3 %
Rating Ba/BB	6,710	5,011	0.9 %	0.8 %
Rating lower than BB	645	784	0.1 %	0.1 %
Unrated	57,877	50,473	8.0 %	8.0 %
of which securities issued by state-owned issuers ²⁾	4,571	3,517	0.6 %	0.6 %
Total	721,823	629,181	100.0 %	100.0 %

¹⁾ The comparative figure 2023 has been adjusted due to a refined calculation method.

²⁾ The comparative figure 2023 has been updated due to errors in last year's annual report.

Liquidity risk

Liquidity risk is the risk of loss on financial instruments arising from the inability to immediately sell an instrument without a reduction in the price or the risk that Alecta will be unable to meet its payment obligations at maturity without an increase in the cost of obtaining the necessary funds. Alecta's payment obligations consist of insurance obligations and financial liabilities – of Alecta's total obligations, approximately 95 per cent have a maturity in excess of five years, see Notes 35 and 36. Alecta's financial liabilities are limited to the derivative contracts used for indexation of foreign currency risk and interest rate risk and usually have a maturity of less than one year. Information on the nominal values of Alecta's derivative contracts is presented in Note 28. A maturity analysis of financial liabilities is also presented in Note 21. Liquidity risk is monitored through detailed cash flow forecasts and is limited by the fact that a large portion of Alecta's investments are invested in highly liquid assets such as government bonds and treasury bills. Note 22 shows that SEK 496.5 billion of Alecta's investments consist of shares in listed companies that can be converted into cash within one week. In the event that major items of the Swedish shareholding are to be sold, this is done through a sales programme over a longer period of time. The remaining investments are deemed convertible into cash within one year and the liquidity risk is therefore regarded as negligible.

Matching risk

Matching risk is the risk of a deterioration in the Company's financial position due to differing characteristics between assets and technical provisions. The value of Alecta's insurance commitments and debt securities investments depends on the level of interest rates. When interest rates fall, Alecta's commitments increase as does the value of its debt securities investments. Given that the commitments are larger and have a longer average maturity than the debt securities investments, a decrease in interest rates has a negative impact. Information on the maturities of the commitments, as well as fixed-rate terms for the asset portfolio is available in Notes 35 and 36 and 25 respectively.

To calculate the matching risk, Alecta uses an Asset Liability Management (ALM) analysis intended to identify the optimal composition of investment assets with regard to Alecta's insurance commitments. The analysis takes into account how both the investment assets and the market-valued liabilities and, therefore, Alecta's risk capital are affected by price fluctuations in the financial markets. Decisions on the composition of investments are based on Alecta's long-term assessments of market conditions in relation to its obligations, targets and financial position. Decisions are reported on an ongoing basis in the board's finance committee.

Solvency risk

Solvency risk is the risk that Alecta will be considered to have insufficient risk capital to ensure that it is able to meet its guaranteed commitments. Alecta measures the solvency risk daily in accordance with the risk-sensitive capital requirement model in the Swedish Occupational Pension Companies Act. In addition, Alecta performs its own stress tests on a daily basis that identify significant financial risks and are based on slightly more adverse market scenarios than those prescribed in the model for risk-sensitive capital requirement. The stress tests measure risk exposure, and in the event that a limit is reached, action is taken to safeguard Alecta's solvency.

Sensitivity Analysis	Impact on			
	Solvency ratio (% points)		Profit/loss for the year	
Group	2024	2023	2024	2023
Interest rate decrease 1 % point ¹⁾	-13.3 %	-13.5 %	-30,461	-32,568
Share price decrease 10 % ¹⁾	-7.3 %	-7.5 %	-47,017	-46,591
Share price decrease 10 % alternative assets	-5.9 %	-5.7 %	-38,052	-35,344
Exchange rate decrease 10 %	-1.1 %	-1.4 %	-6,781	-8,788

¹⁾ The comparative figure 2023 has been updated due to errors in last year's annual report.

The table shows how the solvency ratio and profit for the year would be affected by a decrease in the value of shares, alternative assets and currencies, as well as by a decrease in market interest rates irrespective of maturity and market. A decrease in the market rates increases the value of both commitments by SEK 62.1 billion (60.1) and the value of the debt securities by SEK 31.7 million (27.3). Overall, this results in a decrease in the solvency ratio by 13.3 percentage points. The calculation of a share price decrease

NOTE 3 Risks and risk management, cont.

in the price of alternative assets for 2024 has also taken into account the underlying exposure of indirect property holdings.

Sustainability risk

Sustainability risk attributable to investment activities refers to an environmental, social or governance event or circumstance that, should it occur, would have an actual or potential significant adverse effect on the value of an investment. Alecta strives to minimise sustainability risks by integrating sustainability analyses into the investment process. Sustainability risks are identified by investment activities prior to an investment, and are then monitored continuously during management.

Other risks

In addition to the risks referred to above, Alecta needs to manage other risks such as compliance risks and information security risks. An important method for mitigating these risks, as well as the above risk categories, is to control operational risks, see below. More information on Alecta's management of these risks is presented in the Corporate Governance Report on page 41.

Operational risks

Alecta defines operational risk as the risk of operational inadequacies or failures related to staff, organisation and processes, ICT assets or security.

Such inadequacies or failures can cause risks in other risk categories. For example, inadequate expertise on the part of Alecta's staff could result in the Company unknowingly being exposed to financial risks. Operational risks are counteracted by good internal control. Good internal control is achieved through a clear division of responsibilities, documented processes and procedures, effective controls and by other means.

Risk Self-Assessment

Using a central self-assessment method, all departments at Alecta identify and assess their risks and controls in different risk categories on an annual basis. Areas for improvement are identified and decisions are made about what risk-reducing and economically, or for other reasons, justified measures are to be taken. Work on continuous improvement in the day-to-day operations also helps to reduce the risks.

Incident management

Despite the preventive actions taken to identify and reduce risks, incidents may still occur. Such incidents must of course be addressed immediately to limit any possible damage and loss. Equally important is to learn from what has occurred and to take measures to try to avoid the recurrence of similar incidents. Incidents are therefore discussed and reported at all levels of Alecta on a regular basis.

NOTE 4 Premiums written

Group and Parent Company	2024	2023
Current premiums	47,404	41,440
One-off premiums	1,400	2,354
Premium tax ¹⁾	-138	-115
Invoiced premiums	48,666	43,678
Adjustment of paid-up policy values	30,820	46,267
Premium reduction risk	3,845	4,480
Premier reduction defined benefit savings	4,033	5,101
Guaranteed refunds	38,698	55,849
Total premiums written	87,364	99,527

¹⁾ The tax base is 95 per cent (95) of premiums received for occupational group life products. The tax is 45 per cent (45) of the tax base.

Accounting principle

Premiums written can comprise paid-in and credited premiums, as well as refunds in the form of adjustments of paid-up policy values and premium reductions. Premiums recognised under the item Guaranteed refunds can either be financed through the surplus fund (refers to a adjustment of paid-up policy values and premium reduction for risk insurance) or expensed under the profit and loss item Refunds and Discounts (refers to premium reduction for defined benefit savings insurance).

The accounting treatment of premiums written differs depending on whether the premiums relate to defined contribution or defined benefit insurance. For the defined premium insurances, the cash principle is applied and for the defined benefit insurances, the debiting principle is applied when reporting premium income. Reductions are made for special premium tax (refers to occupational group life products).

Premiums are recognised as income and impact different balance sheet items depending on whether the premium relates to savings insurance or risk insurance.

For savings insurance, an increase is made in technical provisions on the debt side of the balance sheet. On the other hand, risk insurance applies to allocation of premiums to equity through profit or loss.

Calculation of premiums

The premiums are intended to cover Alecta's commitments to its policy holders and are based on actuarial assumptions about interest, mortality, morbidity and operating costs. These assumptions are based on experience and observations and are broken down by insurance portfolio. Pension insurance can either be defined benefit or defined contribution. For defined benefit insurance, the benefits are specified in the insurance contract and premiums are determined on the basis of actuarial assumptions. Premiums are determined individually for each insured party. For defined contribution insurance, the premium is specified in the insurance contract and the benefits are determined on the basis of actuarial assumptions.

The premium for risk insurance is either calculated individually for each insured party or distributed collectively over a group of insured parties and applies for one calendar year at a time.

NOTE 5 Capital return, income

	Group		Parent Company	
	2024	2023	2024	2023
Rental income from land and buildings	2,583	2,351	723	632
Dividends received	16,448	16,037	16,497	16,165
of which are Group companies	–	–	651	733
of which are associated companies and joint ventures	1,231	3,211	628	2,644
Interest income, etc.	15,658	11,867	16,609	12,745
bonds and other debt securities	14,981	10,965	14,981	10,965
loans secured by real estate	380	319	254	272
other interest income	298	583	288	574
other interest expenses, Group companies	–	–	1,087	933
Reversal of impairment	–	–	9	8
shares in Group companies	–	–	9	8
Net foreign exchange gains ¹⁾	–	–	–	–
Net capital gains	56,335	45,093	56,320	45,085
land and buildings	–	0	–	–
shares and participations	56,335	45,093	56,320	45,085
Other income	37	33	–	–
Total capital return, income	91,063	75,381	90,158	74,634

¹⁾ Currency gains amount to SEK 74,783 million (101,769) and foreign exchange losses to SEK -77,963 million (-102,032).

NOTE 6 Unrealised gains on investment assets

	Group		Parent Company	
	2024	2023	2024	2023
Land and buildings	–	–	32	–
Bonds and other debt securities	–	22,886	–	22,886
Loans secured by real estate	84	372	84	372
Total unrealised gains on investment assets	84	23,257	116	23,257

NOTE 7 Insurance claims paid

Group and Parent Company	2024	2023
Base amount paid before indexation	-21,860	-21,203
Waiver of premium paid	-2,660	-2,577
Cancellations and repurchases ¹⁾	-3,027	-1,276
Operating expenses for claims management	-174	-179
Total claims paid	-27,722	-25,235

¹⁾ The item includes transferred capital of SEK 3,024 million (1,273).

Accounting principle

Benefits can either be guaranteed under the concluded contract or contingent, for example in the form of a pension supplement. A guaranteed benefit is recognised in the income statement as an expense and reduces the technical provision on the balance sheet by the same amount. A contingent benefit does not affect profit or loss but is recognised directly in equity.

NOTE 8 Operating expenses

	Group		Parent Company	
	2024	2023	2024	2023
Administrative expenses	-678	-602	-678	-602
Total operating expenses in insurance business	-678	-602	-678	-602
Claims management ¹⁾	-174	-179	-174	-179
Asset management ²⁾	-326	-340	-316	-333
Property management ³⁾	-317	-276	-87	-78
Total operating expenses	-1,496	-1,397	-1,256	-1,191
Specification of total operating expenses				
Staff costs	-523	-527	-523	-527
Premises costs	-21	-18	-21	-18
Amortisation/depreciation	–	-20	–	-20
IT costs	-315	-260	-314	-260
Property management costs	-317	-276	-87	-78
Selection centre costs	-182	-178	-182	-178
Other costs ⁴⁾	-183	-159	-173	-152
Administration fees	45	42	45	42
Total operating expenses	-1,496	-1,397	-1,256	-1,191

¹⁾ Recognised in Claims paid in the income statement, see Note 7.

²⁾ Recognised in Capital return, expenses in the income statement, see Note 9.

³⁾ Recognised in Capital return, expenses in the income statement (included in the item Operating expenses for land and buildings in Note 9).

⁴⁾ Other expenses primarily consist of costs for consultants and fees paid to the Swedish Financial Supervisory Authority.

	Group	
	2024	2023
Total asset management expenses ¹⁾		
Internal asset management expenses ²⁾	-326	-340
External management fees (for funds) ³⁾	-754	-731
Property Management Sweden ⁴⁾	-317	-276
External transaction costs ⁵⁾	-253	-237
Custodian fees ²⁾	-33	-44
Total	-1,684	-1,629

¹⁾ The costs of managing joint ventures and associated companies are not included in total capital management costs.

²⁾ Reported on a separate line in the table for the item Capital return, expenses under Note 9. In addition to custodian fees, other bank fees are also included.

³⁾ These fees were recognised on a net basis for each holding offset against Capital return, income under Note 5 or against Unrealised losses on investment assets under Note 10.

⁴⁾ Included in the line Operating expenses for land and buildings in the table for the item Capital return, expenses under Note 9.

⁵⁾ For financial investment assets, transaction costs are reported as capital gains, net in the item Capital return, income under Note 5, or Capital returns, expenses under Note 9. Transaction costs attributable to purchases and sales of land and buildings are reported as an increase in acquisition value or a decrease in capital gain or loss. In 2024, transaction costs that increased the acquisition value amounted to SEK 8 million (1) (not reported in the table).

Accounting principle

Operating expenses are expenses for employees or temporary staff, costs for premises, IT costs, scheduled depreciation of tangible assets and intangible assets, costs for the agency agreement with Collectum related to defined benefit retirement pension and disability insurance and other business-related costs. These expenses are recognised as they are incurred. Operating expenses are divided into the following functions: acquisition, administration, claims management, asset management and property management. Acquisition expenses and administrative expenses are recognised in the item Operating expenses in the income statement.

Acquisition expenses

Acquisition expenses refer to expenses incurred by the company in acquiring new insurance contracts. Alecta has not had any acquisition costs since 2008.

NOTE 8 Operating costs, cont.

Administrative expenses

Administrative expenses consist of operating expenses incurred by Alecta for the day-to-day administration of its insurance contracts, as well as costs for central Group functions, such as Finance and Legal.

Claims management

Expenses for claims management consist of expenses for managing contracts that are under payment. They also include a portion of the IT costs incurred in supporting the claims management process and expenses allocated to cover a portion of costs for the central Group functions. Claims management expenses are recognised in the income statement in the item, Claims paid.

Asset management

Asset management expenses are recognised in the item Capital return, expenses in the income statement. These expenses consist of direct costs, primarily staff, information and IT costs, as well as indirect costs such as the share of costs for premises and costs allocated for central Group functions.

Property management

Like asset management expenses, property management expenses are recognised in Capital return, expenses in the income statement. A expense item related to property management is external costs, as a part of the management of Alecta's real estate has been outsourced to external service providers.

NOTE 9 Capital return, expenses

	Group		Parent Company	
	2024	2023	2024	2023
Operating expenses for land and buildings	-1,105	-1,023	-351	-330
Internal asset management expenses	-326	-340	-316	-333
Interest expenses, etc.	-2,582	-2,120	-2,652	-2,203
<i>bonds and other debt securities</i>	-2,555	-2,088	-2,555	-2,088
<i>other interest expenses</i>	-27	-32	-27	-31
<i>other interest expenses, Group companies</i>	-	-	-70	-85
Custodian fees	-32	-44	-32	-44
Depreciation/amortisation and impairment	-	-	-125	-348
<i>shares in Group companies</i>	-	-	-125	-348
Net foreign exchange losses ¹⁾	-3,180	-262	-3,180	-262
Net capital losses	-5,991	-1,924	-5,991	-1,924
<i>land and buildings</i>	-	-	-	-
<i>bonds and other debt securities</i>	-5,990	-1,919	-5,990	-1,919
<i>loans secured by real estate</i>	-	-5	-	-5
<i>other loans</i>	-1	-	-1	-
Other	0	-4	-	-
Total capital return, expenses	-13,216	-5,718	-12,647	-5,444

¹⁾ Currency gains amount to SEK 74,783 million (101,769) and foreign exchange losses to SEK -77,963 million (-102,032).

NOTE 10 Unrealised losses on investment assets

	Group		Parent Company	
	2024	2023	2024	2023
Land and buildings	-224	-4,591	-	-1,790
Shares and participations	-10,598	-2,888	-10,093	-2,478
Bonds and other debt securities	-2,310	-	-2,310	-
Other loans	-259	-305	-259	-305
Total unrealised losses on investment assets	-13,391	-7,783	-12,663	-4,573

NOTE 11 Yield tax

Group and Parent Company	2024	2023
Yield tax ¹⁾	-2,132	-1,081
Adjustment of tax attributable to previous years	-1	-
Total yield tax	-2,133	-1,081
^{1) Yield tax}		
Capital base ²⁾	1,210,675	1,119,498
Tax base ³⁾	30,025	16,345
Yield tax before tax credit ⁴⁾	-4,504	-2,452
Deduction of withholding tax and foreign income tax paid.	2,372	1,371
Yield tax after tax credits	-2,132	-1,081

Sensitivity Analysis	Effect on yield tax before tax credit	
Group	2024	2023
Capital base +/- 10 %	-/+ 450	-/+ 245
Allocation percentage +/- 1 % point	-/+ 46	-/+ 25
Average government borrowing rates +/- 1 % point	-/+ 1,816	-/+ 1,679

²⁾ Calculation of the capital base for yield tax is based on the value of all assets at the beginning of 2024 less financial liabilities on the same date. The capital base is adjusted for premiums on indirectly owned foreign and Swedish properties. Of the capital base, SEK 11,231 million (14,504) refers to such excess values. The capital base for yield tax, which includes Alecta's pension products and family cover represents 97.05 per cent (96.84) of the total base. This portion is calculated on the basis of equity and technical provisions attributable to these products.

³⁾ The tax base is calculated as the capital base multiplied by the average government borrowing rate for the calendar year immediately preceding the beginning of the tax year, which results in a form of standardised yield. The average government borrowing rate used for calculating the tax base was 2.48 per cent (1.46).

⁴⁾ Tax rate: 15 per cent (15).

Accounting principle

Yield tax is payable on Alecta's pension products and on family cover.

In the income statement, yield tax is recognised along with income tax in the item, Tax on profit for the year.

NOTE 12 Tax

	Group		Parent Company	
	2024	2023	2024	2023
Current tax				
Swedish tax on profit for the year ¹⁾	-61	-54	-	-
Foreign tax on directly and indirectly owned properties	-64	-52	-61	-50
Withholding tax	-518	-641	-518	-641
Total current tax	-643	-747	-579	-691
Deferred tax				
Change in deferred tax assets/liabilities	-1,535	-450	-1,446	-816
Total deferred tax	-1,535	-450	-1,446	-816
Income tax	-2,178	-1,197	-2,025	-1,507
Yield tax				
Yield tax ²⁾	-2,132	-1,081	-2,132	-1,081
Adjustment attributable to previous years	-1	-	-1	-
Total yield tax	-2,133	-1,081	-2,133	-1,081
Tax on profit for the year	-4,311	-2,278	-4,158	-2,588

¹⁾ In the parent company, the portion subject to income tax consists of disability pension, waiver of premium and occupational group life insurance (occupational group life products).

²⁾ For the calculation of yield tax, see Note 11.

	Group		Parent Company	
	2024	2023	2024	2023
Reconciliation of theoretical tax expense and reported tax				
Profit before yield tax and income tax according to the income statement	93,980	61,750	94,405	64,487
Less: Profit/loss from operations subject to yield tax, including consolidation adjustments	-92,043	-59,626	-92,117	-59,926
Profit from operations subject to income tax	1,937	2,124	2,288	4,562
Tax at applicable tax rate, 20.6 %	-399	-437	-471	-940
Difference in tax rate ¹⁾	0	0	-	-
Non-deductible expenses	-176	-403	-1	-111
Non-taxable income	26	23	24	20
Taxable income not included in profit	-1	-1	-1	-1
Guaranteed premium reduction	791	914	791	914
Effect of initial recognition of properties in previous years	-46	73	-	-
Tax attributable to previous years ²⁾	-2,580	-1,401	-2,580	-1,401
Creditable foreign tax ³⁾	780	723	786	698
Foreign income tax	-61	-52	-61	-50
Deduction for foreign income tax during the year	5	5	5	5
Withholding tax	-518	-641	-518	-641
Reported income tax	-2,178	-1,197	-2,025	-1,507
Effective tax	-112 %	-56 %	-89 %	-33 %

¹⁾ Refers to the USA.

²⁾ Of which SEK 2,373 million (1,371) relates to the utilisation of a previously recognised tax asset for foreign tax against yield tax.

³⁾ Consists of foreign tax paid during the year and for the Group, the corresponding deferred tax on the difference between the book and tax values of foreign properties.

NOTE 12 Tax, cont.

	Group				Parent Company			
	2024		2023		2024		2023	
	Tax asset	Tax liability	Tax asset	Tax liability	Tax asset	Tax liability	Tax asset	Tax liability
Deferred tax related to:								
Temporary differences								
Land and buildings in Sweden	–	–1,916	–	–1,793	–	–18	–	–19
Land and buildings abroad	–	–172	–	–163	–	–	–	–
Other financial investment assets	–	–987	–	–1,400	–	–987	–	–1,400
Excess depreciation	–	–28	–	–20	–	–	–	–
Accrual funds	–	–4	–	–	–	–	–	–
Loss carry-forwards ¹⁾	176	–	249	–	159	–	227	–
Creditable foreign tax ²⁾	2,236	–	4,018	–	2,068	–	3,859	–
Deferred tax assets and liabilities	2,412	–3,107	4,267	–3,377	2,227	–1,005	4,086	–1,419
Offsetting of assets and liabilities	–1,027	1,027	–1,445	1,445	–1,005	1,005	–1,419	1,419
Net deferred tax assets and liabilities	1,385	–2,080	2,822	–1,932	1,222	0	2,668	0
<i>of which are expected to be settled after more than 12 months, amount before offsetting</i>	<i>–2,172</i>	<i>–3,107</i>	<i>1,646</i>	<i>–3,377</i>	<i>–2,172</i>	<i>–1,005</i>	<i>1,486</i>	<i>–1,419</i>

¹⁾ Recognised as deferred tax asset as this is expected to be utilised against deferred tax liability attributable to temporary differences.

