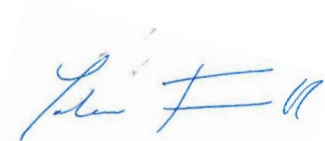


COMMUNICATION ON PROGRESS

Stockholm 2016-04-05

Statement by the CEO

I am pleased to confirm that Investor reaffirms its support of the ten principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. Investor is committed to making the Global Compact and its principles part of the strategy, culture and daily operations. In our Communication on Progress report, Investor documents the progress within Investor as well as our major holdings. We also commit to share this information with our stakeholders, using our primary channels of communications.

A handwritten signature in blue ink, appearing to read 'Johan Forssell'.

Johan Forssell
President and Chief Executive Officer
Investor AB

Background

Investor, founded by the Wallenberg family a hundred years ago, is the leading owner of high quality Nordic-based international companies. Through board participation, our industrial experience, network and financial strength, we strive to make our companies best-in-class. Investor is involved in companies in different industries, development stages and geographic areas. Our holdings include, among others, SEB, Atlas Copco, ABB, Ericsson and Mölnlycke Health Care.

Investor firmly believes that focus on sustainability is critical and that it offers attractive opportunities. Companies that are best-in-class when it comes to operating in a sustainable way will be able to provide superior products and services and recruit the best employees, thereby outperforming their competitors longer-term.

Investor has a long tradition of acting as a responsible company, owner and employer. We are fully committed to the highest standards of corporate governance and we support the UN Global Compact and the OECD guidelines for Multinational Enterprises. The company's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, holdings, employees, suppliers, government, media, local communities and society as a whole.

Guidelines and policies

Investor's Board of Directors, in cooperation with its Management Group, has formulated an internal framework on how Investor shall act as a responsible company, owner and employer, and reflect the UN Global Compact's ten principles. These topics are addressed in the Code of Conduct and the

internal policies for Anti-Corruption, Corporate Responsibility and Whistleblowing. Every employee and representative of the company is expected to comply with these policies. Investor's Code of Conduct can be found on our website, www.investorab.com.

As part of our ownership philosophy, Investor strives to ensure that the companies we invest in, and have influence in, conduct their operations in a responsible and ethical manner. We have high expectations of our holdings regarding Corporate Responsibility (CR) issues.

We believe that there is a strong link between long-term profitability and sustainability, and we support our holdings to develop sustainable business models.

As an industrial holding company, our main focus lies in our role as a responsible owner, as this is where we can make the most impact. The risks vary depending on company, industry and country, and consist among others of geographical risks, environmental risks, political climate, brand risks as well as supplier risks.

We expect our holdings to;

- act responsibly and in an ethical manner,
- comply with all local and national legislation in each country of operation,
- continuously improve their social, environmental and economic impact,
- analyze risks, formulate objectives and to have adequate processes to manage and monitor CR risks,
- sign and adhere to the UN Global Compact and its ten principles as well as the OECD guidelines for Multinational Enterprises,
- in an appropriate form, transparently report CR objectives, risks and progress,
- encourage and promote diversity in their organizations, and
- have an active dialog with their stakeholders such as suppliers and trading partners.

Implementation and monitoring

Investor pays consideration to CR-related matters in our investing activities. As we believe focus on sustainable business is a prerequisite of building long-term profitability and shareholder value, it is natural for Investor's analysts to monitor the development and reporting in our existing holdings on an ongoing basis and to include sustainability aspects in the analysis for new investments.

If a serious CR-related matter occurs, the employee who becomes aware of the matter is responsible for raising the matter internally within Investor and directly with the company through our board representatives. The analysts are responsible for following up the steps the company takes and report to relevant people within Investor.

Sustainability progress 2015

Investor's sustainability work was intensified in 2015. Within the Management Group, the Head of Corporate Relations, Sustainability and Communications is responsible for our sustainability work, and employees within our different departments are actively engaged in this work. We also updated and improved the Investor sustainability guidelines for our holdings and a process for a more structured follow-up of our holdings' sustainability work was initiated.

During the year, Investor had an ongoing dialog with the portfolio companies and worked to support all holdings through their Boards of Directors and via formal and informal contacts.

Progress of Investor's sustainability approach based on UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Investor supports the UN Global Compact's ten principles and the OECD guidelines on Multinational Enterprises. We also support and respect internationally proclaimed human rights.

Investor expects all holdings to continuously improve their work with human rights.