²⁾ Consists of creditable foreign tax exceeding the maximum limit, creditable foreign tax paid during the year and for the Group, the corresponding deferred tax on the difference between the book and tax values of foreign properties.

Changes in net deferred tax assets and liabilities	Group		Parent Company	
	2024	2023	2024	2023
Opening balance	890	1,339	2,668	3,483
Recognised in profit or loss for the year	–1,535	–450	–1,446	–816
Foreign exchange differences	–	1	–	–
Change through business combinations/disposal	–50	–	–	–
Closing balance	–695	890	1,222	2,668

Accounting principle

Tax is calculated individually for each company based on the applicable tax rules. Income tax refers to current tax and deferred tax. Current tax includes tax on profit for the period and withholding tax on dividends received.

Deferred tax is calculated using the balance sheet calculation method for temporary differences between the carrying amounts and tax bases of assets and liabilities, as well as tax loss carry-forwards and other unused tax deductions. In an asset acquisition, the temporary difference arising on the initial recognition of assets and liabilities is not taken into account. Deferred tax assets are recognised to the extent that it is probable that they can be used.

Alecta is entitled to deduct foreign tax credits when calculating future yield tax and income tax. Alecta's tax expense (yield tax and income tax) will thus be reduced, resulting in future economic benefits. Alecta's assessment is that a tax asset should be recognised if the future tax credit can be reliably estimated. The offset of future tax credits against yield tax is not specifically regulated in IFRS. Alecta's assessment is that the right to future tax credits has a similar nature to income tax credits under IAS 12. An asset related to future tax credits will therefore be recognised as a deferred tax asset, even though it will mainly be offset against yield tax.

Deferred tax assets and deferred tax liabilities are recognised on a net basis when there is a legal right of offset, and the assets and liabilities refer to taxes levied by the same tax authority.

The business segments in the parent company on which income tax is levied are disability pension, waiver of premium and occupational group life insurance.

Alecta is not subject to the Act on Supplementary Tax for companies in large groups (which entered into force on 1 January 2024), as Alecta meets the requirements for being a pension fund, which is an exempt entity under this Act.

Significant estimates and judgements

Income tax

When calculating the basis for income tax in the parent company, an assessment needs to be done of the allocation of income and expenses between operations subject to income tax and operations subject to yield tax. The division takes place by distributing capital returns and operating expenses through allocation keys. Capital returns are distributed on the basis of assets under management per segment. Premiums, claims paid and changes in technical provisions are attributable directly to each segment. The principles applied have a direct impact on the estimated income tax.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences, unused tax loss carry-forwards and other unused tax deductions. The reported deferred tax is affected by assumptions and judgements used in determining the carrying amounts of different assets and liabilities and in estimating future taxable profits.

Alecta is entitled to deduct foreign tax credits when calculating future yield tax and income tax. The resulting future economic benefits are recognised as a deferred tax asset, even though the asset will largely be offset against yield tax. An asset is recognised when the future tax credit can be reliably measured.

Every year, Alecta assesses whether there is a possibility for new deferred tax assets to be capitalised, and whether there is a need for impairment for previous years' tax loss carry-forwards or unused tax deductions.

NOTE 13 Intangible assets

Intangible assets consist of internally generated expenditure for IT development. Of the total acquisition value of SEK 683 million, IT development of the insurance system accounts for SEK 680 million. The insurance system came into use in 2008. All parts have been fully amortised as of 31 March 2023.

Accounting principle

Intangible assets consist of direct expenditure for internally generated proprietary software and are measured at cost in the Group. They are expected to generate future economic benefits. Internally generated intangible assets related to proprietary software are recognised only if all of the following criteria are met: an identifiable asset exists, it is probable that the asset created will generate future economic benefits, the Company has control over the asset and the cost of the asset can be reliably measured.

Capitalised development costs are amortised on a straight-line basis from the date on which the asset goes into production. Amortisation schedules are prepared based on the estimated useful lives. Amortisation is recognised as an operating expense. Alecta's intangible assets have been fully amortised as of 31 March 2023.

NOTE 14 Tangible fixed assets

	Group		Parent Company	
	2024	2023	2024	2023
Cost				
Opening balance, cost	76	72	42	42
Purchases during the year	18	4	–	–
Closing balance, cost	94	76	42	42
Accumulated depreciation				
Opening balance, depreciation	–60	–60	–40	–38
Depreciation for the year	–3	–4	–1	–2
Closing balance, depreciation	–67	–64	–41	–40
Carrying amount, tangible fixed assets	26	12	2	2

Accounting principle

Tangible assets consist of IT equipment, machinery and equipment, and artwork and are valued at cost less accumulated depreciation. Assets are depreciated on a straight-line basis based on their estimated useful lives. The depreciation period is three years for IT equipment and between three to five years for machinery and equipment. Artwork is not depreciated. Depreciation methods and useful lives are reviewed at each closing date. At each closing date, an assessment is made of whether there are any indications that a fixed asset may be subject to impairment. If so, the recoverable value of the asset is calculated. If this amount is assessed as being less than the carrying amount, the asset is written down to the lower amount.

NOTE 15 Land and buildings

Investment and owner-occupied properties

Specification of change in fair value

Group	2024	2023
Opening balance	39,984	42,890
New builds, extensions and conversions	1,200	943
Acquisitions	4,536	701
Sales	–	–
Change in value	–188	–4,550
Closing balance	45,533	39,984
Parent Company	2024	2023
Opening balance	11,049	12,327
New builds, extensions and conversions	578	512
Change in value	40	–1,790
Closing balance	11,667	11,049

Fair value per property type	Group		Parent Company	
	2024	2023	2024	2023
Investment properties	43,369	37,826	9,503	8,891
Owner-occupied properties	2,164	2,158	2,164	2,158
Total	45,533	39,984	11,667	11,049

Fair value by sector	Group		Parent Company	
	2024	2023	2024	2023
Office	31,489	26,184	8,474	7,821
Residential	222	252	–	–
Retail	8,026	8,170	2,556	2,617
Other	5,796	5,379	637	611
Total	45,533	39,984	11,667	11,049

Cost per property type	Group		Parent Company	
	2024	2023	2024	2023
Investment properties	37,535	31,833	9,195	8,651
Owner-occupied properties	579	545	579	545
Total	38,114	32,378	9,774	9,196

Lettable floor area by sector, m ²	Group	
	2024	2023
Office	610,262	523,810
Residential	8,013	8,013
Retail	367,513	360,343
Other	105,737	105,601
Total	1,091,525	997,767

Future rental income by maturity	Group	
	2024	2023
Within one year	2,482	1,902
Later than one year but within five years	5,856	5,677
Later than five years	3,464	3,992
Total	11,802	11,571

NOTE 15 Land and buildings, cont.

Accounting principle

Investment properties

Properties held in the Group for rental income, capital appreciation or a combination of both are classified and reported as investment properties in accordance with IAS 40. After the transition to legally restricted IFRS in the 2022 consolidated financial statements, the investment properties are reported on the line, Land and buildings on the consolidated balance sheet, similar to the parent company balance sheet. All investment properties are located in Sweden.

Investment properties are measured at fair value, which is the price that would be received to sell an asset in a transaction settled between market participants on the measurement date. In accordance with IFRS 13, Alecta's investment properties are classified at Level 3 of the fair value hierarchy, which means that non-observable inputs have been used. No properties were transferred to a different level of the hierarchy during the year. Alecta's current use of the investment properties is deemed to be the best use, which means that the valuation of the properties should reflect the maximum value of the assets. Gains and losses that have arisen from changes in the fair values of the investment properties are recognised in the income statement in the period in which the gain or loss occurs. Purchases and sales of investment properties are recognised on the balance sheet on the completion date.

All rental agreements for the Group investment properties are classified as operating leases according. Rental income is recognised as income on a straight-line basis so that only that proportion of the rent that is attributable to each period is recognised as income in the period.

Owner-occupied properties

With the transition to legally restricted IFRS in the Group in 2022, Alecta chose to cease applying IAS 16. Instead, Alecta measures the owner-occupied properties at fair value in line with the parent company, according to FFFS 2019:23 and the AAIC. Actual operating and maintenance expenses for Alecta's owner-occupied properties are recognised in operating expenses in the income statement.

Significant estimates and judgements

Valuation method

Alecta engages an external valuation firm to assess the market value of all properties every full year and half year. The external valuer bases its estimates on information about the specific characteristics of each property, such as current tenancies, operating expenses and estimated market rents. The information is quality assured by Alecta in connection with the external valuation.

The total value of Alecta's property portfolio is based on the estimated market value of each individual property. The market value consists of the future benefits that could be obtained by a future acquirer of the property. The key factors are what the property may be used for and the extent to which and way in which an acquirer can use the property.

Market values of properties are normally determined through cash flow assessments based on estimates of the earnings potential for each property. The method involves an analysis of expected future cash flows over a calculation period normally of ten years. In the calculation, a present value calculation for these cash flows is done at an estimated discount rate. The components of the nominal discount rate are estimated inflation rate, the risk-free real interest rate and a risk premium. In determining the risk premium, consideration is given to the nature of the investment, the property, contractual relationships and financial risks. The valuations have been designed to meet the requirements of the MSCI Swedish Real Estate Index.

Significant valuation assumptions

The valuation method used is based on several assumptions, such as estimates of market rents, future trends in costs, long-term vacancies, inflation, discount rates and required rates of return in the residual value assessment. A change in any of these assumptions will affect the valuation. Some of the key valuation assumptions are presented below.

Valuation assumptions, weighted	2024	2023
Market rent per square metre, SEK	2,920	2,815
Long-term vacancy rate, %	6.07	6.46
Required rate of return, initial, %	4.42	4.56
Required rate of return, exit, % ¹⁾	5.15	5.14

¹⁾ The comparative figure has been adjusted due to a new calculation method for weighting required rate of return.

Sensitivity Analysis

The parameters affecting value that are used in the valuation should reflect the reasoning of a prospective buyer in the market. To illustrate the uncertainty in the valuation, a number of assumptions that show the impact on the valuation in SEK million have been singled out.

Sensitivity Analysis	Change	2024	2023
Market rent	+/- 10 %	+/- 4,460	+/- 4,092
Property costs	+/- SEK 50/m ²	-/+ 904	-/+ 858
Long-term vacancy rate	+/- 2 %	- /+ 870	-/+ 800
Required rate of return, exit	+/- 0.5 %	+/- 3,619	+/- 3,387

NOTE 16 Shares and participations in Group companies ¹⁾

Swedish companies, Parent Company	Organisation no.	Registered office	Number of shares	Share of equity	Carrying amount, 2024	Carrying amount, 2023
Alecta AB	556597-9266	Stockholm	1,000	100%	0	0
Alecta BRF Komplementär AB	559187-3210	Stockholm	50,000	100%	0	0
Alecta Fastigheter AB	559103-4086	Stockholm	500	100%	3,191	2,837
Alecta Bredden Holding AB	556922-4198	Stockholm	1,000,000	100%	–	–
Alecta Bredden Holding 2 AB	556918-4806	Stockholm	50,000	100%	–	–
– Alfab Brick Studios AB ²⁾	559080-0370	Stockholm	500	100%	–	–
– Alfab Göteborg Våghuset AB ²⁾	559080-0388	Stockholm	500	100%	–	–
– Bredden 1 Fastighets AB	556684-3784	Stockholm	100,000	100%	–	–
Alecta Fridhemsplan Holding 1 AB ²⁾	559504-6185	Stockholm	25,000	100%	–	–
Alfab Fridhemsplan 1 AB ²⁾	559504-6193	Stockholm	25,000	100%	–	–
Alecta Köpcentrum AB	556943-7071	Stockholm	500	100%	–	–
Alfab Eken 6 AB ²⁾	556948-7555	Stockholm	50,000	100%	–	–
Alfab Eken 14 AB ²⁾	556602-0649	Stockholm	100,000	100%	–	–
Alfab Hönsfodret AB	559158-4080	Stockholm	50,000	100%	–	–
Alfab Mimer 7 AB	559122-1477	Stockholm	500	100%	–	–
Alfab Nacka 4 AB	559006-0892	Stockholm	1,000	100%	–	–
Alfab Nacka 12 AB	559006-1015	Stockholm	1,000	100%	–	–
Alfab Solna Banken 18 AB ²⁾	556803-0422	Stockholm	1,000	100%	–	–
Alfab Solna Banken 19 AB ²⁾	556880-3844	Stockholm	500	100%	–	–
Alfab Solna Centrum AB	556051-3268	Stockholm	5,000	100%	–	–
– Alfab Solna Parkering AB	556482-7797	Stockholm	1,000	100%	–	–
Alfab Solna Garage AB	556340-1941	Stockholm	1,000	100%	–	–
Alfab Värmdö 1 AB	556687-7071	Stockholm	1,000	100%	–	–
Alfab Värmdö 2 AB	556743-0102	Stockholm	100,000	100%	–	–
Lidingö Hotellfastighets AB	556701-7099	Stockholm	1,000	100%	–	–
Solna Kasernen 8 Fastighets AB	556162-0393	Stockholm	10,000	100%	–	–
Alecta Retail Holding AB	556660-2594	Stockholm	1,000	100%	–	–
Alfab Järfälla 1 AB	556664-7599	Stockholm	1,000	100%	–	–
Alfab Jönköping 1 AB	556692-9385	Stockholm	1,000	100%	–	–
Alfab Jönköping 4 AB	556188-6127	Stockholm	1,000	100%	–	–
Alfab Jönköping 5 AB	556658-9783	Stockholm	1,000	100%	–	–
Alfab Valutan 13 AB	556708-2713	Stockholm	100,000	100%	–	–
Fastighetsaktiebolaget Åkersberga Österåker Runö	556785-6389	Stockholm	1,000	100%	–	–
Fyrfast AB	556604-5513	Stockholm	1,000	100%	–	–
Kabelverket Holding AB	556587-1075	Stockholm	1,000	100%	–	–
Alfab Flexiwork AB	556913-5717	Stockholm	500	100%	–	–
Alfab Göteborg 4 AB	556718-6654	Stockholm	1,000	100%	–	–
Alfab Göteborg 5 AB	556690-0386	Stockholm	1,000	100%	–	–
Alfab Stockholm 1 AB	556660-5530	Stockholm	1,000	100%	–	–
Alfab Vällingby 1 AB	556892-7858	Stockholm	500	100%	–	–
Alfab Vällingby 2 AB	556892-7882	Stockholm	500	100%	–	–
Alfab Västerport 1 AB	556690-0378	Stockholm	1,000	100%	–	–
Alfab Västerport 2 AB	556946-8944	Stockholm	500	100%	–	–
Fastighets AB Kablaget	556577-4642	Stockholm	1,000	100%	–	–
– Alecta Fastighetsutveckling AB	556577-4618	Stockholm	1,000	100%	–	–
– Fastighets AB Kabelverket	556577-4568	Stockholm	1,000	100%	–	–
Vasaterminalen AB	556118-8722	Stockholm	2,022,000	100%	–	–
– World Trade Center Stockholm AB	556273-0803	Stockholm	1,000	100%	–	–
– WTC Parkering AB	556424-3920	Stockholm	1,000	100%	–	–
Sollentuna Stinsen JV AB	559085-9954	Stockholm	500,000	100%	–	–
Sollentuna Stinsen Holding 1 AB	559085-9947	Stockholm	100,000	100%	–	–
– Sollentuna Stinsen Property 1 AB	556706-9678	Stockholm	1,000	100%	–	–
– Alecta Fridhemsplan Holding 2 AB (previously Sollentuna Stinsen Property 2 AB)	559104-8888	Stockholm	50,000	100%	–	–
– Alecta Fridhemsplan Holding 3 AB (previously Sollentuna Stinsen Property 3 AB)	559104-8912	Stockholm	50,000	100%	–	–
– Alecta Fridhemsplan Holding 4 AB (previously Sollentuna Stinsen Property 4 AB)	559104-8904	Stockholm	50,000	100%	–	–
Alecta Tjänstepensioner AB	556713-7160	Stockholm	1,000	100%	0	0

NOTE 16 Shares and participations in Group companies ¹⁾, cont.

Swedish companies, Parent Company	Organisation no.	Registered office	Number of shares	Share of equity	Carrying amount, 2024	Carrying amount, 2023
Fastighetsbolaget Augustendal KB	916635-9084	Stockholm	–	99.9%	1,105	1,120
Fastighetsbolaget Båthamnen KB	916626-5711	Stockholm	–	99.9%	53	53
Fastighetsbolaget Ellensvik KB	916625-6991	Stockholm	–	99.9%	257	251
Fastighetsbolaget Grönkulla KB	969782-1115	Stockholm	–	99.9%	6	6
Fastighetsbolaget Gustafshög KB	916625-6983	Stockholm	–	99.9%	0	0
Fastighetsbolaget Klaraberg KB	916625-6975	Stockholm	–	99.9%	586	592
Fastighetsbolaget Mässan KB	916626-5653	Stockholm	–	99.9%	61	62
Fastighetsbolaget Oljekällaren KB	916626-5638	Stockholm	–	99.9%	367	368
Fastighetsbolaget Philipin KB	916626-5679	Stockholm	–	99.9%	516	489
Fastighetsbolaget Saluhallen KB	916626-5695	Stockholm	–	99.9%	77	73
Nacka Strand Event & Möten KB	969646-7225	Stockholm	–	99.9%	11	10
Morgonen 1 i Lund KB	969784-9975	Stockholm	–	99.9%	311	315
Naraden Göteborg 1 KB	969697-7892	Stockholm	–	99.9%	341	357
SoliFast Finansiering KB	969787-1292	Stockholm	–	99.9%	–10	–3
2 Kilo i Halmstad KB	969784-9967	Stockholm	–	99.9%	366	374
Total, Sweden					7,239	6,903

Foreign Group companies, USA , Parent Company	Organisation no.	Registered office	Number of shares	Share of equity	Carrying amount, 2024	Carrying amount, 2023
Alecta Real Estate USA, LLC	–	Delaware	–	100 %	754	879
Alecta Real Estate Investment, LLC ²⁾	–	Delaware	–	100 %	–	–
Alecta Value Add Investments, LLC	–	Delaware	–	100 %	–	–
Boylston Street Investors, LLC ³⁾	–	Delaware	–	100 %	–	–
PMAX MOB ALECTA REIT FEEDER, LTD.	–	Delaware	–	100 %	3,977	3,977
Total USA					4,732	4,856
Total shares and participations in Group companies ⁴⁾					11,971	11,759

¹⁾ As all shares and participations are unlisted, market values are not indicated. Carrying amounts are not indicated for subsidiaries of subgroups.

²⁾ The company was acquired in 2024.

³⁾ The company was liquidated in 2024.

⁴⁾ Total group surplus values amount to 11,161 (11,150) and mainly relate to that which corresponds to surplus values on shares and participations in group companies. These surplus values represent the difference between the carrying amount of shares and participations in Group companies and their fair value. Surplus values for shares and participations in Swedish group companies are estimated to amount to SEK 9,551 million (9,552) and for foreign group companies to SEK 1,614 million (1,602).

Parent Company	Carrying amount, 2024	Carrying amount, 2023
Cost		
Opening balance, cost	21,483	19,269
Purchases during the year	–	–
Shareholder contributions during the year	354	1,457
Divestments for the year	–	–319
Share of profit for the year	109	93
Deposits of the year limited partnership	31	1,038
This year's withdrawal limited partnership	–165	–56
Closing balance, cost	21,811	21,483
Accumulated impairment		
Opening balance, impairment	–9,723	–9,702
Impairment for the year	–123	–342
Reversal of impairment for the year	6	2
Divestments for the year	–	319
Closing balance, impairment	–9,840	–9,723
Total shares and participations in Group companies	11,971	11,759

Accounting principle

Shares and participations in Group companies are recognised at cost less necessary impairment in the parent company.

NOTE 17 Debt securities issued by and loans to, Group companies

Parent Company	Carrying amount, 2024	Carrying amount, 2023
Cost		
Opening balance, cost	18,630	18,635
Change for the year	6,155	–4
Total debt securities issued by and loans to, Group companies	24,785	18,630

Accounting principle

Intracompany loans and receivables are financial assets that are not listed in an active market. Assets are classified as financial assets valued at amortised cost.

NOTE 18 Investments in associated companies and joint ventures

31/12/2024 Parent Company – Joint ventures	Country	Organisation no.	Share of equity	Fair value, shares	Fair value debt securities issued by, and loans to	Interest income
Alfa SSMJV AB	Sweden	556840-4262	50.00 %	0	–	–
KB Alfa SSM	Sweden	969715-3998	49.00 %	11	–	–
Ancore Fastigheter AB	Sweden	556817-8858	50.00 %	1,947	–	–
Ankhiale Topco AB (Stockholm Exergi)	Sweden	559317-8741	15.00 %	3,657	–	–
Convea AB	Sweden	556912-4505	50.00 %	7	–	–
Global Business Gate JV AB	Sweden	559109-9030	50.00 %	0	–	–
Global Business Gate JV KB	Sweden	969781-4847	49.50 %	311	–	–
Kongahälla Holding AB	Sweden	559126-1903	50.00 %	376	–	–
Midstar Hotels AB	Sweden	559007-7979	49.70 %	3,086	–	–
SoliFast Holding AB JV	Sweden	559149-7770	20.00 %	20	2	0
Stadsrum Fastigheter AB	Sweden	559028-9624	49.40 %	3,119	–	–
Swedish Airport Infrastructure Holding AB	Sweden	559012-5182	50.00 %	0	–	–
Swedish Airport Infrastructure Holding KB	Sweden	969775-2609	49.90 %	1,799	–	–
Parent Company – Associated companies						
Heimstaden Bostad AB	Sweden	556864-0873	38.60 %	40,698	741	24
Bain Capital Credit CLO Management Ltd	Jersey	–	24.35 %	1,090	–	–
Bain Capital Credit CLO Management II Ltd	Jersey	–	20.63 %	993	–	–
SR Energy AB	Sweden	556711-9549	20.00 %	2,264	–	–
Total Parent Company ¹⁾				59,377	743	24
Group company – Joint ventures						
ARE-LEI Venture, LLC	USA	–	95.00 %	2	–	–
KACORE JV, LLC	USA	–	39.09 %	3,332	–	–
KAGR Master JV LLC	USA	–	47.50 %	1,694	–	–
KAGR2 Master JV LLC	USA	–	47.50 %	2,379	–	–
PMAC MOB JV REOC, LLC	USA	–	48.13 %	2,577	–	–
Total Group ¹⁾				69,361	743	24

¹⁾ The cost of assets in the parent company is SEK 62,554 million (61,636) and in the Group, SEK 72,049 million (70,342).

31/12/2023 Parent Company – Joint ventures	Country	Organisation no.	Share of equity	Fair value, shares	Fair value debt securities issued by, and loans to	Interest income
Alfa SSMJV AB	Sweden	556840-4262	50.00 %	0	–	–
KB Alfa SSM	Sweden	969715-3998	49.00 %	11	–	–
Ancore Fastigheter AB	Sweden	556817-8858	50.00 %	1,886	–	–
Ankhiale Topco AB (Stockholm Exergi)	Sweden	559317-8741	15.00 %	3,657	–	–
Convea AB	Sweden	556912-4505	50.00 %	7	–	–
Global Business Gate JV AB	Sweden	559109-9030	50.00 %	0	–	–
Global Business Gate JV KB	Sweden	969781-4847	49.50 %	222	–	–
Kongahälla Holding AB	Sweden	559126-1903	50.00 %	398	–	–
Midstar Hotels AB	Sweden	559007-7979	49.70 %	3,116	–	–
SoliFast Holding AB JV	Sweden	559149-7770	20.12 %	20	1	0
Stadsrum Fastigheter AB	Sweden	559028-9624	49.40 %	2,937	–	–
Swedish Airport Infrastructure Holding AB	Sweden	559012-5182	50.00 %	1	–	–
Swedish Airport Infrastructure Holding KB	Sweden	969775-2609	49.90 %	1,826	–	–
Parent Company – Associated companies						
Heimstaden Bostad AB	Sweden	556864-0873	39.54 %	37,671	377	48
Bain Capital Credit CLO Management Ltd	Jersey	–	24.35 %	1,055	–	–
Bain Capital Credit CLO Management II Ltd	Jersey	–	20.63 %	521	–	–
SR Energy AB	Sweden	556711-9549	20.00 %	2,574	–	–
Total Parent Company ¹⁾				55,901	378	48
Group company – Joint ventures						
ARE-LEI Venture, LLC	USA	–	95.00 %	2	–	–
Boylston Street Associates LLC	USA	–	95.00 %	4	–	–
KACORE JV, LLC	USA	–	39.10 %	3,046	–	–
KAGR Master JV LLC	USA	–	47.50 %	1,612	–	–
KAGR2 Master JV LLC	USA	–	47.50 %	2,451	–	–
PMAC MOB JV REOC, LLC	USA	–	48.13 %	2,516	–	–
Total Group ¹⁾				65,531	378	48

¹⁾ The cost of assets in the parent company is SEK 61,636 million (59,365) and in the Group, SEK 70,342 million (68,496).

Accounting principle

Alecta owns shares and participations in companies that are categorised as either jointly controlled entities or associated companies. Investments in jointly controlled entities are through joint ventures.

Shares and participations in associated companies and joint ventures are mandatorily recognised at fair value through the income statement. On the balance sheet, shares and participations are recognised in the investment assets category. Changes in value are accounted for in the income statement as unrealised gains or losses. Dividends are reported as dividends received in the item, Capital return, income Note 5.

Debt securities issued by, and loans to are measured at fair value through the income statement at initial recognition. The balance sheet shows the assets in the investment assets category. Changes in value are recognised in the income statement as unrealised gains or losses. Interest income is recognised as interest income in the item, Capital return, income Note 5. Valuation techniques for shares and participations as well as debt securities issued by, and loans to, are described in Note 22. Information on transactions between Alecta and the above joint ventures as well as associated companies is provided in Note 48, Related party disclosures.

NOTE 19 Classification of financial assets and liabilities

Group 31/12/2024	Financial assets/ liabilities measured at fair value through the income statement on initial recognition	Financial assets/ liabilities measured at fair value through the income statement; mandatory	Financial assets and liabilities valued at amortised cost	Total carrying amount	Fair value
Financial assets					
Shares and participations in associated companies and joint ventures	-	69,361	-	69,361	69,361
Debt securities issued by, and loans to, associated companies and joint ventures	743	-	-	743	743
Shares and participations	-	618,433	-	618,433	618,433
Bonds and other debt securities	573,370	-	-	573,370	573,370
Loans secured by real estate	6,986	-	-	6,986	6,986
Other loans	16,587	-	-	16,587	16,587
Derivatives	-	4,998	-	4,998	4,998
Receivables related to direct insurance operations	-	-	1,591	1,591	1,591
Other receivables	-	-	904	904	904
Cash and bank balances	-	-	3,589	3,589	3,589
Accrued interest and rental income	-	-	5,922	5,922	5,922
Total	597,686	692,792	12,006	1,302,484	1,302,484
Financial liabilities					
Liabilities related to direct insurance operations	-	-	12	12	12
Derivatives	-	29,609	-	29,609	29,609
Other liabilities	-	-	2,604	2,604	2,604
Other accrued expenses	-	-	1,884	1,884	1,884
Total	-	29,609	4,500	34,109	34,109

Group 31/12/2023	Financial assets/ liabilities measured at fair value through the income statement on initial recognition	Financial assets/ liabilities measured at fair value through the income statement; mandatory	Financial assets and liabilities valued at amortised cost	Total carrying amount	Fair value
Financial assets					
Shares and participations in associated companies and joint ventures	-	65,531	-	65,531	65,531
Debt securities issued by, and loans to, associated companies and joint ventures	378	-	-	378	378
Shares and participations	-	596,161	-	596,161	596,161
Bonds and other debt securities	523,795	-	-	523,795	523,795
Loans secured by real estate	6,934	-	-	6,934	6,934
Other loans	11,319	-	-	11,319	11,319
Derivatives	-	32,792	-	32,792	32,792
Receivables related to direct insurance operations	-	-	1,853	1,853	1,853
Other receivables	-	-	1,718	1,718	1,718
Cash and bank balances	-	-	3,879	3,879	3,879
Accrued interest and rental income	-	-	4,525	4,525	4,525
Total	542,426	694,484	11,975	1,248,885	1,248,885
Financial liabilities					
Liabilities related to direct insurance operations	-	-	10	10	10
Derivatives	-	11,622	-	11,622	11,622
Other liabilities	-	-	30,766	30,766	30,766
Other accrued expenses	-	-	645	645	645
Total	-	11,622	31,421	43,043	43,043

NOTE 19 Classification of financial assets and liabilities, *cont.*

Parent Company, 31/12/2024	Financial assets/ liabilities measured at fair value through the income statement on initial recognition	Financial assets/ liabilities measured at fair value through the income statement; mandatory	Financial assets and liabilities valued at amortised cost	Total carrying amount	Fair value
Financial assets					
Debt securities issued by and loans to Group companies	–	–	24,785	24,785	24,785
Shares and participations in associated companies and joint ventures	–	59,377	–	59,377	59,377
Debt securities issued by, and loans to, associated companies and joint ventures	743	–	–	743	743
Shares and participations	–	617,587	–	617,587	617,587
Bonds and other debt securities	573,370	–	–	573,370	573,370
Loans secured by real estate	2,880	–	–	2,880	2,880
Other loans	16,587	–	–	16,587	16,587
Derivatives	–	4,998	–	4,998	4,998
Receivables related to direct insurance operations	–	–	1,591	1,591	1,591
Other receivables	–	–	770	770	770
Cash and bank balances	–	–	3,475	3,475	3,475
Accrued interest and rental income	–	–	5,947	5,947	5,947
Total	593,580	681,962	36,568	1,312,110	1,312,110
Financial liabilities					
Liabilities related to direct insurance operations	–	–	12	12	12
Derivatives	–	29,609	–	29,609	29,609
Other liabilities	–	–	3,874	3,874	3,874
Other accrued expenses	–	–	1,875	1,875	1,875
Total	–	29,609	5,761	35,370	35,370
Parent Company, 31/12/2023					
Financial assets					
Debt securities issued by and loans to Group companies	–	–	18,630	18,630	18,630
Shares and participations in associated companies and joint ventures	–	55,901	–	55,901	55,901
Debt securities issued by, and loans to, associated companies and joint ventures	378	–	–	378	378
Shares and participations	–	595,339	–	595,339	595,339
Bonds and other debt securities	523,795	–	–	523,795	523,795
Loans secured by real estate	4,767	–	–	4,767	4,767
Other loans	11,319	–	–	11,319	11,319
Derivatives	–	32,792	–	32,792	32,792
Receivables related to direct insurance operations	–	–	1,853	1,853	1,853
Other receivables	–	–	1,479	1,479	1,479
Cash and bank balances	–	–	3,606	3,606	3,606
Accrued interest and rental income	–	–	4,538	4,538	4,538
Total	540,259	684,032	30,106	1,254,397	1,254,397
Financial liabilities					
Liabilities related to direct insurance operations	–	–	10	10	10
Derivatives	–	11,622	–	11,622	11,622
Other liabilities	–	–	32,365	32,365	32,365
Other accrued expenses	–	–	637	637	637
Total	–	11,622	33,012	44,634	44,634

NOTE 20 Net profit by class of financial assets and liabilities

	Group		Parent Company	
	2024	2023	2024	2023
Financial assets measured at fair value through the income statement				
Shares and participations	83,303	53,862	82,749	54,001
Debt securities	28,461	25,351	28,334	25,304
Loans secured by real estate	368	645	368	645
Other loans	2,034	1,163	2,034	1,163
Financial assets and liabilities held for trade				
Derivatives	-50,150	7,418	-50,150	7,418
Financial assets and liabilities valued at amortised cost				
Loans and receivables	156	168	1,174	1,656
Other liabilities	-55	-113	-55	-113
Total net profit ¹⁾	64,117	88,494	64,454	90,074
Land and buildings, net	2,360	-2,240	416	-1,728
Asset management and custodian expenses	-359	-375	-349	-377
Other, net	-1,576	-742	443	-95
Total return on capital as reported in income statement	64,542	85,137	64,964	87,874

¹⁾ Net profit includes realised and unrealised changes in value as well as interest, dividends and foreign exchange gains and losses.

NOTE 21 Maturity analysis of financial liabilities

Time to maturity					
Group 31/12/2024	< 3 months	3 months < 1 year	1-5 years	> 5 years	Total
Non-liquidated securities transactions	-22	-	-	-	-22
Liability for cash collateral received for derivatives	-2,176	-	-	-	-2,176
Derivatives gross - outflow	-601,974	-94,535	-51,230	-14,394	-762,133
Derivatives gross - inflow	580,978	93,902	42,877	16,632	734,389
Other liabilities	-418	-	-	-	-418
Other accrued expenses	-1,884	-	-	-	-1,884
Total cash flow	-25,496	-633	-8,353	2,237	-32,245
Time to maturity					
Group 31/12/2023	< 3 months	3 months < 1 year	1-5 years	> 5 years	Total
Non-liquidated securities transactions	-2,079	-	-	-	-2,079
Liability for cash collateral received for derivatives	-28,293	-	-	-	-28,293
Derivatives gross - outflow	-458,570	-57,680	-60,939	-24,744	-601,933
Derivatives gross - inflow	482,285	57,585	49,095	23,321	612,286
Other liabilities	-404	-	-	-	-404
Other accrued expenses	-645	-	-	-	-645
Total cash flow	-7,706	-96	-11,844	-1,423	-21,069

The purpose of this note is to illustrate when the financial liabilities for the Group fall due for payment. The table shows actual future cash flows in each period, based on remaining contractual times to maturity. The amounts presented for each time to maturity refer to undiscounted cash flows. For derivatives, cash flows are reported on a gross basis, i.e., both outflows and inflows to create a better understanding of these flows. For variable interest rate derivatives, the last known interest rate has been applied to approximate future cash flows. For a description of liquidity risk, see Note 3 Risks and risk management.

NOTE 22 Valuation categories for financial instruments measured at fair value

Under the disclosure requirements in IFRS 13, financial assets and liabilities that are measured at fair value must be classified into three levels based on the valuation technique used. Assets and liabilities must be measured using the valuation technique that is appropriate in the circumstances, maximising the use of relevant observable inputs as long as this is possible. The objective is to identify the valuation technique that best estimates the price at which the financial assets or financial liabilities can be sold or transferred between market participants under current market conditions.

The three levels of valuation categories are:

Level 1: Measurement using prices quoted in an active market

Fair value measurement based on prices quoted in an active market is used if quoted prices are easily and regularly available and these prices represent actual and regularly occurring market transactions. Examples of financial assets that are classified to this level include listed equities, government bonds and Swedish mortgage bonds.

Prices for these financial assets are obtained daily through index price providers retrieved from each exchange, which where applicable are converted at exchange rates quoted on a daily basis from the price provider, WM Company.

Level 2: Measurement based on observable inputs

Financial assets and liabilities for which there are no quoted prices in an active market are measured at fair value based on as many available market inputs as possible. Examples of market inputs used in the measurement include:

- Quoted interest rates, credit spreads and exchange rates
- Market information on prices for similar financial instruments
- Market inputs on prices in recently completed transactions for the same or similar financial instruments

Examples of financial assets and liabilities classified to this level include debt securities instruments in the form of Swedish and foreign corporate bonds, structured bonds, cleared derivatives and all OTC derivatives in the form of interest rate swaps, currency derivatives and credit derivatives.

For debt securities instruments, daily prices from external price providers, Refinitiv and Bloomberg are used. Under the agreements, Alecta has the ability to inspect the price provider's valuation data to assure the quality of the provided price information.

For OTC derivatives, fair value is determined on a daily basis in Alecta's financial system in accordance with market practice by estimating the present value of the future cash flows of each derivative based on quoted market prices with respect to interest rates, credit spreads and exchange rates.

Level 3: Measurement based on unobservable inputs

Financial assets that are measured at fair value without access to observable market inputs are classified to Level 3. It also presents financial assets measured at fair value that may be based on certain observable inputs, but not enough to meet the requirements for Level 2.

Examples of financial assets in this level mainly consist of financial instruments with real estate and infrastructure as underlying assets, but also of debt securities and unlisted shares and participations. Fair values for these assets are obtained from external price providers, fund managers, counterparties or property-owning companies following an external valuation of the underlying properties. For these assets, the valuation technique of external suppliers and fund managers is verified by requesting random valuation documentation.

Principles for reclassification between levels

Financial assets and liabilities measured at fair value are classified to one of the three valuation categories at acquisition and then normally retain that classification until they are sold. However, under certain circumstances a financial asset may be reclassified to another level after the acquisition date. The following principles apply to such reclassification:

Principle for reclassification between Level 1 and Level 2

To be reclassified from Level 1 to Level 2, the financial instruments must no longer be traded in an active market but still be capable of being valued in accordance with the description for Level 2. Similarly, a reclassification

from Level 2 to Level 1 may be done if the Level 2 financial instrument is quoted in an active market.

No financial instrument was transferred from Level 1 to Level 2 or from Level 2 to Level 1 in either 2024 or 2023.

Principle for reclassification between Level 2 and Level 3

A reclassification from Level 2 to Level 3 may be done if it is no longer possible to measure a financial instrument at fair value based on observable market inputs. Similarly, Level 3 financial instruments may be transferred to Level 2 if observable market inputs become available and an external price provider is able to measure fair value based on these inputs.

In 2024 there has been no financial instrument transferred from Level 2 to Level 3 or from Level 3 to Level 2. In 2023, one debt security was transferred from Level 2 to Level 3 and another debt security was transferred from Level 3 to Level 2.

Principle for reclassification between Level 1 and Level 3

A reclassification from Level 1 to Level 3 is done if a financial instrument is delisted from an active market and there are insufficient market inputs to allow for Level 2 measurement. Similarly, a reclassification from Level 3 to Level 1 may be done if the Level 3 financial instrument is quoted in an active market.

In 2024, no transfer has taken place from level 1 to level 3, but on the other hand, a move from level 3 to level 1 has taken place in connection with an unlisted shareholding being listed. During the corresponding period in 2023, there was no transfer from Level 1 to Level 3 or from Level 3 to Level 1.

Sensitivity analysis for Level 3 financial instruments

Under IFRS 13, a sensitivity analysis must be presented for those financial instruments that are measured at fair value in accordance with Level 3. The sensitivity analysis must include an explanatory description of the sensitivity of the fair value measurement to changes in unobservable inputs.

Level 3 assets consist mainly of financial instruments with real estate as the underlying asset, but also of a significant proportion of debt securities and unlisted shares and participations. For financial instruments with real estate and infrastructure as the underlying asset, the most relevant value-influencing factor is changes in the required rates of return on real estate. The corresponding, largest value-influencing factor for financial instruments consisting mainly of debt securities as underlying assets consists of changes in interest rates and for unlisted shares of stock market risk.

The following table presents the estimated effects on fair value if the required rates of return on real estate rose 0.5 percentage points, an interest rate increase of 1 percentage point and a share price decrease of 10 per cent.

Sensitivity Analysis

Group (SEK million)	Fair value	Value-influencing factor	Effect on fair value
Real estate related holdings	133,555	Return requirement increase of 0.5 percentage points	-25,184
Interest related holdings	77,459	Interest rate increase of 1 percentage point	-1,176
Share related holdings	61,557	Share price decrease of 10 per cent	-6,156
Total Level 3	272,571		-32,516

Heimstaden Bostad AB

Alecta's investment assets in respect of financial instruments are measured at fair value using IFRS 9 Financial Instruments and IFRS 13 Fair Value Measurement. Alecta's basic approach to valuing unlisted holdings in property companies is the NAV (net asset value) values reported in accordance with IFRS for these holdings. If there are reasons to assume that the value has been affected by specific characteristics of the share in the unlisted holding, an adjustment of the NAV shall be made. The outcome of this evaluation may mean that the NAV corresponds to the market value of the asset or a substance discount or premium can be identified. Factors that can lead to a substance discount or premium occurring are numerous and can shift over time. Factors that can be seen to have implicated a substance discount in the market for unlisted property investments in 2024 are:

NOTE 22 Valuation categories for financial instruments measured at fair value, *cont.*

market sentiment, financing risk, ratings, operational factors and the interest rate and inflation environment. Evaluation of these factors takes place on each closing date.

Heimstaden Bostad constitutes a significant holding for Alecta. In the valuation of this asset, significant estimates and assessments are made as the asset is classified as an asset within level 3 where the valuation is not based on observable information. To quality assure the valuation, Alecta has engaged independent valuation expertise to validate Alecta's assumptions.

In the valuation of Heimstaden Bostad, Alecta has assumed that the equity instruments that Alecta owns shall be valued as an entity in accordance with the guidelines that exist on the market via IPEV Valuation Guidelines.

The valuation of the holding in Heimstaden Bostad has thus been made on the basis of the NAV reported by the company. Alecta has subsequently carried out a new assessment of the value of the share. The renewed assessment means that a substance discount of 15 per cent should be applied to NAV. The applied substance discount as of 31/12/2024 is thus unchanged compared to 31/12/2023, i.e. 15 per cent.

Group	Fair values of financial instruments, 31/12/2024			Carrying amount 31-12-2024
	Measurement using prices quoted in an active market Level 1	Measurement based on observable inputs Level 2	Measurement based on unobservable inputs Level 3	
Assets				
Shares and participations	493,810	–	124,623	618,433
Shares and participations in associated companies and joint ventures	–	–	69,361	69,361
Debt securities issued by, and loans to, associated companies and joint ventures	–	741	2	743
Bonds and other debt securities	309,379	208,979	55,012	573,370
Loans secured by real estate	–	–	6,986	6,986
Other loans	–	–	16,587	16,587
Derivatives	–	4,998	–	4,998
Total assets	803,189	214,718	272,571	1,290,478
Liabilities				
Derivatives	–	29,609	–	29,609
Total liabilities	–	29,609	–	29,609
Parent Company				
Assets				
Shares and participations	493,810	–	123,777	617,587
Shares and participations in associated companies and joint ventures	–	–	59,377	59,377
Debt securities issued by, and loans to, associated companies and joint ventures	–	741	2	743
Bonds and other debt securities	309,379	208,979	55,012	573,370
Loans secured by real estate	–	–	2,880	2,880
Other loans	–	–	16,587	16,587
Derivatives	–	4,998	–	4,998
Total assets	803,189	214,718	257,635	1,275,542
Liabilities				
Derivatives	–	29,609	–	29,609
Total liabilities	–	29,609	–	29,609

NOTE 22 Valuation categories for financial instruments measured at fair value, *cont.*

	Fair values of financial instruments, 31/12/2023			
Group	Measurement using prices quoted in an active market Level 1	Measurement based on observable inputs Level 2	Measurement based on unobservable inputs Level 3	Carrying amount 31-12-2023
Assets				
Shares and participations	488,536	–	107,625	596,161
Shares and participations in associated companies and joint ventures	–	–	65,531	65,531
Debt securities issued by, and loans to, associated companies and joint ventures	–	377	1	378
Bonds and other debt securities	272,134	190,733	60,928	523,795
Loans secured by real estate	–	–	6,934	6,934
Other loans	–	–	11,319	11,319
Derivatives	–	32,792	–	32,792
Total assets	760,670	223,902	252,338	1,236,910
Liabilities				
Derivatives	–	11,622	–	11,622
Total liabilities	–	11,622	–	11,622
Parent Company				
Assets				
Shares and participations	488,536	–	106,803	595,339
Shares and participations in associated companies and joint ventures	–	–	55,901	55,901
Debt securities issued by, and loans to, associated companies and joint ventures	–	377	1	378
Bonds and other debt securities	272,134	190,733	60,928	523,795
Loans secured by real estate	–	–	4,767	4,767
Other loans	–	–	11,319	11,319
Derivatives	–	32,792	–	32,792
Total assets	760,670	223,902	239,719	1,224,291
Liabilities				
Derivatives	–	11,622	–	11,622
Total liabilities	–	11,622	–	11,622

NOTE 23 Disclosures on financial instruments measured at fair value based on Level 3¹⁾

Group	Fair value at year-end 2024						Total
	Shares and participations	Shares and participations in associated companies and joint ventures	Debt securities issued by, and loans to, associated companies and joint ventures	Bonds and other debt securities	Loans secured by real estate	Other loans	
Opening balance 2024	107,625	65,531	1	60,928	6,934	11,319	252,338
Purchases	13,012	737	1	3,250	1,950	11,398	30,348
Sales	-5,667	-71	-	-11,886	-2,012	-6,765	-26,401
Gains and losses	10,178	3,164	-	2,720	114	635	16,811
Realised gains/losses, sold entire holding	129	-	-	661	-	478	1,268
Realised gains/losses, sold portion of holding	-163	-	-	143	-	-5	-25
Unrealised gains/losses	2,960	2,141	-	-363	84	-259	4,593
Unrealised foreign exchange gains/losses	7,252	1,023	-	2,279	30	421	11,005
Transferred from Level 3	-525	-	-	-	-	-	-525
Transferred to Level 3	-	-	-	-	-	-	-
Closing balance 2024	124,623	69,361	2	55,012	6,986	16,587	272,571
Parent Company							
Opening balance 2024	106,803	55,901	1	60,928	4,767	11,319	239,719
Purchases	13,012	726	1	3,250	-	11,398	28,387
Sales	-5,615	-	-	-11,886	-2,001	-6,765	-26,267
Gains and losses	10,102	2,750	-	2,720	114	635	16,321
Realised gains/losses, sold entire holding	129	-	-	661	-	478	1,268
Realised gains/losses, sold portion of holding	-163	-	-	143	-	-5	-25
Unrealised gains/losses	2,908	2,558	-	-363	84	-259	4,958
Unrealised foreign exchange gains/losses	7,228	192	-	2,279	30	421	10,367
Transferred from Level 3	-525	-	-	-	-	-	-525
Transferred to Level 3	-	-	-	-	-	-	-
Closing balance 2024	123,777	59,377	2	55,012	2,880	16,587	257,635

¹⁾ The definition of Level 3 is in Note 22, Valuation categories.

Group	Fair value at year-end 2023						Total
	Shares and participations	Shares and participations in associated companies and joint ventures	Debt securities issued by, and loans to, associated companies and joint ventures	Bonds and other debt securities	Loans secured by real estate	Other loans	
Opening balance 2023	101,815	80,066	430	54,165	5,999	23,116	265,591
Purchases	12,111	2,868	261	17,322	1,411	2,025	35,998
Sales	-2,429	-416	-690	-10,583	-849	-13,642	-28,609
Gains and losses	-3,872	-16,987	-	130	373	-180	-20,536
Realised gains/losses, sold entire holding	-21	-226	-	521	-	-2	272
Realised gains/losses, sold portion of holding	-108	-	-	233	-	852	977
Unrealised gains/losses	-1,599	-16,379	-	879	372	-298	-17,025
Unrealised foreign exchange gains/losses	-2,144	-382	-	-1,503	1	-732	-4,760
Transferred from Level 3	-	-	-	-605	-	-	-605
Transferred to Level 3	-	-	-	499	-	-	499
Closing balance 2023	107,625	65,531	1	60,928	6,934	11,319	252,338
Parent Company							
Opening balance 2023	100,959	69,584	430	54,165	5,128	23,116	253,382
Purchases	12,111	2,829	261	17,322	100	2,025	34,648
Sales	-2,429	-257	-690	-10,583	-834	-13,642	-28,435
Gains and losses	-3,838	-16,255	-	130	373	-180	-19,770
Realised gains/losses, sold entire holding	-21	-226	-	521	-	-2	272
Realised gains/losses, sold portion of holding	-107	-	-	233	-	852	978
Unrealised gains/losses	-1,580	-15,952	-	879	372	-298	-16,580
Unrealised foreign exchange gains/losses	-2,130	-76	-	-1,503	1	-732	-4,440
Transferred from Level 3	-	-	-	-605	-	-	-605
Transferred to Level 3	-	-	-	499	-	-	499
Closing balance 2023	106,803	55,901	1	60,928	4,767	11,319	239,719

¹⁾ The definition of Level 3 is in Note 22, Valuation categories.

NOTE 24 Shares and participations

Group	2024		2023	
	Fair value	Cost	Fair value	Cost
Swedish listed shares	196,566	96,898	204,356	95,112
Swedish unlisted shares	798	1,562	1,823	2,230
Foreign listed shares	297,243	199,532	284,180	180,485
Foreign unlisted shares	123,826	111,079	105,802	96,356
Total	618,433	409,071	596,161	374,183
Parent Company				
Swedish listed shares	196,566	96,898	204,356	95,112
Swedish unlisted shares	798	1,562	1,823	2,230
Foreign listed shares	297,243	199,532	284,180	180,485
Foreign unlisted shares	122,980	110,665	104,980	95,931
Total	617,587	408,657	595,339	373,758

A list of all shares is available at alecta.se.

Accounting principle

Shares and participations are mandatorily measured at fair value through the income statement as they are held for trading. In the event of acquisitions at below cost price, the so-called day-1 gain is recognised only at the time of sale or when a market price exists. Valuation techniques for shares

and participations are described in Note 22. Accumulated changes in value for shares consist of the difference between cost and fair value. Dividends are reported as dividends received in the item Capital return, income Note 5.

NOTE 25 Bonds and other debt securities

Group and Parent Company	2024		2023	
	Fair value	Amortised cost	Fair value	Amortised cost
The Swedish Government	79,523	79,952	55,149	55,421
Swedish mortgage bonds	40,835	40,820	38,827	38,732
Other Swedish issuers	133,879	134,375	162,661	162,863
Foreign governments	189,204	205,569	129,266	144,681
Other foreign issuers	129,929	133,880	137,891	141,999
Total	573,370	594,597	523,795	543,696

The items, Swedish government and foreign governments also include state guaranteed holdings.

Group and Parent Company	2024	2023
Fixed-rate term		
0–1 year	231,315	238,428
>1–5 years	185,209	162,021
>5–10 years	85,432	69,865
>10 years	71,415	53,481
Total	573,370	523,795

Accounting principle

Bonds and other debt securities are measured at fair value through the income statement on initial recognition based on Alecia's business model. Valuation techniques for bonds and other debt securities are described in Note 22. Accumulated changes in value for debt securities instruments consist of the difference between amortised cost and fair value. Amortised cost refers to future payments discounted to present value at the effective

interest rate. The acquisition interest is the interest that is accrued over the term of the financial instrument. The calculation takes into account any premiums or discounts at acquisition that have been allocated over the remaining term of the instrument. Accruals of premiums and discounts, accrued interest income and coupon payments received are recognised as interest income in the item Capital return, income Note 5.

NOTE 26 Loans secured by real estate

Group	2024		2023	
	Fair value	Cost	Fair value	Cost
Swedish loans secured by real estate	5,689	5,686	5,737	5,749
Foreign loans secured by real estate	1,297	1,125	1,197	1,095
Total	6,986	6,811	6,934	6,844
Parent Company				
Swedish loans secured by real estate	1,584	1,580	3,570	3,581
Foreign loans secured by real estate	1,297	1,125	1,197	1,095
Total	2,880	2,705	4,767	4,676

Accounting principle

Loans secured by real property are measured at fair value through the income statement at initial recognition based on Alecta's business model. Changes in value are recognised in the income statement as unrealised

gains or losses. Valuation techniques are described in Note 22. Interest income is reported as interest income in the item Capital return, income Note 5.

NOTE 27 Other loans

Group and Parent Company	2024		2023	
	Fair value	Cost	Fair value	Cost
Other loans, Swedish	3,620	3,585	1,503	1,500
Other loans, foreign	12,967	13,248	9,816	9,806
Total	16,587	16,834	11,319	11,306

Accounting principle

Loans with collateral received other than real estate are reported here. Other loans are measured at fair value through the income statement at initial recognition based on Alecta's business model. Changes in value are

recognised in the income statement as unrealised gains or losses. Valuation techniques are described in Note 22. Interest income is reported as interest income in the item Capital return, income Note 5.

NOTE 28 Derivatives

Group and Parent Company	2024			2023		
	Fair value			Fair value		
	Nominal value	Assets	Liabilities	Nominal value	Assets	Liabilities
Equity-related instruments	-26,368	-	-	-24,633	-	-
<i>Futures</i>	-26,368	-	-	-24,633	-	-
Interest-related instruments	297,919	2,860	11,837	259,829	4,354	9,566
<i>Swaps</i>	149,207	2,860	11,828	148,584	4,350	9,563
<i>Futures</i>	148,824	0	0	111,189	-	-
<i>CDS</i>	-112	0	9	56	4	3
Currency-related instruments	572,644	2,138	17,772	477,815	28,438	2,056
<i>Futures/swaps</i>	572,644	2,138	17,772	477,815	28,438	2,056
Total	844,195	4,998	29,609	713,011	32,792	11,622

Management of collateral for derivatives is described in Note 29 Financial instruments subject to master netting agreements. For a description of the use of derivatives, refer to the Market risk section in Note 3 Risks and risk management.

Accounting principle

A derivative is a financial instrument the value of which is based on the performance of an underlying instrument. Alecta uses derivatives to improve the efficiency of the management of its assets and to reduce financial risks. Derivatives are mandatorily measured at fair value through the income

statement. Derivatives with positive fair values are recognised as financial investment assets while derivatives with negative fair values are recognised as liabilities on the balance sheet. Derivatives are reported in the income statement along with the underlying instrument and the net gain or loss is presented in Note 20. Alecta does not apply hedge accounting.

NOTE 29 Financial instruments subject to master netting agreements

Group and Parent Company	Financial assets recognised on the balance sheet	of which amounts are not offset but which are subject to master netting agreements or similar agreements in the event of insolvency	Financial collateral received	Cash collateral received	Net amount ⁴⁾
31/12/2024					
Assets					
Derivatives ¹⁾	5,998	-11,384	-	-2,176	0
Securities lending ²⁾	28,538	-	-29,352	-	0
	Financial assets recognised on the balance sheet	of which amounts are not offset but which are subject to master netting agreements or similar agreements in the event of insolvency	Financial collateral pledged ³⁾	Cash collateral pledged	Net amount ⁴⁾
Liabilities					
Derivatives ¹⁾	31,590	-11,384	-35,391	-257	0
Group and Parent Company	Financial assets recognised on the balance sheet	of which amounts are not offset but which are subject to master netting agreements or similar agreements in the event of insolvency	Financial collateral received	Cash collateral received	Net amount ⁴⁾
31/12/2023					
Assets					
Derivatives ¹⁾	33,808	-9,784	-217	-28,293	0
Securities lending ²⁾	31,591	-	-32,541	-	0
	Financial assets recognised on the balance sheet	of which amounts are not offset but which are subject to master netting agreements or similar agreements in the event of insolvency	Financial collateral pledged ³⁾	Cash collateral pledged	Net amount ⁴⁾
Liabilities					
Derivatives ¹⁾	12,523	-9,784	-7,613	-429	0

¹⁾ The amounts include accrued interest income of SEK 1,000 million (1,015) and accrued interest expenses of SEK 1,981 million (901).

²⁾ Lending of debt securities is described in Note 43 Transfer of financial assets.

³⁾ Collateral pledged is also reported in Note 42 Other pledged assets and comparable collateral.

⁴⁾ In accordance with IFRS 7, the net amount can never be less than 0.

Disclosures on financial instruments subject to master netting agreements

The purpose of this Note is to provide information on Alecta's ability to settle assets and liabilities on a net basis (offset) in the event of the insolvency of either party and on the collateral that has been exchanged for the net asset/liability that remains between the parties after netting.

Derivatives and loaned debt securities are reported as gross on the balance sheet. These financial instruments are subject to master netting agreements in the event of the insolvency of either party. All values in the table above are stated at fair value.

Derivatives

As at 31 December, derivatives with a positive value of SEK 5,998 million and derivatives with a negative value of SEK 31,590 million. All of Alecta's derivatives are subject to ISDA Agreements, under which the parties have a legally enforceable right to offset the recognised amounts in the event of insolvency. If there is no insolvency situation, the amounts are not netted. No insolvency situation has arisen in either 2024 or the corresponding period in 2023.

In addition to having the right to settle on a net basis, Alecta has concluded CSA agreements that regulate the daily exchange of collateral during the term of the derivative contracts. For those counterparties for which the sum of all derivatives is positive, Alecta obtains corresponding collateral and in cases in which the sum of all derivatives is negative, Alecta provides corresponding collateral. In accordance with these CSA agreements, Alecta has received SEK 0 million in debt securities and SEK 2,176 million in cash where the sum of all derivative contracts is positive. Similarly, Alecta has pledged SEK 35,391 million in debt securities as well as SEK 257 million in cash in cases where the sum of all derivatives is negative.

NOTE 30 Receivables related to direct insurance operations

Group and Parent Company	2024	2023
Receivables from policyholders	1,591	1,853
Total	1,591	1,853

Refers primarily to a receivable from Collectum, which handles Alecta's receivables from insurance customers in the defined benefit plan.

Accounting principle

Receivables related to direct insurance operations are recognised at amortised cost.

NOTE 31 Other receivables

Group	2024	2023
Payment receivables from sale of investment assets	116	888
Tax in Sweden	85	70
Foreign tax	2,726	2,006
Deferred tax ¹⁾	1,387	2,823
Approved dividend	137	119
Value added tax	36	20
Receivable, PRI Pensionsgaranti	0	0
Collateral pledged for derivatives ²⁾	257	429
Other	358	263
Total	5,102	6,617
Parent Company		
Payment receivables from sale of investment assets	116	888
Tax in Sweden	19	11
Foreign tax	2,726	2,006
Deferred tax ¹⁾	1,220	2,667
Approved dividend	137	119
Receivable from subsidiary	216	7
Receivable, PRI Pensionsgaranti	0	0
Collateral pledged for derivatives ²⁾	257	429
Other	44	36
Total	4,735	6,163

¹⁾ See also Note 12.

²⁾ See also Note 29.

Accounting principle

Other receivables are recognised at amortised cost. For rent and receivables, the simplified model is used for credit reservations. Continual assessments are done for credit reservations based on historic and current and forward-looking factors.

NOTE 32 Accrued interest and rental income

	Group		Parent Company	
	2024	2023	2024	2023
Accrued interest income subsidiaries	–	–	24	13
Accrued interest income	5,922	4,525	5,922	4,525
Total	5,922	4,525	5,947	4,538

Accounting principle

Prepaid expenses and accrued income

Prepaid expenses and accrued income refer to expenditure for future financial years and income earned during the financial year that has not been received or invoiced on the balance sheet date. Alecta's prepaid expenses and accrued income consist primarily of interest income not yet due for investment assets.

NOTE 33 Equity

For specification of the Group's changes in equity, refer to page 65, and for parent company changes in equity, refer to page 66.

Accounting principle

Surplus fund

Life insurance companies and occupational pension companies that do not have the right to distribute profits are required to maintain a surplus fund to which funds are allocated and used to cover losses. If permitted under the Articles of Association, the fund may also be used for other purposes. The surplus fund consists of collective funding, discretionary elements and special indexation funds.

Collective funding

Collective funding includes other risk capital, which is not allocated.

Discretionary participations

The discretionary participation reserve in equity consists of allocated refunds to policyholders and insured parties that have been allocated on a preliminary basis. Allocated refunds to the insured parties include pension supplements and adjustments of paid-up policy values for defined benefit pension products, as well as allocated refunds for defined contribution insurance on a preliminary basis. Allocated refunds to policyholders consist of a premium reduction for risk insurance. Allocated refunds to policyholders and the insured parties also include funds intended to cover the cost of measures forming part of the ITP plan, under which the parties to the collective agreement have been given the right to indicate how the funds should be used. The decision on the final use of the funds is made by Alecta's Board of Directors, provided that the Board unanimously agrees that the designated use is consistent with Alecta's interests as an insurance company. The allocation of surpluses is regulated in the Company funding policy in the actuarial guidelines. As the surplus is preliminary and not guaranteed, it is regarded as risk capital and is included in the surplus fund. The surplus is allocated in conjunction with payment under the applicable internal regulations and is recognised directly in equity.

Special indexation funds

Special indexation funds are funds contributed to Alecta for indexation of pensions in payment and for other pension-promoting purposes or alternatively, to be transferred to a foundation designed for indexation of pensions. Decisions on the use of the funds for these purposes are made by the Council. Special indexation funds are therefore not included in the capital base or the collective funding capital. Change items are recognised directly in equity. Alecta investigated whether special indexation funds should be separately reported outside the surplus fund and discussed the issue with the Swedish Financial Supervisory Authority in 2024. Alecta has continued to report special indexation funds as part of the surplus fund in the annual and sustainability report for 2024.

Translation reserve (Group)

Balance sheets of foreign subsidiaries are converted at the closing rates on the balance sheet date and income statements of foreign subsidiaries are converted at the average exchange rate for the year. Foreign exchange differences arising on conversion are recognised in Other comprehensive income and transferred to the Group's translation reserve. Currencies that have been converted are US dollars.

NOTE 34 Proposed appropriation of profits

The Board of Directors and CEO propose to the Council that the parent company profit for 2024 of SEK 90,246,855,257 be transferred to the surplus fund. The Board and CEO propose that the Council approve the resolution of the Board regarding refunds as set out in the section, Distribution of surplus in the Administration Report, pages 50–51, and the section Index-linked pension and premium reductions, page 52.

See also Proposed appropriation of profits in the Administration Report on page 51.

NOTE 35 Provision for life insurance

Group and Parent Company	2024	2023
Opening balance	607,851	516,503
Change for the year	73,248	84,705
Premiums	81,204	92,794
Payments	-23,665	-21,077
Interest	19,307	18,526
Released operating expenses	-745	-766
Yield tax	-2,381	-2,306
Mortality result	120	-77
Other changes	-592	-2,389
Change in interest rate assumption	-18,003	43,565
Difference between premium and TP assumptions	-31,464	-36,922
Closing balance	631,632	607,851

The calculation of technical provisions requires qualified judgements, as well as assumptions on mortality, morbidity, interest rates, expenses, tax and other variables. The valuation of life insurance provision is described in the Accounting principles and information on current assumptions and changes introduced during the year are described below. The sensitivity of the assumptions used as a basis for provisions is described in Note 3.

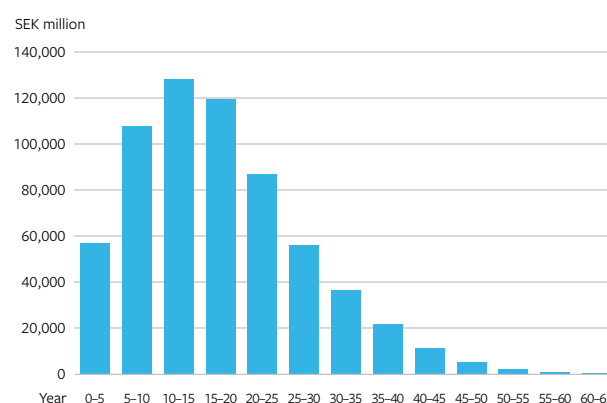
The following assumptions have been applied in calculating the provision for life insurance as at 31 December 2024:

- Interest rate assumption: The average interest rate was 2.95 per cent (2.74) as of 31 December 2024. The method of determining this rate is described in Note 3.
- Family pension assumption: Gender-dependent assumptions on family composition have been applied.
- Operating expense assumption: Future operating expenses are considered to consist of the present value of future expected expenses including cost increases due to inflation. Operating expenses are also recognised in connection with premium payments.
- Deduction for yield tax: Future yield tax is considered to consist of the present value of the yield tax that Alecta is expected to pay on assets representing the present value of guaranteed commitments. The yield tax charge is 0.45 per cent, corresponding to 15 per cent of the discount rate with a maturity of 15 years.

Interest rate sensitivity

- For longer terms, a fixed forward rate has been applied, which means that the average interest rate does not fluctuate as much as long-term market rates. If market rates were to fall by one percentage point, the average interest rate would fall by 0.64 percentage points and the provision for life insurance would increase by SEK 76.3 billion (66.9).

EXPECTED DISCOUNTED NET CASH OUTFLOW FOR RETIREMENT PENSION, FAMILY PENSION AND ORIGINAL ITPK



Accounting principle

Provision for life insurance

The provision for life insurance is calculated as the capital value of expected guaranteed future pension payments, operating expenses, yield tax and contracted future premiums.

Change in provision for life insurance

The change in the provision for life insurance reflects actual events during the period, such as premium payments received or outgoing payments made in conjunction with an insured event. The provision for life insurance is also adjusted by the interest for the period, assumed operating expenses, mortality results and the exercising of the right to switch pension providers, as well as by the amount of paid-up policies. In addition, the provision for life insurance is affected by any changes to the method of calculation and the assumptions applied. Examples of assumptions used in calculating the provision for life insurance are the discount rate, mortality and operating expenses. Changes in the provisions are recognised as an income and expense item in the income statement.

NOTE 36 Provision for claims outstanding

Group and Parent Company	2024	2023
Opening balance	13,656	13,028
Change for the year	1,832	193
Provision for new claims	5,413	4,748
Discontinuation profit/loss	-1,787	-1,759
Payments	-3,520	-3,386
Interest	292	321
Released operating expenses	-49	-50
Other changes	1,483	319
Change in interest rate assumption	-122	435
Closing balance	15,366	13,656

The calculation of technical provisions requires qualified judgements, as well as assumptions on mortality, morbidity, interest rates, expenses, tax and other variables. The valuation of provisions for claims outstanding is described in the Accounting principles and information on current assumptions and changes introduced during the year are described below. The sensitivity of the assumptions used as a basis for provisions is described in Note 3.

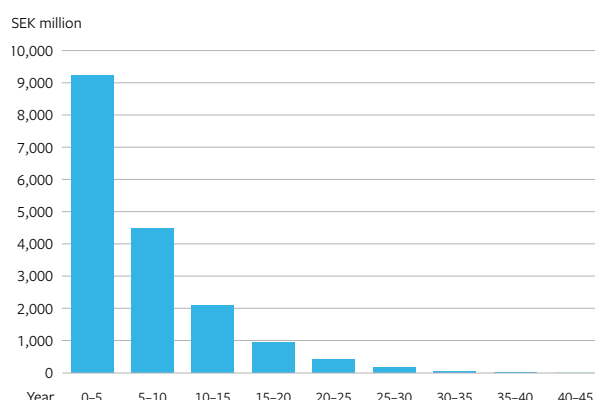
The following assumptions have been used in the calculation of the provision for claims outstanding with respect to disability pension and waiver of premium as of 31 December 2024 and which comprise the dominant portion of the provision:

- Interest rate assumption: The interest rate was 2.56 per cent (2.35) on 31 December 2024. The method of determining this rate is described in Note 3.
- Operating expense assumption: Future operating expenses are considered in the form of a supplement for expected pension payments. Operating expenses are also recorded in conjunction with premium payments.
- Indexation: It is assumed that benefits linked to changes in the price base amount and income base amount (guaranteed indexation) will increase annually by 2 per cent and 3 per cent.

Interest rate sensitivity

- If market rates fall by one percentage point, the provision increases by SEK 731 million (682).

EXPECTED DISCOUNTED NET CASH OUTFLOW FOR DISABILITY INSURANCE AND WAIVER OF PREMIUM INSURANCE



Accounting principle

Provision for claims outstanding

The provision for claims outstanding is intended to cover future costs for insurance claims arising due to incapacity to work. The technical provision is determined when the right to compensation arises. A portion of the provision for claims outstanding relates to claims incurred but not reported, and is based exclusively on the company's experience of the backlog of reported cases of illness. The backlog of reported cases of illness is usually limited to one year.

Change in provision for claims outstanding

The calculation of the provision for claims outstanding is based on Alecra's insurance portfolio and on actuarial assumptions made on the basis of Alecra's actuarial and underwriting calculation data. Changes in the portfolio or in the assumptions lead to a change in the provision for claims outstanding. Such changes are recognised as an income or expense item in the income statement.

NOTE 37 Other provisions

	Group		Parent Company	
	2024	2023	2024	2023
Indexation of pensions for former employees	0	2	0	1
Provision for real estate	4	4	2	1
Total	4	6	2	2

Accounting principle

A provision is a liability that is uncertain in terms of its due date and/or amount. A provision is recognised on the balance sheet when an existing obligation arises as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. An obligation can be legal or constructive. If these criteria are not met, no provision is recognised on the balance sheet. Instead, a contingent liability will arise if the criteria for such are met. Provisions are reviewed on each closing date. Provisions are used only for the expenditure for which the provision was originally intended.

NOTE 38 Liabilities related to direct insurance operations

Group and Parent Company	2024	2023
Liabilities to policyholders	10	10
Preliminary tax, pensions	744	688
Other	12	10
Total	766	708

Accounting principle

Liabilities related to direct insurance operations are recognised at amortised cost.

NOTE 39 Other liabilities

Group	2024	2023
Payment liability on purchase of investment assets	22	2,079
Collateral received for derivatives ¹⁾	2,176	28,293
Accounts payable	315	315
Property tax	57	56
Value added tax	24	20
Other	91	79
Total	2,685	30,842

All liabilities mature earlier than one year after the balance sheet date.

Parent Company	2024	2023
Liabilities to subsidiaries	1,403	1,716
Payment liability on purchase of investment assets	22	2,079
Collateral received for derivatives ¹⁾	2,176	28,293
Accounts payable	249	248
Property tax	52	52
Value added tax	6	4
Other	24	28
Total	3,932	32,421

¹⁾ See also Note 29.

NOTE 40 Other accrued expenses and prepaid income

	Group		Parent Company	
	2024	2023	2024	2023
Accrued interest expense	1,855	634	1,855	634
Accrued property costs	135	125	50	77
Accrued staff costs	68	91	66	89
Prepaid rental income	554	443	135	117
Other	29	11	20	3
Total	2,640	1,303	2,125	919

Accounting principle

Accrued expenses and prepaid income consist of expenses for the financial year incurred by the business but are unpaid or not invoiced on the balance sheet date, and income that has been paid or invoiced but has not been earned on the balance sheet date.

NOTE 41 Assets and comparable collateral pledged for own liabilities and for liabilities reported as provisions

Group and Parent Company	2024	2023
Assets registered on behalf of policy holders	1,219,512	1,221,677
<i>in addition to required pledge</i>	572,514	600,481
	1,219,512	1,221,677
Land and buildings	45,533	39,984
Shares and participations in associated companies and joint ventures	18,679	55,901
Debt securities issued by, and loans to, associated companies and joint ventures	763	398
Shares and participations	617,587	595,339
Bonds and other debt securities	539,494	488,972
Loans secured by real estate	2,905	4,819
Other loans	16,668	11,373
Derivatives	-25,592	21,284
Cash and bank balances	3,475	3,606
Total	1,219,512	1,221,677

The table above shows assets that have been registered for debt coverage under the regulations of the Swedish Financial Supervisory Authority. As of 12 February 2024, Heimstaden Bostad stock is not included in the debt coverage register.

NOTE 42 Other pledged assets and comparable collateral

Group and Parent Company	2024	2023
Collateral pledged to clearing houses for derivatives trading		
Bonds and other debt securities	9,297	8,062
Cash and bank balances	676	210
Collateral pledged for derivatives trading in accordance with CSA agreements		
Bonds and other debt securities	27,813	1,476
Cash and bank balances	24	262
Total	37,810	10,010

Collateral pledged for derivatives trading in accordance with CSA agreements is described in Note 29 Financial instruments subject to netting agreements.

NOTE 43 Transfers of financial assets

Group and Parent Company	2024	2023
Loaned debt securities	28,538	31,591
Collateral received for loaned securities	29,352	32,541

Accounting principle

Loaned debt securities consist of Swedish and French government bonds, which are recognised at fair value on the balance sheet in accordance with the applicable accounting principles. Collateral received for loaned debt securities consists of Swedish and Danish covered bonds and is not recognised on the balance sheet. Compensation received for loaned debt securities has been recognised as interest income in the item Capital return, income, see Note 5.

NOTE 44 Contingent liabilities and contingent assets

Contingent liabilities

Group	2024	2023
Remaining balance to be invested in investment assets	47,406	45,929
Total	47,406	45,929
Parent Company		
Remaining balance to be invested in investment assets	45,839	45,706
Liabilities in limited partnerships	153	121
Total	45,992	45,827

Contingent liabilities is a generic term for guarantees, financial commitments and obligations that are not included in the balance sheet.

Remaining balance to be invested in investment assets refers to an obligation to inject capital into certain unlisted investments. Alecta has a contractual commitment to reinvest dividends from Heimstaden Bostad under certain conditions.

In the course of its normal business operations Alecta is party to several disputes, most of which concern minor amounts. Alecta does not expect these disputes to have a materially adverse impact on the Group's financial position.

Contingent assets

Group and Parent Company	2024	2023
Expected foreign tax refund	123	-
Total	123	-

Contingent assets is a generic term for possible assets that are likely to be received, such as claims in a legal dispute with an uncertain outcome. Contingent assets are not included in the balance sheet.

Expected foreign tax refund relates to the likely outcome of a review process handled by the tax authority in California.

NOTE 45 Average number of employees, salaries, and remuneration

Average number of employees ¹⁾	2024			2023			Gender distribution in senior positions	2024		2023	
	Number of employees	Of whom women	Of whom men	Number of employees	Of whom women	Of whom men		Women	Men	Women	Men
Parent Company							Parent Company				
Sweden	355	199	156	333	190	143	Board of Directors	3	7	2	7
Total, Parent Company	355	199	156	333	190	143	CEO	–	1	–	1
Subsidiaries							Other senior executives	4	4	5	4
Sweden	116	64	52	90	49	41	Total, Parent Company	7	12	7	12
Total, subsidiaries	116	64	52	90	49	41	Subsidiaries				
Total, Group	471	263	208	423	239	184	Board of Directors	5	4	6	3
							Total, subsidiaries	5	4	6	3
							Total, Group	12	16	13	15

Salaries, remuneration and fees paid to CEO, senior executives, Directors and other employees ²⁾

SEK (thousands)	2024				2023			
	Salaries, fees and other remuneration	Social costs	Pension costs	Total	Salaries, fees and other remuneration	Social costs	Pension costs	Total
Parent Company								
CEO and senior executives ³⁾	31,213	10,180	7,458	48,851	49,408	16,139	8,620	74,167
Board of Directors ⁴⁾	2,834	890	–	3,724	3,046	957	–	4,003
Other employees ⁵⁾	298,439	103,783	49,922	452,144	289,619	92,963	49,383	431,965
Total, Parent Company	332,485	114,852	57,381	504,718	342,073	110,059	58,003	510,135
Subsidiaries								
Other employees	106,629	37,579	19,198	163,405	85,231	29,609	14,785	129,625
Total, subsidiaries	106,629	37,579	19,198	163,405	85,231	29,609	14,785	129,625
Total, Group	439,114	152,431	76,579	668,123	427,304	139,668	72,788	639,760

¹⁾ Refers to the average number of employees, both full-time and part-time.

²⁾ The note reflects expensed salaries, remuneration and fees in each financial year.

³⁾ Consists of senior management for 2024. For the current composition of senior management, see page 45. Salaries, fees and other remuneration in 2024 does not include severance pay (SEK 13.9 million).

⁴⁾ Members of the board receive directors' fees and fees for work on board committees, which are determined by the Council. In addition, one member received remuneration 2023 for the work on the nominations committee.

⁵⁾ Salaries, fees and other remuneration include severance pay, excluding social costs, of SEK 2.9 million (9.8).

NOTE 45 Average number of employees, salaries and remuneration, *cont.*

Salaries, remuneration, fees and benefits paid to senior executives and members of the board

SEK (thousands)	2024				
	Salaries, fees and other remuneration ¹⁾	Benefits ³⁾	Total remuneration ⁴⁾	Social costs	Pension costs
Parent Company					
CEO					
Peder Hasslev	6,969	57	7,026	2,745	2,213
Deputy CEO					
Katarina Thorslund	2,811	3	2,814	993	450
Other senior executives					
Senior executives ²⁾	21,348	24	21,372	6,442	4,796
Total, CEO and senior executives	31,128	85	31,213	10,180	7,459
Chair of the Board					
Jan-Olof Jacke	885	–	885	278	–
Other members of the board					
Marcus Dahlsten	221	–	221	69	–
Hans Fahlin from 25/04/2024	112	–	112	35	–
Martin Fridolf	221	–	221	69	–
Markus Granlund	253	–	253	79	–
Bo Kratz from 25/04/2024	129	–	129	40	–
Björn Oxhammar	221	–	221	69	–
Heléne Robson from 25/04/2024	74	–	74	23	–
Elisabeth Sasse	320	–	320	100	–
Viveka Strangert from 25/04/2024	74	–	74	23	–
Other members of the board who resigned					
Petra Hedengran until 25/04/2024	108	–	108	34	–
Magnus von Koch until 25/04/2024	108	–	108	34	–
Richard Malmberg until 25/04/2024	108	–	108	34	–
Total, Board	2,834	–	2,834	890	–
Total, Parent Company	33,961	85	34,046	11,070	7,459

¹⁾ Salaries, fees and other remuneration refer to remuneration expensed in relation to the financial year 2024.

²⁾ Other senior executives refers to seven positions (eight) which along with the CEO and the Deputy CEO, represented the Alecta senior management team. For the composition of senior management, see page 45. The expense refers to those individuals who held a senior executive position at some point during the year. No severance pay is included in salaries and fees for other senior executives in 2024.

³⁾ Typical benefits include household services, healthcare insurance and parking place in garage.

⁴⁾ Presentation of remuneration paid by Alecta, including variable remuneration in accordance with the Swedish Financial Supervisory Authority regulations and general guidelines on annual reports for insurance undertakings (FFFS 2019:23) will be published on alecta.se in May 2025.

NOTE 45 Average number of employees, salaries and remuneration, *cont.*

Salaries, remuneration, fees and benefits paid to senior executives and members of the board

SEK (thousands)	2023				
	Salaries, fees and other remuneration ¹⁾	Benefits ⁶⁾	Total remuneration ⁷⁾	Social costs	Pension costs
Parent Company					
CEO					
Magnus Billing until 10/04/2023 ²⁾	12,816	113	12,929	4,707	2,660
Katarina Thorslund (acting) from 10/04/2023 until 31/08/2023	1,662	1	1,663	568	189
Peder Hasslev from 01/09/2023	2,218	19	2,237	891	775
Deputy CEO					
Katarina Thorslund until 09/04/2023 and from 01/09/2023	2,582	2	2,583	883	294
Henrik Gade Jepsen until 14/06/2023 ³⁾	8,859	3	8,861	3,079	1,216
William McKechnie (acting) from 20/04/2023 until 31/08/2023	883	1	884	329	209
Other senior executives					
Senior executives ⁴⁾	20,229	21	20,249	5,682	3,279
Total, CEO and senior executives	49,249	159	49,408	16,139	8,620
Chair of the Board					
Ingrid Bonde until 02/10/2023	813	–	813	255	–
Jan-Olof Jacke from 02/10/2023	63	–	63	20	–
Other members of the board					
Marcus Dahlsten	213	–	213	67	–
Martin Fridolf	213	–	213	67	–
Markus Granlund	229	–	229	72	–
Petra Hedengran	213	–	213	67	–
Jan-Olof Jacke until 01/10/2023	188	–	188	59	–
Magnus von Koch	213	–	213	67	–
Richard Malmborg	213	–	213	67	–
Björn Oxhammar	108	–	108	34	–
Elisabeth Sasse	108	–	108	34	–
Other members of the board who resigned					
Hanna Bisell	120	–	120	38	–
Ann Grevelius ⁵⁾	104	–	104	33	–
Martin Linder until 11/12/2023	250	–	250	79	–
Total, Board	3,046	–	3,046	957	–
Total, Parent Company	52,295	159	52,453	17,096	8,620

¹⁾ Salaries, fees and other remuneration refer to remuneration expensed in relation to the financial year 2023.

²⁾ The salaries and fees for Magnus Billing include severance pay of a total of SEK 6.4 million corresponding to 12 months' salary. Benefits in the event of any other employment shall be deducted from the severance pay.

³⁾ Salaries and fees for Henrik Gade Jepsen include severance pay totalling SEK 5.1 million corresponding to 12 months' salary. Benefits in the event of any other employment shall be deducted from the severance pay.

⁴⁾ Other senior executives refer to eight positions (six), which along with the CEO and the Deputy CEO, represented the Alecta senior management team. The expense refers to those individuals who held a senior executive position at some point during the year. Salaries and fees for other senior executives include severance pay of a total of SEK 2.4 million corresponding to 12 months' salary. Benefits in the event of any other employment shall be deducted from the severance pay.

⁵⁾ Ann Grevelius resigned from her position on the Board in April 2023 and took up the position of acting Head of Equity.

⁶⁾ Typical benefits include household services, healthcare insurance and parking place in garage.

⁷⁾ Presentation of remuneration paid by Alecta, including variable remuneration in accordance with the Swedish Financial Supervisory Authority regulations and general guidelines on annual reports for insurance undertakings (FFFS 2019:23) was published on alecta.se in April 2024.

NOTE 45 Average number of employees, salaries and remuneration, *cont.*

Remuneration to directors, CEO and other senior executives

The Chair and other members of the Board of Directors receive directors' fees in accordance with resolutions adopted by the Council. The fees decided by the Council refer to the time until the next ordinary Council meeting. Remuneration paid to the CEO and senior executives in 2024 consisted of basic salary, other benefits, such as healthcare insurance, pension costs and social costs.

Remuneration to the CEO is determined by the Board and is reviewed annually. Remuneration for senior executives is determined by the CEO and approved by the Board.

Other senior executives refer to the eight individuals who along with the CEO represent the Alecta management team. For the current composition of senior management, see page 45.

In accordance with the Swedish Financial Supervisory Authority regulations and general guidelines on annual accounts at insurance undertakings (FFFS 2019:23), supplementary disclosures on remuneration will be presented on the Alecta website, alecta.se in May 2025.

Pensions, severance pay and other benefits to the CEO, deputy CEO and other senior executives

The CEO has a pension agreement under which 35 per cent of the monthly salary is set aside each month for pensions, including provisions for the FTP plan. Any portion of the provision that exceeds the contribution required for the FTP plan may be used for retirement pension, survivor's pension and/or disability pension as decided by the CEO. The pensionable age for the CEO is 65. The CEO employment contract is terminable with six months' notice by the company, in which case the CEO is entitled to severance pay of an amount of twelve months' salary. Full settlement of benefits in the event of any other employment takes place during a period corresponding to the severance pay. The contract can be terminated by the CEO with six months' notice.

The deputy CEO is also covered by FTP2. According to a previous contract, the notice period is 18 months by the company, with any benefits received from other employment being fully deductible. The contract can be terminated by the Deputy CEO with six months' notice.

Other senior executives are covered by the FTP plan, all of which have FTP 1. Their contracts are terminable with six months' notice in case of termination by the company and provide for severance pay for an amount of twelve months' salary. Full settlement of benefits in the event of any other employment takes place during a period corresponding to the severance pay. Since early 2013, employees of Alecta have had the option of exchanging a part of their salary for occupational pension premiums. Salary exchange is cost neutral for Alecta. This opportunity includes all employees of the Alecta Group.

Incentive schemes

Since 2013, the Group has had a general incentive programme for variable remuneration in Alecta Tjänstepension Ömsesidigt and Alecta Fastigheter AB (from 2023). The programme has included all employees except senior management and managers of the central functions. The outcome of the general incentive program has been governed by target achievement linked to long-term goals in each year's business plan, and has been credited to employees in the form of an increased occupational pension premium.

For the previous year, all targets were fully met, given the goal formulations, which meant that around SEK 8 million including social costs were reserved in 2023. However, decisions on variable remuneration for 2023 were postponed in light of Alecta's crisis regarding confidence. The reserve has been recognised as income in 2024 as the Boards decided in November that no variable remuneration for 2023 will be paid. At the same time, the Boards also decided to end the variable remuneration programme and to compensate it with a general salary increase to all employees covered by the programme. The salary increase corresponds to the annual average variable remuneration since 2013. This means a salary increase of SEK 785 as of 1 January 2025. This salary increase is in addition to the annual salary reviews.

The Group also has a subsidiary, with conference and catering activities, which has an incentive scheme for variable remuneration. The scheme yielded an outcome in 2024 that entails a cost for Alecta of approximately SEK 0.5 million including social costs (0.5).

Pension plans

All employees of Alecta Tjänstepension Ömsesidigt are covered by the occupational pension plan, FTP 17. The plan consists of two parts, FTP 1 and FTP 2. Employees born in 1972 or later are covered by FTP 1, while employees born in 1971 or earlier are covered by FTP 2. FTP 1 covers defined contribution retirement pensions with or without repayment cover, family cover, disability pension and waiver of premium insurance. The premium for retirement pension is 5.5 per cent of the gross salary on portions of salary up to 7.5 times the income base amount and 31.3 per cent on portions of salary in excess of 7.5 times the income base amount. Employees born in 1971 or earlier with a salary in excess of ten times the income base amount can choose to be covered by FTP 1. FTP 2 is a defined benefit pension plan, which means that the employee is guaranteed a pension defined as a specific percentage of their final salary. It also includes a defined contribution retirement pension FTPK, where the premium is 2.9 per cent of the salary. FTP 2 includes retirement pension, family pension, FTPK, disability pension, family cover, waiver of premium insurance and a separate children's pension.

Pension commitments are guaranteed through payments of fixed insurance premiums during the period of service. Under IAS 19, as a rule, multi-employer defined benefit pension plans should be recognised as defined benefit pension plans. If insufficient information is available to determine the employer's share of the obligations and managed assets, the pension plan should instead be reported as if it were a defined contribution pension plan. Alecta reports the whole FTP plan as a defined contribution plan, as the criteria for recognising the defined benefit components of the plan in accordance with the main rule in IAS 19 are not met. This means that the expense is recognised when the benefits are earned. The total insurance premium for defined benefit retirement and family pensions in FTP 2 amounted to SEK 8.7 million in 2024 and is expected to reach SEK 9.1 million in 2025. The premium represents approximately 0.05 per cent of the total premiums for defined benefit retirement and family pensions paid to Alecta by the client companies. Premiums are calculated on a per insured party basis and for each type of benefit by applying Alecta's assumptions on interest rates, operating expenses and yield tax.

Alecta's collective funding ratio for defined benefit plans at the end of the year was 162 per cent (158). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders, calculated using Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. According to Alecta's funding policy for defined benefit insurance products, the specific normal range for the funding ratio is 125–170 per cent.

The subsidiaries have mainly defined contribution plans. These plans are guaranteed mainly through payments of insurance premiums by each Group company and in some cases also by the employees. Some Group companies also provide different forms of healthcare insurance.

Provision for pensions

In the parent company, the calculation of the provision for pensions for Alecta employees is done in compliance with the Swedish Pension Obligations Vesting Act and based on assumptions provided for in Regulation FFFS 2007:31 of the Swedish Financial Supervisory Authority.

NOTE 46 Disclosure of auditor fees

	Group		Parent Company	
	2024	2023	2024	2023
Statutory audit	5.9	8.2	4.4	6.8
Audit activities not included in statutory audit	–	–	–	–
Tax advisory services	0.2	0.1	0.2	0.1
Other services	0.6	0.4	0.3	0.4
PwC	6.7	8.7	4.9	7.3
Statutory audit	0.1	–	–	–
Audit activities not included in statutory audit	–	–	–	–
Tax advisory services	–	–	–	–
Other services	–	–	–	–
RSM	0.1	–	–	–
Statutory audit	–	0.4	–	0.4
Audit activities not included in statutory audit	–	–	–	–
Tax advisory services ¹⁾	–	1.3	–	–
Other services	–	–	–	–
EY	–	1.6	–	0.4
Statutory audit	–	1.1	–	–
Audit activities not included in statutory audit	–	–	–	–
Tax advisory services	–	–	–	–
Other services	–	0.4	–	0.4
KPMG	–	1.5	–	0.4

¹⁾ Of which SEK 0 million (1.3) relates to tax advice by EY in the US.

NOTE 47 Leases

Alecta has entered into leases for site and land leaseholds, premises and office equipment. The due dates for the total amount of future minimum lease payments under non-cancellable leases as of 31 December are indicated below.

	Group		Parent Company	
	2024	2023	2024	2023
Due date				
Within one year	13.2	12.0	8.7	7.7
Later than one year but within five years	33.7	31.2	17.6	15.7
Later than five years	–	–	–	–
Total	46.9	43.1	26.2	23.4
Total lease payments during period	13.2	12.0	8.7	7.7
of which minimum lease payments	13.2	12.0	8.7	7.7

Accounting principle

Alecta as a lessee reports leasing fees as costs linearly over the lease period in both the parent company and the Group.

NOTE 48 Related party disclosures

This note contains descriptions of transactions between Alecta and related parties, as defined in IAS 24 Related Party Disclosures. Alecta considers the following legal entities and physical persons to be related parties according to this definition:

- all companies in the Alecta Group
- members of the Board, senior management and managers of central function units
- close family members of members of the Board, senior management and managers of central functions
- The Confederation of Swedish Enterprise, PTK and their member organisations/unions
- associated companies and joint ventures.

Like other transactions, transactions with related parties must be undertaken on commercial terms. When such transactions are undertaken, particular attention must be paid to the internal rule on handling of conflicts of interest and Alecta's ethics policy, both of which have been adopted by Alecta's Board of Directors.

The operations of Alecta are conducted in accordance with principles of mutuality. The profit or loss arising in the company must be returned to or borne by the policyholders and the insured parties. The operations are conducted on a non-profit basis and no profits are distributed. Subsidiaries are regarded primarily as capital investments for the purpose of generating the best return for the owners.

Transactions between Alecta and Group companies

The transactions that take place from Alecta to subsidiary companies refer to loans or shareholder contributions provided in connection with investments made by the subsidiaries. Transactions from subsidiary companies to Alecta refer mainly to loan repayments and interest payments, as well as dividends. Shares and participations in Group companies are presented in Note 16.

Alecta Tjänstepension Ömsesidigt provides premises and internal services for functions including finance, IT and HR for the subsidiary company, Alecta Fastigheter AB.

Alecta Tjänstepension Ömsesidigt in turn receives management services for directly owned properties and indirect investments from Alecta Fastigheter AB. In addition, Alecta Tjänstepension Ömsesidigt receives property management services from Alecta Fastigheter AB, as Alecta Fastigheter AB takes care of the management and development of the Group's Swedish properties.

The remuneration for the internal transactions belongs to property management and is shown in the table.

Transactions with members of the Board, senior management and their immediate families

Related party agreements refer to transactions that involve the transfer of resources, services or obligations between Alecta and related parties even if compensation is not paid. Transactions resulting from participation in collectively agreed pension schemes managed by Alecta are not to be included as related party transactions. No remuneration was paid to family members of related parties in 2024.

Information on remuneration of senior executives and members of the Board is presented in Note 45.

Transactions with the Confederation of Swedish Enterprise and PTK

The Confederation of Swedish Enterprise and the Council for Negotiation and Cooperation (PTK) are central labour market organisations in the Swedish private sector. Organisations and unions that are members of each central organisation are included on the nomination committees that appoint members of Alecta's Council and thus indirectly also of Alecta's board on behalf of shareholders. No transactions took place between Alecta and the Confederation of Swedish Enterprise and PTK in 2024.

In 2024 there were no portfolio transfers made.

Transactions with associated companies and joint ventures

Joint ventures are defined as entities in which Alecta exercises joint control together with the other co-owners. Associated companies are defined as

NOTE 48 Related party disclosures, cont'd.

entities where Alecta has a significant influence over operational and financial governance without having a controlling or joint controlling influence. Directly or via a subsidiary, Alecta Tjänstepension Ömsesidigt is a co-owner of a number of joint ventures and associated companies in Sweden and the United States.

Transactions between Alecta and these joint ventures and associated companies concern lending, shareholder contributions, dividends and interest payments, and are shown in the table below.

In 2024, the Group invested SEK 593 million (908) in associated companies and joint ventures.

The list of associated companies and joint ventures can be found in Note 18.

Information on transactions between the Parent Company, Alecta Tjänstepension Ömsesidigt and related parties

Related parties	Payments received		Payments made	
	2024	2023	2024	2023
Group companies				
Interest income	1,087	970	–	–
Interest expenses	–	–	70	85
Share of profit	109	93	–	–
Property management	27	36	79	73
Dividends	543	640	–	–
Withdrawal limited partnerships ¹⁾	165	56	–	–
Shareholder contributions provided	–	–	354	1,457
Deposits limited partnership ¹⁾	–	–	31	1,038
Associated companies and joint ventures				
Interest income	24	48	–	–
Dividends	628	2,644	–	–
Shareholder contributions provided	–	–	137	–
Total	2,583	4,487	671	2,652

¹⁾ The comparative figure has been adjusted after a review of transactions with limited partnerships.

Information on the outstanding claims and liabilities to related parties of the parent company, Alecta Tjänstepension Ömsesidigt as at 31 December

Related parties	Receivables		Liabilities	
	2024	2023	2024	2023
Group companies				
Non-current receivables	24,785	18,630	–	–
Receivables from/liabilities to Group companies	214	–	1,403	1,708
Accrued interest income	24	13	–	–
Associated companies and joint ventures				
Debt securities issued by and loans to	743	378	–	–
Total	25,767	19,021	1,403	1,708

NOTE 49 Significant events after the balance sheet date

In February, Alecta received a notification from the Swedish Financial Supervisory Authority that Magnus Hall has been approved as the new Chair of the Board in the management review conducted by the authority. Alecta's Nomination Committee therefore intends to nominate Magnus Hall as new Chair of the Board ahead of the ordinary meeting of the Council on 8 May 2025 where a decision on a new Chair of the Board will be made.

Magnus Hall has been CEO of Vattenfall and AB Holmen. He is the Chair of the Board of Södra Skogsägarna and Höganäs AB. He has previously been a board member of AMF, Chair of the Association for Good Practice in the securities market and vice president of IVA, Royal Swedish Academy of Engineering Sciences.

Signatures of Board and CEO

We hereby declare that to the best of our knowledge, the annual accounts and consolidated financial statements have been prepared in accordance with generally accepted accounting principles, the information provided gives a true and fair view of the circumstances of the Company and Group and nothing of material significance has been omitted that could affect the view of the Company and Group created by the annual accounts and consolidated financial statements. Our assurance also applies to the statutory sustainability report.

Stockholm, date indicated by our electronic signature.

Jan-Olof Jacke
Chair

Elisabeth Sasse
Deputy chair

Marcus Dahlsten
Member of the Board

Hans Fahlin
Member of the Board

Martin Fridolf
Member of the Board

Markus Granlund
Member of the Board

Bo Kratz
Member of the Board

Björn Oxhammar
Member of the Board

Heléne Robson
Member of the Board

Viveka Strangert
Member of the Board

Hannes Hultcrantz
Employee representative

Birgitta Pernkrans
Employee representative

Peder Hasslev
CEO

Our audit report has been submitted on the day shown by our electronic signature.

Öhrlings PricewaterhouseCoopers AB

Morgan Sandström
Authorised Public Accountant

Auditor's report

This is the translation of the auditor's report in Swedish. If there are differences, the Swedish original has precedence.
To the Council in Alecta Tjänstepension Ömsesidigt, org.nr 502014-6865

Report on the annual accounts

Opinions

We have audited the annual accounts and consolidated accounts of Alecta Tjänstepension Ömsesidigt for the year 2024. The annual accounts and the consolidated accounts of the company are included on pages 46–102 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act in Insurance Companies and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance for the year then ended in accordance with the Annual Accounts Act in Insurance Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act in Insurance Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and its financial performance for the year then ended in accordance with the Annual Accounts Act in Insurance Companies. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

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 parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on our best knowledge and belief, no prohibited services referred to in Article 5.1 of the Auditor Regulation (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated 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 our 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 group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Auditor's report, *cont.*

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matters

Valuation of provisions for life insurance

As of 31st December 2024 provisions for life insurance in the parent company is of significant amount, and constitutes approximately 92% of the parent company's total liabilities. Provisions for life insurance in the group constitutes approximately 92% of the group's total liabilities.

Provision for life insurance depends on assumptions about the future and involves complex calculations.

The significant assumptions include assumptions about life expectancy, interest rates, family pension, operating expenses, and deductions for investment tax.

Incorrect applications of models and judgements of assumptions can have a significant impact on the valuation of provision for life insurance, which is why this area is considered particularly important in the audit.

See note 1 Group and Parent Company accounting principles, note 2 Significant estimates and judgements, note 3 Risks and risk management and note 35 Provision for life insurance.

How our audit addressed the key audit matter

Our audit measures have included, but are not limited to:

- Assessment of the design and testing of the effectiveness of a sample of controls over the process for calculating provision for life insurance.
- Assessment of the methods, models, and assumptions used against industry practices.
- Sampling testing of input data in actuarial calculations and control calculations for a portion of the life insurance portfolio.
- We have used an actuarial specialist in the audit
- We have reviewed the information presented in the annual report.

Valuation of unlisted investments (level 3) including Land and Buildings to fair value.

The parent company's and the group's Level 3 investment assets and properties is of significant amount as of December 31, 2024, constituting approximately 20% of the parent company's total assets and approximately 24% of the group's total assets, respectively.

Given the size of the balance sheet item in relation to total assets and the fact that the valuation of properties and unlisted financial instruments at level 3 requires management's estimates and judgments, the valuation of level 3 investment assets has been considered a particularly significant area in our audit.

See note 1 Group and Parent Company accounting principles, note 2 Significant estimates and judgements, note 3 Risks and risk management, note 15 Land and buildings, note 22 Valuation categories for financial instruments measured at fair value and note 23 Disclosures on financial instruments measured at fair value based on level 3.

Our audit measures have included, but are not limited to:

- Assessment of the design and testing of the effectiveness of a sample of controls over the process for calculating fair value.
- We have assessed the models and methods used by the company in the valuation process.
- For a sample of valuations, we have evaluated the reasonableness of management's estimates and judgments in calculating fair values.
- Assessment of the use of valuation methods in accordance with applicable accounting principles and industry practices.
- We have reviewed a selection of management's judgments by comparing previous year's valuations to actual outcomes upon sale.
- We have utilized valuation specialists in the audit.
- We have reviewed the information presented in the annual report

Auditor's report, *cont.*

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1–45 and 107–125. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. 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 we, based on the work performed concerning this information, 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 the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Insurance Companies. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group'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 company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated 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 and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated 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 company'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 and consolidated 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 company's and the group'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 and consolidated 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 and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions

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 I identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

Auditor's report, *cont.*

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Alecta Tjänstepension Ömsesidig for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the Council of that the profit be appropriated in accordance with the proposal in the Director's report and that the members of the Board of Directors and the Managing Directors be discharged from liability for the financial year.

Basis for opinion

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 parent company and the group 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 is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a secure manner.

The board of directors audit committee shall without affecting the board of directors other responsibilities and duties, among other things, monitor the company's financial reporting.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Occupational Pension Companies Act, the Insurance Business Act, the Annual Accounts Act for Insurance Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Occupational Pension Companies Act.

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 company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Occupational Pension Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. 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 company'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. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Occupational Pension Companies Act.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, was appointed auditor of Alecta Tjänstepension Ömsesidig at the Council of administration on the 25th of April 2024 and has been the company's auditor since 20th of April 2023.

Stockholm the day stated in our electronic signature

Öhrlings PricewaterhouseCoopers AB

Morgan Sandström
Authorised Public Accountant

Glossary

Adjustment of paid-up policy values

Assigned refunds through an increase of the pension entitlement earned before retirement age. This adjustment is made primarily to compensate for inflation.

Agency agreement with Collectum

Agreement according to which Collectum is to perform administrative services regarding the ITP plan for Alecta.

Allocated refunds

Surplus that is allocated

- policyholders in the form of future reduction of premiums
- the insured parties in the form of a future increase in insurance benefit
- to cover the cost under the ITP plan. The parties to the collective agreement have been granted the right to indicate how the funds are to be used.

Allocated refunds are not formally guaranteed.

Asset management expense ratio

Operating expenses for asset management relative to average assets under management.

Assets under management

Calculated as equity, life insurance provision and outstanding claims, according to the balance sheet.

Capital base

The insurance company must have sufficient capital, calculated as capital base to be able to cover any future unforeseen losses. The capital base consists of the difference between the company assets less intangible assets and financial liabilities, special indexation funds and the technical provisions.

Capital value

The estimated present value of future payment flows.

Collective funding capital

The difference between the distributable assets, valued at market value and the insurance commitments (both guaranteed commitments and allocated refunds) to policyholders and insured parties.

Collective funding ratio

Distributable assets divided by insurance commitments to policyholders and the insured parties (both guaranteed commitments and allocated refunds).

Company-linked funds

Funds that were allocated to the policyholders of the surplus in Alecta generated between 1994–1998. The funds were used during the years 2000–2007 and have mainly been used for pension premiums within Alecta and other life insurance companies.

Default option

In a defined contribution plan where the employee has not made an active choice of insurance company, the employee automatically becomes a customer of the insurance company that was appointed as a default option in the procurement of the management of the plan.

Defined benefit insurance (ITP 2)

Defined benefit pension means that the amount of the pension is determined in advance, for example, that it must be a certain amount or a certain percentage of the final salary.

Defined contribution insurance

Defined contribution pension means that the size of the premium is determined in advance. For example, it may be a certain percentage of the salary or a certain amount. The size of the pension depends on the amount of pension capital at retirement.

Discount rate

The interest rate used to calculate the present value of future deposits and payments.

Distributable assets

The total market value of the assets after deductions for financial liabilities and special indexation funds.

Financial position

The relationship between assets and liabilities where the key performance indicators for Alecta are a collective funding ratio and solvency ratio.

Guaranteed refunds

Surplus allocated

- policyholders in the form of a reduction in the premium
- the insured parties in the form of a guaranteed insurance benefit or additional paid amount/pension supplement
- to cover the cost under the ITP plan. The decision on the final use of the funds is made by Alecta's Board of Directors, provided that the Board unanimously agrees that the designated use is consistent with Alecta's interests as an insurance company.

Guaranteed refunds are formally guaranteed.

Insurance contracts

A contract between the insurer and the policyholder that contains a significant insurance risk.

Insured party

The person covered by the insurance.

Investments

The investment assets, cash and bank balances and other assets and liabilities related to investment assets (for example, accrued interest income) at market value on the balance sheet.

Investment assets

Assets with the character of a capital investment at market value on the balance sheet including debt securities, equities and real estate.

Management expense ratio

Operating expenses in the insurance business (acquisition and administrative costs) and claims settlement expenses relative to average assets under management. The key performance indicator is calculated in total and for defined contribution and defined benefit insurance.

Occupational group life insurance (TGL)

A life insurance that provides the survivors with a fixed amount in the event of the death of the insured party before retirement. Under the collective agreement, the employer is obliged to take out insurance for its employees.

Original ITPK

Defined premium ITPK was added in 1977 and was then automatically invested in Alecta. From 1990, the individual had to make their own choices. Those who made no choice until 2007 had their ITPK placed in the default option, original ITPK. No additional money has been invested in the original ITPK after 2007.

Pension supplement

Refunds allocated to the insured party in addition to the guaranteed defined benefit pension. Under the applicable actuarial guidelines, the pension supplement must not exceed the increase in the consumer price index for the year concerned, starting from the date on which the first pension payment was made to the insured party. The pension supplement is determined by the Board each year and is allocated in conjunction with the payment.

Policyholder

Anyone who has entered into an insurance contract with an insurance company.

Premium rate

For defined benefit insurance, the size of the premium depends partly on the premium rate applied. The premiums paid including the cumulative return based on the premium rate, must be sufficient to pay the guaranteed benefit during the payment period. This means that the premium will be higher the lower the applied premium rate.

Premium reduction

Reduction of the premium by allocating or assigning a refund.

Premium waiver insurance

Part of the collective risk insurance for the ITP plan, which means that the employer is exempt from premium payment if an insured party is affected by inability to work. In such cases, premiums for the insurance under the ITP plan are paid from the premium waiver insurance and are recognised as an insurance benefit.

PRI model

Rather than paying premiums to an insurance company, the employer reports its pension commitment as a liability on the balance sheet. The distribution of funds begins only on the retirement of an employee. A credit insurance arrangement with PRI Pensionsgaranti guarantees that the employees will receive their pensions even if their employer becomes insolvent.

Present value

The present value of cash flows that will occur in the future.

Risk insurance

Insurance for which the entire premium is used to cover the risk costs. There is no savings component in this type of insurance.

Solvency margin

The required solvency margin is a minimum requirement for the size of the capital base. The solvency margin represents just over four per cent of the technical provisions.

Solvency ratio

Total market-valued assets less intangible assets and financial liabilities relative to the guaranteed commitments.

Special indexation funds

Funds contributed to Alecta and allocated to guarantee the indexation of pensions or for other pension promotion purposes or allocation to a foundation with the purpose of securing pensions. Decisions on the use of the funds for these purposes are made by the Council. Special indexation funds are therefore not included in the capital base or the collective funding capital.

Supplementary amounts

Refunds allocated to the insured parties in addition to the guaranteed defined contribution pension.

Technical provisions

Technical provisions (TP) are the capital value of the insurance company's guaranteed commitments to the policyholder and the insured party. Technical provisions consist of life insurance provisions and provisions for outstanding claims.

Total return

The return on investments, adjusted for cash flows and expressed as a percentage. Calculated in accordance with the recommendations of Insurance Sweden.

Sustainability-related information

Template relating to periodic disclosures for the financial products referred to in Article 8 paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and the first paragraph of Article 6 of Regulation (EU) 2020/852

Product name:
Alecta Optimal Pension

Legal entity identifier:
5493003P9RHFT66VQS66

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contribute to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU taxonomy

is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. The Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☐ Yes

- ☐ It made **sustainable investments with an environmental objective:**
- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective:

☒ ☐ ☐ **No**

- ☒ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective sustainable investment, it had a proportion of 6.7 per cent (%) of sustainable investments.
- ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective
- ☐ It promoted E/S characteristics, but did not **make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

See description of the promotional characteristics and how they are followed up on the next page. Derivatives are not considered to have contributed to the promotional characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

• How did the sustainability indicators perform?

Environmental characteristics – Climate

Alecta's overall climate objective is for the investment portfolio to be compatible with the 1.5 degree objective of the Paris Agreement and have a net zero climate footprint by 2050, which means that the underlying assets must also work actively on transition. Alecta considers climate aspects both before investment and under management for asset classes of equities, corporate bonds, lending to states and municipalities, direct and indirect real estate investments and infrastructure. Alecta refrains from investing in or financing companies that receive more than 5 per cent of their revenue from the extraction of thermal coal or unconventional oil and gas or energy companies with more than 5 per cent of their revenue from coal power.

For equities and corporate bonds, Alecta uses data and information from both external data providers in the analysis and directly from the portfolio companies in order to monitor developments in climate efforts. Dialogues with portfolio companies are a tool for increasing transparency and promoting climate efforts. In relevant cases, Alecta may vote for climate-related proposals at the general shareholders' meetings. The directly owned properties have energy efficiency targets and their climate footprint is monitored and reported along with energy use. Alecta environmentally certifies properties where possible. In externally managed funds, climate reporting is subject to negotiation and follow-up. When lending to states, supranational institutions and municipalities, green bonds are encouraged. Since 2023, Alecta does not directly finance countries that lack a climate objective.

Alecta does not use an index for comparison but follows a number of indicators for portfolio companies; including the climate footprint of the investments, science-based climate targets, corporate engagement dialogues on climate, voting at meetings on climate matters and screening for carbon content in assets. As the underlying holdings report according to the taxonomy's climate indicators, Alecta will also monitor the development of that proportion of investments.

Alecta is working to increase available climate data for all investments.

Outcome 2024

Result indicator	Page reference
Climate footprint equities, corporate bonds, directly owned properties	22, 23
Percentage of companies with science-based climate targets, equities and corporate bonds	22
Share of external asset managers with climate targets	22
Number of corporate engagement dialogues on climate	22
Number of climate resolutions supported at AGMs in 2023–2024	25

Social characteristics – Gender equality

Alecta aims to promote equal management groups and boards, which is taken into account in investments in equities, corporate bonds and for external managers.

Alecta strives for equal boards and works for this through our participation in nomination committees in Swedish portfolio companies, usually around twenty per season. The objective involves each gender being represented by at least 40 per cent, which is taken into account in the recruitment process of new board members and in succession planning. The results are followed up after each AGM season based on information from the meeting and databases of board composition. No index has been chosen as a reference value but it is monitored as an indicator, as an average of the proportion of women elected by the AGM on the board in companies in which Alecta participates in the nomination committee.

Alecta's expectation is to also reach the corresponding share in other shareholdings, as well as at management team level. Given changing market developments, the objective applies primarily to our Swedish holdings but over time, the boards of our international holdings will consist of at least 40 per cent of each gender. Over time, we want to see the corresponding development in these companies' management teams as well. Dialogue and voting are tools for promoting gender equality. The development of the proportion of women and men on boards and senior management is reported and monitored. When

investing in real estate and infrastructure via external managers, we request information about gender equality and follow up the proportion of women in different decision-making positions.

Outcome 2024

Result indicator	Page reference
Percentage of women on the board where Alecta is a member of nomination committee, average *	24
Share of boards with equal composition, at least 40% of each gender (equity portfolio)	24
Share of executive management with at least 30% of each gender (equity portfolio)	24
Policy on diversity, external asset managers	24

* Refers to the board composition following the 2023–2024 AGM season.

Good governance characteristics – remuneration

Alecta believes that remuneration should be properly justified, transparent and in line with market conditions. The remuneration is to be designed in such a way as to promote the long-term interest of the company and its shareholders. It should be performance-based and clear. Alecta conducts ongoing dialogue with our listed shareholdings on remuneration programmes. At general meetings, Alecta votes against proposals for remuneration that do not meet our criteria. Alecta's voting decisions are disclosed annually.

Outcome 2024

Result indicator	Page reference
Number of dialogues on remuneration	25, 26
Number of proposals on remuneration voted against by Alecta	25

Controversial Weapons, Tobacco and Gambling

Alecta also refrains from investing in or financing companies that develop, manufacture, maintain or distribute components or systems specifically developed for controversial weapons. Alecta does not invest in companies for which the core business involves the production of tobacco or the conduct of gambling activities. This refers to companies that engage in activities involving gambling at casinos, slot machines or poker online. Each new investment is screened for such activities and then followed up quarterly. The requirement is also communicated to external managers and included in agreements.

Outcome 2024

Result indicator	Page reference
All investments meet the requirements*	n/a

* For external assets under management, the criteria are applied as far as possible with zero tolerance for controversial weapons and as a minimum, the thresholds for other excluded sectors are applied at fund level.

• ... and compared to previous periods?

For the indicators where there is a history, it is reported in the pages referred to above. In general the development with regard to climate targets by equity and corporate bond holdings has been positive. Seen over a longer time period, the climate footprint of asset portfolios have decreased, but with variations from year to year. This is partly explained by which companies are in the bond portfolio different years, and that the equity portfolio has extended its holding to more companies. When we look at the development of climate impact on individual company level we can detect positive changes. Alecta has invested in bonds from some companies with high footprint. We assess those companies to have clear transition targets. With regard to gender equality in boards, the results are on par with previous years, for 2024 we disclose the share of equal boards seen to the total equity portfolio and the share of external asset managers with diversity policies. The purpose is to identify opportunities for improvements and influence progress. With regard to remuneration, our ambition is to follow up with all companies where we voted against remuneration proposals with the aim for improvements of the programs. That is an indicator we monitor as part of Alecta's sustainability targets for 2028.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

What Alecta has defined as sustainable investments can contribute to a number of different environmental or social objectives, these are not defined in advance to encourage a wide and growing range of such investments. Alecta makes investments that contribute to two of the EU taxonomy's environmental objectives – the mitigation of or adaptation to climate change. The investments can also contribute to other environmental objectives such as sustainable use and protection of water and marine resources, transition to a circular economy, prevention and mitigation of environmental pollution, protection and restoration of biodiversity and ecosystems. One example is an investment during that helps fund conservation projects for biodiversity and marine environment in Galápagos.

The objectives can also be of a social nature, such as promoting health or strengthening equality. Typically, the investment contributes by funding improvements or optimising activities for reduced environmental impact or by funding expansion, for example of social infrastructure. Overall, the objectives of sustainable investments can be said to fit within the global sustainability objectives included in Agenda 2030.

Principal adverse impacts

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights and anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Relative to peers, Alecta has a narrow definition of what assets constitutes sustainable investments, and assesses the risk for significant harm to be low.

Examples of sustainable investments include bonds issued under green or social frameworks that clearly state what is to be funded. If these are issued by companies, the company's ESG efforts and any controversy is checked. For government or municipal green bonds, Alecta's country classification applies, which includes corruption, human rights and climate as a basis for selection.

Sustainable investments can also be made in equities or bonds of companies for which the main products or services contribute to one or more global sustainability objectives and that are not linked to activities with significant social or environmental harm. Alecta mainly includes EU Taxonomy aligned investments in this category.

Properties that meet high environmental criteria in a sustainability certification can also qualify as sustainable investments and then include more parameters than just the environment.

How were the indicators for adverse impacts on sustainability factors taken into account?

All investments are subject to an overall assessment of negative impacts on sustainability factors. The assessment differs between asset classes depending on the characteristics of the investment such as the maturity of the instrument, as well as on the available information and data.

When sustainable investments are made in instruments issued by companies such as equities or bonds, sustainability indicators linked to the business model are taken into account along with an assessment of ESG risks based on a balancing of different indicators and sustainability management systems. Alecta's process is reviewed and certified by an independent party, which requires among other things, consideration to be given to a number of environmental, social and corporate governance indicators. Climate is taken into account and documented especially for investments. These investments are continuously reviewed for incidents of non-compliance with international sustainability conventions.

When making sustainable investments in instruments issued by countries or supranational issuers (such as the World Bank), mainly green or sustainable bonds, the country's corruption and transparency ratings and respect for human rights are taken into account. From 2023, the country's climate objectives are also included in the assessment. Alecta does not directly fund countries that are included on the EU list of non-cooperative countries regarding tax nor does it invest in funds in such jurisdictions.

Sustainable investments in properties take into account key performance indicators linked to climate, waste and energy on an ongoing basis.

Alecta disclosed a report on the financial decisions' principal adverse impact on sustainability factors in June 2024, at alecta.se. Indicators that are considered during investments are primarily related to the characteristics Alecta has chosen to promote – climate and gender equality, with the purpose to identify improvement potential.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

In addition to what is stated under the heading above, ongoing reviews are conducted of these investments for incidents in violation of international conventions for sustainability, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights applicable to companies.

Similar principles are adapted and applied to the selection of other sustainable investments. For example, external managers are asked about their process for whistleblowing and the review of risks related to human rights.

For the sustainable investments, no incidents have been identified during 2024.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investment must also not significantly harm any environmental or social objectives.



• How did this financial product consider principal adverse impacts on sustainability factors?

All investments are subject to an overall assessment of negative impacts on sustainability factors.

Today, Alecta reports among other things, the climate footprint of equities, corporate bonds and properties. Where there is a clear risk of severe negative impacts on sustainable development, such as incidents related to the environment, human rights, working conditions or corruption Alecta acts to influence responsible behaviour of its portfolio companies. If the dialogue is not considered to lead to the desired result, the holding is sold.

For reasons including negative impacts on sustainable development, Alecta refrains from investing in or financing activities in controversial weapons, companies that derive more than 5 per cent of their revenues from the extraction of thermal coal or unconventional oil and gas or energy companies with more than 5 per cent of their revenues from coal power or in companies whose core business is the production of tobacco or commercial gambling, such as casinos.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period, which is: 2024

What were the top investments of the financial product?

For the Alecta Optimal Pension, the planned allocation has been 20 per cent fixed income, 60 per cent equities and 20 per cent alternative assets – but with a tolerance for variation within predetermined ranges to cope with rapid changes in the market. From the age of 63, the investment focus changes in terms of the share of equities.

Largest investments	Sector	% assets	Country
Heimstaden Bostad AB	Real estate	3.0	Sweden
Investor AB	Financials	2.5	Sweden
Microsoft Corp	IT	2.4	US
Alphabet Inc	IT	2.3	US
Atlas Copco AB	Industrials	2.2	Sweden
Amazon.com Inc	Communication services	1.7	US
AB Volvo	Industrials	1.7	Sweden
Skandinaviska Enskilda Banken AB	Financials	1.6	Sweden
Epiroc AB	Industrials	1.4	Sweden
VISA Inc	Financials	1.4	US
Sandvik AB	Industrials	1.3	Sweden
Amphenol Corporation	IT	1.2	US
TJX COS Inc	Consumer discretionary	1.2	US
Sveriges Riksbank	(State)	1.1	Sweden
Nordea Hypotek AB	Financials	1.0	Sweden

What was the proportion of sustainability-related investments?

• What was the asset allocation?

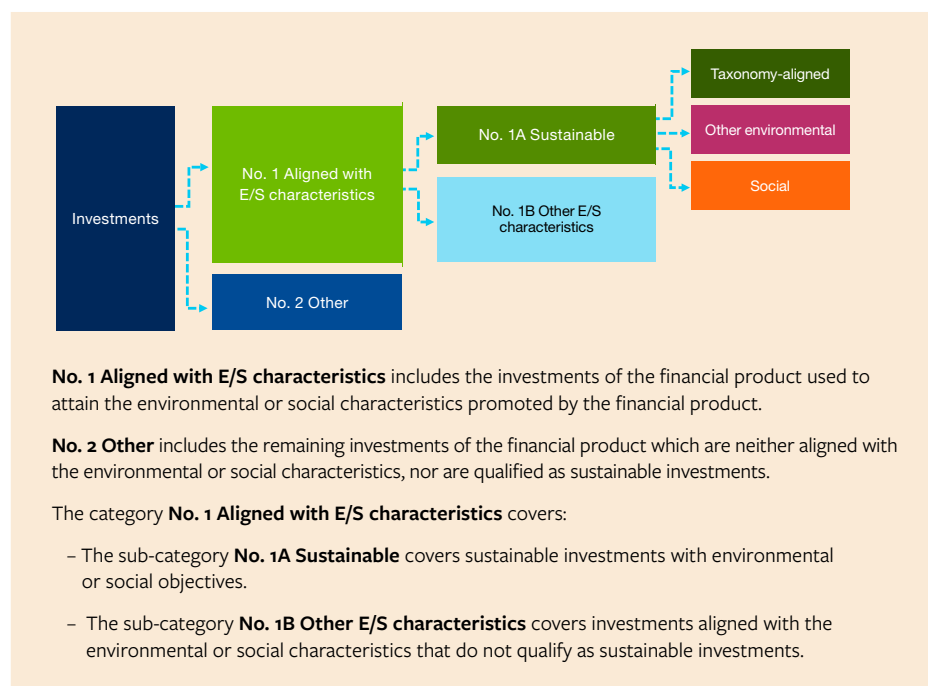
No. 1 – Aligned with environmental and social characteristics: The promotional characteristics are to be applied to all asset classes and assets where possible, representing **98 per cent** of the market value of the assets. This includes the so-called exclusion criteria. Climate has been taken into account in all investments except derivatives, currencies and bonds from supranational institutions that are not green. Gender equality has been taken into account in equity holdings and corporate bonds, as well as in the externally managed alternative assets. Sound remuneration is promoted in the management of equities.

No. 1A – Sustainable Investments: Alecta has stated that the Alecta Optimal Pension is to contain more than zero per cent (>zero) sustainable investments. The share of sustainable investments within each asset class is partly governed by the range of investments that meet Alecta's investment criteria, such as volume and risk-adjusted returns. For 2024, the share was **6.7 per cent**, consisting mainly of green and social bonds, as well as a few investments classified as 'other sustainable', for instance wind power or a district heating company developing technique for carbon capture. Included in sustainable investments are also assets aligned with the EU Taxonomy, including our most energy-efficient properties and a limited share of equity and corporate bonds holdings. There are still uncertainties related to the calculations of alignment. A significant share of the portfolio companies are located outside of EU and are not subject to the Taxonomy disclosure regulation, and additionally the calculations in part are based on estimates, and there may be double counting in respect to i.e. green bonds.



Asset allocation describes the share of investments in specific assets.

No. 2 – Other: The following assets are not covered by the promotional characteristics: derivatives (such as equity futures), currencies and cash. Derivative exposures lack market value. The purpose of these assets is diversification and risk reduction or to ensure liquidity needs.



• In which economic sectors were the investments made?

Of the investments belonging to category 'No. 1' in the illustration above, just over **16 per cent** are invested in government, municipal and supranational fixed income investment. Other assets such as equities, bonds to companies or lending institutions, real estate funds or directly owned properties and other real assets, amount to close to **84 per cent** and are distributed by the following different sectors based on the share of the market value of the investment product.

Sector	Share of product market value, %
Financials	23
Real estate	19
Industrials	18
IT	12
Consumer discretionary	8
Health care	7
Communication services	5
Consumer staples	4
Materials*	3
Energy**	1

* The materials sector includes three holdings in the mining industry. One of these extracts thermal coal corresponding to less than 5 per cent of its revenues. Together, the three holdings were equivalent to a share of 0.2 per cent in the product.

** The energy sector includes two bond holdings and one private equity holding with energy production with certain elements of fossil sources. Alecta believes that these have credible and ambitious climate commitments and objectives for transition. The two bond holdings have energy production to some extent from nuclear power. Together, the three holdings are equivalent to a share of 0.4 per cent in the product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-compliant activities are expressed as a proportion of the following:

– **turnover** reflecting the share of revenue from green activities of investee companies.

– **capital expenditure (CapEx)** showing the green investments made by the investee companies, e.g. for a transition to a green economy

– **operational expenditure (OpEx)** reflecting green operational activities of the investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Companies subject to the EU Taxonomy has begun disclosing the extend to which their economic activities are aligned with the EU Taxonomy. It is Alecra's assessment that the product's minimum share of taxonomy-aligned investments exceeds 0 per cent (>0%), and calculations indicate that the share is 2.1 per cent including directly held properties and equity and bond holdings. The alignment is based on two climate objectives, climate change mitigation and climate change adaptation. For next reporting cycle additional objectives are included. The share of investments aligned with the climate change mitigation represents close to the total share EU Taxonomy aligned investments. The data for the directly held properties are derived from an energy monitoring system, while the taxonomy data for equities and bonds are sourced from a third party vendor, based on the underlying asset's own disclosure. The data is almost exclusively disclosed in the annual reports, but we do not have information about to what extent the information is subject to external assurance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? ¹⁾

☒ Yes:

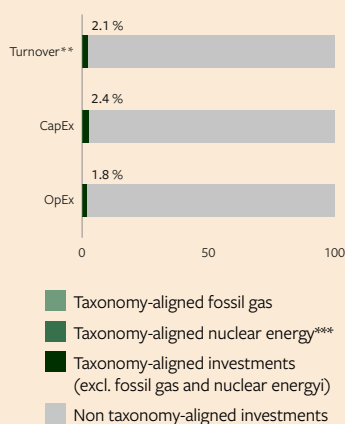
☐ In fossil gas

☒ In nuclear energy

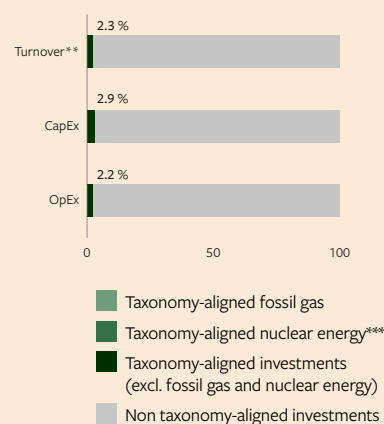
☐ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product, including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1). Taxonomy-aligned investments including sovereign bonds*



1). Taxonomy-aligned of investments excluding sovereign bonds



This graph includes 84% of total assets.

* For the purposes of these graphs, "sovereign bonds" consist of all sovereign exposures.

** For Turnover the share of taxonomy-aligned investments include equity and corporate bonds, and directly held properties. For CapEx and OpEx the calculations are only based on taxonomy-aligned investments in equity and corporate bonds.

*** Two holdings disclose that they have revenues from taxonomy-aligned nuclear energy but it is not detectable on product-level.

¹⁾ Fossil gas and/or nuclear-related activities will only comply with the EU taxonomy if it contributes to limiting climate change ("climate change mitigation") and does not cause significant harm to any of the objectives of the EU taxonomy – see explanatory note in the left margin. The full criteria for economic activities for fossil gas and nuclear energy complying with the EU taxonomy are set out in the EU Commission Delegated Regulation (EU) 2022/1214.

- **What was the share of investments made in transitional and enabling activities?**

Calculations indicate that 0.02 per cent of investments are in transitional activities, and 0.7 of investments are in enabling activities. Calculations include equity and corporate bonds, and are characterised by uncertainties in underlying data and estimates.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The share is almost similar to previous reference period, it differs in the decimal.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



- **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Alecta invests in green bonds and properties with high environmental performance that are not necessarily included in the economic activities that the EU Taxonomy covers or are compliant with the EU Taxonomy criteria. When investing in green bonds, Alecta requires the issuer to have a green bond framework that has been reviewed by a third party. The proportion of green bonds in the product was **2.8 per cent**.



- **What was the share of socially sustainable investments?**

For example, Alecta invests in social bonds and other instruments such as equities from companies that contribute to social objectives through their products and services, such as health. When investing in social bonds, Alecta requires the issuer to have a social bond framework that has been reviewed by a third party.

The proportion of social bonds in the product was **0.4 per cent**. In addition, the product has a proportion of investments that are classified as “other sustainable”, which constitute **1.4 per cent**. These include a number of investments with the stated aim of creating a positive sustainability effect, such as green financing in developing markets, wind power, microfinance funds and similar.



- **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

This category “other” includes cash, i.e. the cash used for current payments, such as those to be withdrawn for issued financial commitments or pension payments. In addition, Alecta has a number of hedging instruments to manage financial risks linked to equities, interest rates and currencies. Examples include currency futures or interest rate swaps. For hedging instruments and cash, ESG reviews are not carried out and Alecta does not consider it feasible.



- **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

These measures are described in connection with the results referred to by the sustainability indicators. In brief, they include advanced investment analysis, dialogues with holdings and managers and voting at general meetings.

Sustainability-related information

Template relating to periodic disclosures for the financial products referred to in Article 8 paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and the first paragraph of Article 6 of Regulation (EU) 2020/852

Product name:

Defined occupational pension

Legal entity identifier:

5493003P9RHFT66VQS66

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow with good governance practices.

The EU taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

No

☐

It made sustainable investments with an environmental objective:

☐

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐

It made sustainable investments with a social objective:

☒

It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 10.4 per cent (%) of sustainable investment.

☒

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒

with an environmental objective in economic activities that that qualify as environmentally sustainable under the EU Taxonomy

☒

with a social objective

☐

It promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics of this financial product met?

See description of the promotional characteristics and how they are followed up on the next page. Derivatives are not considered to have contributed to the promotional characteristics.

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Sustainability indicators

measure the achievement of the environmental or social characteristics promoted by the financial product are attained.

• How did the sustainability indicators perform?

Environmental characteristics – Climate

Alecta's overall climate objective is for the investment portfolio to be compatible with the 1.5 degree objective of the Paris Agreement and have a net zero climate footprint by 2050, which means that the underlying assets must also work actively on transition. Alecta considers climate aspects both before investment and under management for asset classes of equities, corporate bonds, lending to states and municipalities, direct and indirect real estate investments and infrastructure. Alecta refrains from investing in or financing companies that receive more than 5 per cent of their revenue from the extraction of thermal coal or unconventional oil and gas or energy companies with more than 5 per cent of their revenue from coal power.

For equities and corporate bonds, Alecta uses data and information from both external data providers in the analysis and directly from the portfolio companies in order to monitor developments in climate efforts. Dialogues with portfolio companies are a tool for increasing transparency and promoting climate efforts. In relevant cases, Alecta may vote for climate-related proposals at the general shareholders' meetings. The directly owned properties have energy efficiency objectives and their climate footprint is monitored and reported together with energy use. Alecta environmentally certifies properties where possible. In externally managed funds, climate reporting is subject to negotiation and follow-up. When lending to states, supranational institutions and municipalities, green bonds are encouraged. Starting in 2023, Alecta does not directly finance countries that lack a climate objective.

Alecta does not use an index for comparison but follows a number of indicators for portfolio companies; including the climate footprint of the investments, science-based climate targets, corporate engagement dialogues on climate, voting at meetings on climate matters and screening of carbon assets. As the underlying holdings report according to the taxonomy's climate indicators, Alecta will also monitor the development of that proportion of investments. Alecta is working to increase available climate data for all investments.

Outcome 2024

Result indicator	Page reference
Climate footprint, equities, corporate bonds, directly owned properties	22, 23
Share of companies with science-based climate targets, equities and corporate bonds	22
Share of external asset managers with climate targets	22
Number of corporate engagement dialogues on climate	22, 23
Number of climate cases supported at AGMs in 2023–2024	25

Social characteristics – Gender equality

Alecta aims to promote equal management teams and boards, which is taken into account in the investments in equities, corporate bonds and for external managers.

Alecta strives for equal boards and works for this through our participation in nomination committees in Swedish portfolio companies, usually around twenty per season. The objective involves each gender being represented by at least 40 per cent, which is taken into account in the recruitment process of new board members and in succession planning. The results are followed up after each AGM season based on information from the meeting and databases of board composition. No index has been selected as a reference value but it is followed up as an indicator, as an average of the board composition of the companies concerned against the objective in terms of the proportion of women elected by the AGM on the board where Alecta participates in the nomination committee.

Alecta's expectation is to also reach the corresponding share in other shareholdings, as well as at management team level. Given changing market developments, the objective applies primarily to our Swedish holdings but over time, the boards of our international

holdings will consist of at least 40 per cent of each gender. Over time, we want to see the corresponding development in these companies' management teams as well. Dialogue and voting are tools for promoting gender equality. The development of the proportion of women and men on boards and senior management is reported and monitored. When investing in real estate and infrastructure via external managers, we request information about gender equality follow up the proportion of women in different decision-making positions on an annual basis.

Outcome 2024

Result indicator	Page reference
Percentage of women on the board where Alecta is a member of nomination committee, average*	24
Share of boards with equal composition, at least 40% of each gender, equity portfolio	24
Share of executive management with at least 30% of each gender, equity portfolio	24
Policy on diversity, external asset managers	24

* Refers to the board composition following the 2023–2024 AGM season.

Good governance characteristics – remuneration

Alecta believes that remuneration should be properly justified, transparent and in line with market conditions. The remuneration is to be designed in such a way as to promote the long-term interest of the company and its shareholders. It should be performance-based and clear. Alecta conducts ongoing dialogue with our listed shareholdings about remuneration programmes. At general meetings, Alecta votes against proposals for remuneration that do not meet our criteria. Alecta's voting decisions are reported annually.

Outcome 2024

Result indicator	Page reference
Number of dialogues on remuneration	25, 26
Number of proposals on remuneration voted against by Alecta	25

Controversial weapons, tobacco and gambling

In addition, Alecta fully refrains from investing in or financing companies that develop, manufacture, maintain or distribute components or systems specifically developed for controversial weapons. Alecta does not invest in companies for which the core business involves the production of tobacco or the conduct of gambling activities. This refers to companies that engage in activities involving gambling at casinos, slot machines or poker online. Each new investment is screened for such activities and then followed up quarterly. The requirement is also communicated to external managers and included in agreements.

Outcome 2024

Result indicator	Page reference
All investments meet the requirements *	n/a

* For external assets under management, the criteria are applied as far as possible with zero tolerance for controversial weapons and at a minimum, the thresholds for other excluded sectors are applied at fund level.

... and compared to the previous periods?

For the indicators where there is a history, it is reported in the pages referred to above. In general the development with regard to climate targets by equity and corporate bond holdings has been positive. Seen over a longer time period, the climate footprint of asset portfolios have decreased, but with variations from year to year. This is partly explained by which companies are in the bond portfolio different years, and that the equity portfolio has extended its holding to more companies. When we look at the development of climate impact on individual company level we can detect positive changes. Alecta has invested in bonds from some companies with high footprint. We assess those companies to have clear transition targets. With regard to gender equality in boards, the results are on par with previous years, for 2024 we disclose the share of equal boards seen to the total equity portfolio and the share of external asset managers with diversity policies. The purpose is to identify opportunities for improvements and influence progress. With regard to remuneration

neration, our ambition is to follow up with all companies where we voted against remuneration proposals with the aim for improvements of the programs. That is an indicator we monitor as part of Alecta's sustainability targets for 2028.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

What Alecta has defined as sustainable investments can contribute to a number of different environmental or social objectives, these are not defined in advance to encourage a wide and growing range of such investments. Alecta makes investments that contribute to two of the EU taxonomy's environmental objectives – the mitigation of or adaptation to climate change. Investments can also contribute to other environmental objectives such as sustainable use and protection of water and marine resources, transition to a circular economy, prevention and mitigation of environmental pollution, protection and restoration of biodiversity and ecosystems. One example is an investment that helps fund conservation projects for biodiversity and marine environment in Galápagos.

The objectives can also be of a social nature, such as promoting health or strengthening equality. Typically, the investment contributes by funding improvements or optimising activities for reduced environmental impact or by funding expansion, for example of social infrastructure. Overall, the objectives of sustainable investments can be said to fit within the global sustainability objectives included in Agenda 2030.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Relative to peers, Alecta has a narrow definition of what assets constitutes sustainable investments, and assesses the risk for significant harm to be low.

Examples of sustainable investments include bonds issued under green or social frameworks that clearly state what is to be funded. If these are issued by companies, the company's ESG efforts and any controversy is checked. For government or municipal green bonds, Alecta's country classification applies, which includes corruption, human rights and climate as a basis for selection.

Sustainable investments can also be made in equities or bonds of companies for which the main products or services contribute to one or more global sustainability objectives and that are not linked to activities with significant social or environmental harm. Alecta mainly includes EU Taxonomy aligned investments in this category.

Properties that meet high environmental criteria in a sustainability certification can also qualify as sustainable investments and then include more parameters than just the environment.

How were the indicators for adverse impacts on sustainability factors taken into account?

All investments are subject to an overall assessment of negative impacts on sustainability factors. The assessment differs between asset classes depending on the characteristics of the investment such as the maturity of the instrument, as well as on the available information and data.

When sustainable investments are made in instruments issued by companies such as equities or bonds, sustainability indicators linked to the business model are taken into account along with an assessment of ESG risks based on a balancing of different indicators and sustainability management systems. Alecta's process is reviewed and certified by an independent party, which requires among other things, consideration to be given to a number of environmental, social and corporate governance indicators. Climate is taken into account and documented especially for investments. These investments are continuously reviewed for incidents of non-compliance with international sustainability conventions.

When making sustainable investments in instruments issued by countries or supranational issuers (such as the World Bank), mainly green or sustainable bonds, the country's corruption and transparency ratings and respect for human rights are taken into account. From 2023, the country's climate objectives are also included in the assessment. Alecta does not directly fund countries that are included on the EU list of non-cooperative countries regarding tax nor does it invest in funds in such jurisdictions.

Sustainable investments in properties take into account key performance indicators linked to climate, waste and energy on an ongoing basis.

Alecta disclosed a report on the financial decisions' principal adverse impact on sustainability factors in June 2024, at alecta.se. Indicators that are considered during investments are primarily related to the characteristics Alecta has chosen to promote – climate and gender equality, with the purpose to identify improvement potential.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

In addition to what is stated under the heading above, ongoing screenings are conducted of these investments for incidents in violation of international conventions for sustainability, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights applicable to companies.

Similar principles are adapted and applied to the selection of other sustainable investments. For example, external managers are asked about their process for whistleblowing and the review of risks related to human rights.

For the sustainable investments, no incidents have been identified during 2024.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investment must also not significantly harm any environmental or social objectives.



• How did this financial product consider principal adverse impacts on sustainability factors?

All investments are subject to an overall assessment of negative impacts on sustainability factors.

Today, among other things Alecta reports the climate footprint of equities, corporate bonds and properties. Where there is a clear risk of severe negative impacts on sustainable development, such as incidents related to the environment, human rights, working conditions or corruption, Alecta acts to influence the responsible behaviour of its portfolio companies. If the dialogue is not considered to lead to the desired result, the holding is sold.

For reasons including negative impacts on sustainable development, Alecta refrains from investing in or financing activities in controversial weapons, companies that derive more than 5 per cent of their revenues from the extraction of thermal coal or unconventional oil and gas or energy companies with more than 5 per cent of their revenues from coal power or in companies for which the core business is the production of tobacco or commercial gambling, such as casinos.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period, which is: 2024

What were the top investments of this financial product?

For the defined benefit occupational pension, the long-term objective for allocation has been 45 per cent fixed income, 35 per cent equities and 20 per cent alternative assets – but with tolerance for variation within predetermined intervals to cope with rapid changes in the market.

Largest investments	Sector	% assets	Country
Heimstaden Bostad AB	Real estate	2.3	Sweden
Sveriges Riksbank	(State)	1.6	Sweden
Nordea Hypotek AB	Financials	1.6	Sweden
Skandinaviska Enskilda Banken AB	Financials	1.2	Sweden
Investor AB	Financials	1.0	Sweden
Microsoft Corp	IT	1.0	US
Alphabet Inc	Communication services	0.9	US
Atlas Copco	Industrials	0.9	Sweden
Amazon.com Inc	Communication services	0.7	US
AB Volvo	Industrials	0.7	Sweden
Epiroc AB	Industrials	0.6	Sweden
VISA Inc	Financials	0.6	US
PMAC MOB ALECTA REIT	Real estate	0.6	US
Prologis Targeted US Logistics Fund	Real estate	0.6	US
Sandvik	Industrials	0.6	Sweden



Asset allocation describes the share of investments in specific assets.

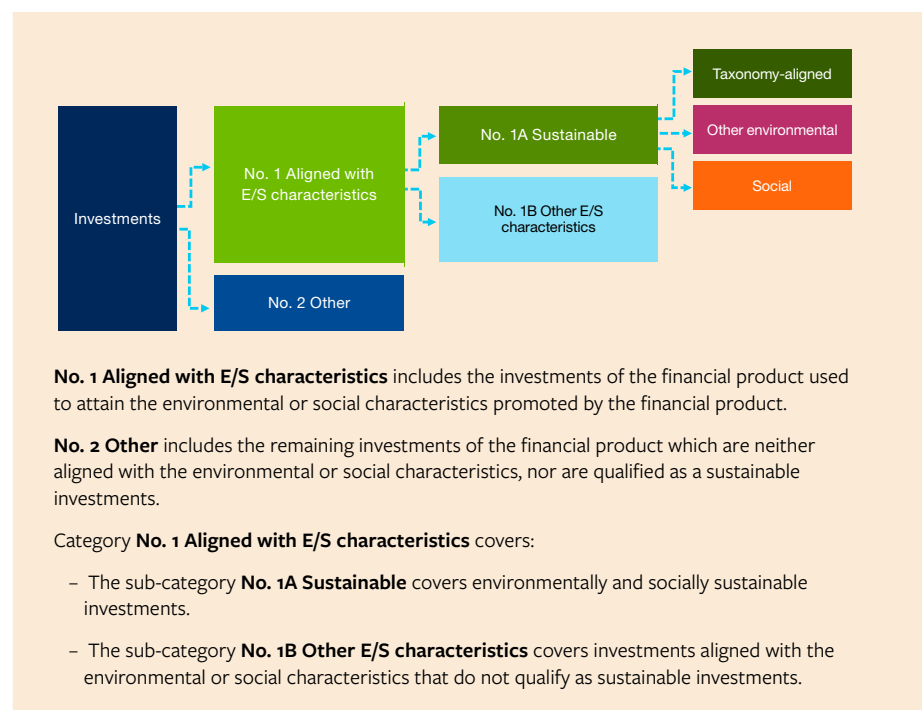
What was the proportion of sustainability-related investments?

• What was the asset allocation?

No. 1 – Aligned with E/S characteristics: The promotional characteristics are to be applied to all asset classes and assets where possible, representing **99 per cent** of the market value of the assets. This includes the so-called exclusion criteria. Climate has been taken into account in all investments except derivatives, currencies and bonds from supranational institutions that are not green. Gender equality has been taken into account in shareholdings and corporate bonds, as well as in the externally managed alternative assets. Sound remuneration is promoted in the management of equities.

No. 1A – Sustainable investments: Alecta has stated that defined benefit occupational pension is to contain more than zero per cent (> zero) sustainable investments. The share of sustainable investments within each asset class is partly governed by the range of investments that meet Alecta's investment criteria, such as volume and risk-adjusted returns. For 2024, the share was **10.4 per cent**, consisting mainly of green and social bonds, as well as a few investments classified as 'other sustainable', for instance wind power or a district heating company developing technique for carbon capture. Included in sustainable investments are also assets aligned with the EU Taxonomy, including our most energy-efficient properties and a limited share of equity and corporate bonds holdings. There are still uncertainties related to the calculations of alignment. A significant share of the portfolio companies are located outside of EU and are not subject to the Taxonomy disclosure regulation, and additionally the calculations in part are based on estimates, and there may be double counting in respect to i.e. green bonds.

No. 2 – Other: The following assets are not covered by the promotional characteristics: derivatives (such as equity futures), currencies and cash. Derivative exposures lack market value. The purpose of these assets is diversification and risk reduction or to ensure liquidity needs.



• In which economic sectors were the investments made?

Of the investments belonging to category ‘No. 1’ in the illustration above, just over **32 per cent** are invested in sovereign, municipal and supranational fixed income investment. Other assets, such as equities, bonds to companies or lending institutions, real estate funds or directly owned properties and other real assets, amount to **69 per cent** and are distributed by the following different sectors based on the share of the market value of the investment product.

Sector	Share of product market value, %
Financials	29
Real estate	26
Industrials	13
IT	8
Consumer discretionaries	6
Health care	6
Communication services	4
Energy*	3
Consumer staples	3
Materials**	3

* The energy sector includes two bond holdings and one private equity holding with energy production with certain elements of fossil sources. Alecta believes that these have credible and ambitious climate commitments and objectives for transition. The two bond holdings have energy production to some extent from nuclear power. Together, the three holdings are equivalent to a share of 0.6 per cent in the product.

** The materials sector includes three holdings in the mining industry. One of these extracts thermal coal corresponding to less than 5 per cent of its revenues. Together, the three holdings are equivalent to a share of 0.1 per cent in the product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

– **turnover** reflecting the share of revenue from green activities of investee companies.

– **capital expenditure (CapEx)** showing the green investments made by the investee companies, e.g. for a transition to a green economy

– **operational expenditure (OpEx)** reflecting green operational activities of the investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU taxonomy?

Companies subject to the EU Taxonomy has begun disclosing the extend to which their economic activities are aligned with the EU Taxonomy. It is Alecta's assessment that the product's minimum share of taxonomy-aligned investments exceeds 0 per cent (>0%), and calculations indicate that the share is 1.8 per cent including directly held properties and equity and bond holdings. The alignment is based on two climate objectives, climate change mitigation and climate change adaptation. For next reporting cycle additional objectives are included. The share of investments aligned with the climate change mitigation represents close to the total share EU Taxonomy aligned investments. The data for the directly held properties are derived from an energy monitoring system, while the taxonomy data for equities and bonds are sourced from a third party vendor, based on the underlying asset's own disclosure. The data is almost exclusively disclosed in the annual reports, but we do not have information about to what extent the information is subject to external assurance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU taxonomy? ¹⁾

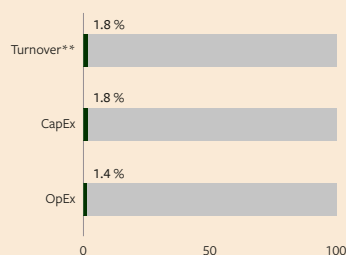
☒ Yes:

☐ In fossil gas ☒ In nuclear energy

☐ No

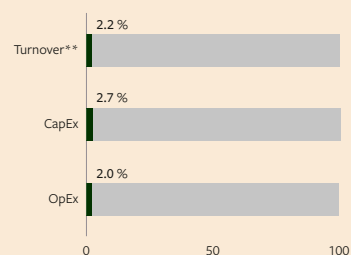
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product, including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



☒ Taxonomy-aligned fossil gas
☒ Taxonomy-aligned nuclear energy***
☒ Taxonomy-aligned investments (excl. fossil gas and nuclear energy)
☐ Non taxonomy-aligned investments

1. Taxonomy-alignment of investments excluding sovereign bonds*



☒ Taxonomy-aligned fossil gas
☒ Taxonomy-aligned nuclear energy***
☒ Taxonomy-aligned investments (excl. fossil gas and nuclear energy)
☐ Non taxonomy-aligned investments

This graph includes 70 % of total assets.

* For the purposes of these graphs, "sovereign bonds" consist of all sovereign exposures.

** For Turnover the share of taxonomy-aligned investments include equity and corporate bonds, and directly held properties. For CapEx and OpEx the calculations are only based on taxonomy-aligned investments in equity and corporate bonds.

*** Two holdings disclose that they have revenues from taxonomy-aligned nuclear energy but it is not detectable on product-level.

¹⁾ Fossil gas and/or nuclear-related activities will only comply with the EU taxonomy if it contributes to limiting climate change ("climate change mitigation") and does not cause significant harm to any of the objectives of the EU taxonomy – see explanatory note in the left margin. The full criteria for economic activities for fossil gas and nuclear energy complying with the EU taxonomy are set out in the EU Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **What was the share of investments made in transitional and enabling activities?**
Calculations indicate that 0.02 per cent of investments are in transitional activities, and 0.6 of investments are in enabling activities. Calculations include equity and corporate bonds, and are characterised by uncertainties in underlying data and estimates.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The share is almost similar to previous reference period, it differs in the decimal.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Alecta invests in green bonds and properties with high environmental performance that are not necessarily included in the economic activities that the EU taxonomy covers or are aligned with the EU taxonomy criteria. When investing in green bonds, Alecta requires the issuer to have a green bond framework that has been reviewed by a third party. The proportion of green bonds in the product was **5.6 per cent**.



What was the share of socially sustainable investments?

For example, Alecta invests in social bonds and other instruments such as equities from companies that contribute to social objectives through their products and services, such as health. When investing in social bonds, Alecta requires the issuer to have a social bond framework that has been reviewed by a third party.

The proportion of social bonds in the product was **0.8 per cent**. In addition, the product has a proportion of investments that are classified as “other sustainable”, which constitute **2.2 per cent**. These include a number of investments with the stated aim of creating a positive sustainability effect, such as green financing in developing markets, wind power, microfinance funds and similar.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

This category “other” includes cash, i.e. the cash used for current payments, such as those to be withdrawn for issued financial commitments or pension payments. In addition, Alecta has a number of hedging instruments to manage financial risks linked to equities, interest rates and currencies. Examples include currency futures or interest rate swaps. For hedging instruments and cash, ESG reviews are not carried out nor does Alecta consider it feasible.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

These measures are described in connection with the results referred to by the sustainability indicators. In brief, they include advanced investment analysis, dialogues with holdings and managers and voting at general meetings.



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