Actions in 2015 – examples from our holdings

- Nasdaq Stockholm has launched a new list for sustainable corporate bonds to meet the increasing interest of sustainable bonds from both investors and issuers. The proceeds raised should be used for projects and activities that promote sustainability, for instance related to socially positive activities such as employment, education and healthcare or to climate change mitigation and reducing the use of resources.
- Saab launched a Supplier Code of Conduct which includes expectations on the suppliers regarding human rights. The implementation process has been initiated and will continue during the following year.
- Mölnlycke Health Care adopted a new global trade program to supplement the Code of Conduct related to its global human rights standards. Among other things, the standards should ensure that the products are manufactured, produced, and distributed by workers in accordance with the UN Guiding Principles on Human Rights.
- Ericsson works to integrate Human Rights considerations into its processes. In the sales process, reviews are made on specific sales requests from the perspective of product, customer, country, and intended use. When necessary, mitigation actions are undertaken. In 2015, more than 430 cases were reviewed; 6 percent were rejected and 94 percent were approved or approved with mitigating actions.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5: Businesses should uphold the effective abolition of child labor.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Investor shall ensure compliance with labor and employment laws, including working hours. Furthermore, the right to collective bargaining is recognized in Investor and through the Code of Conduct, it is also stated that no colleagues should be discriminated against because of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion, among others. Violations connected to discrimination must be reported to the closest manager, HR or through our whistleblower system.

Investor expects all holdings to continuously improve labor and working conditions.

Actions in 2015 - examples from our holdings

- Electrolux prioritizes health and safety and has an ongoing program to reduce incidents and injuries, led by managers and designed to engage all employees. The program has contributed to that the number of accidents has decreased by 57 percent over the last five years.
- BraunAbility has made ergonomic efforts on its largest manufacturing and assembly plant. All jobs were analyzed for musculoskeletal impact, and areas were targeted to install mechanical assistant equipment to reduce employee ergonomic exposure.
- Husqvarna continued its work to improve the safety culture. Among other things, Husqvarna developed a more preventive approach and focused on increasing the safety awareness in the manufacturing facilities. The number of injuries have decreased by 22 percent compared to 2014.

Environment

Principle 7: Businesses should support precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmental friendly technologies.

Investor's direct environmental impact is limited, but we always strive to avoid unnecessary impact on the environment and to further reduce environmental impact. During 2015 Investor decided to carbon-offset flights. In accordance with the EU Energy Efficiency Directive and Swedish law, Investor has initiated a process to analyze its energy use. The analysis will result in proposals on actions that can be taken to reduce Investor's energy use further.

Investor expects all holdings to continually reduce their environmental impact and to encourage their stakeholders, such as suppliers and trading partners, to meet the same expectations.

Actions in 2015 - examples from our holdings

- Atlas Copco's business area Industrial Technique launched Eco Design guidelines to design products with a lifecycle perspective, considering the mix and modularity of materials as well as energy efficiency.
- Grand Hôtel has initiated an environmental analysis of its operations. The analysis was the first step to create a more structured approach to reduce the environmental impact from its operations. The implementation process has been initiated and a number of actions have been taken to reduce waste, consumption and to increase the energy efficiency.
- SEB is increasingly using positive selection in its investment management. Companies that perform well in the management of carbon emissions, water use and toxic waste are over-represented in the portfolios. During the past year, two funds with positive selection were launched.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

It is of the highest importance that Investor and our holdings adhere to and comply with all given legislations and regulations as well as setting their own bar for how to act and behave in society – always with the highest possible ethics.

Investor expects all holdings to continually improve their work against corruption and bribery.

Actions in 2015 - examples from our holdings

- ABB has rolled out a global anti-corruption and anti-bribery program across the ABB Group. From 2014 into 2015, over 97 percent of white collar employees had completed the online training, and a similar number of blue collar workers had been trained face-to-face on the Code of Conduct.
- As part of the overall program, ABB also carries out a number of other targeted training and communications initiatives, reinforcing its "zero tolerance" policy to unethical business behavior.
- AstraZeneca has introduced a training program to increase the awareness of risk for corruption and bribery and other ethical dilemmas when doing business. The program is based upon interactive film and e-learning exercises.
- Aleris conducted an internal dilemma discussion related to its values. All employees have been invited to participate. The dilemmas were seldom "black or white" and challenged the respondents with grey-zone alternatives. The employees were encouraged to discuss the dilemmas and how they would react in different everyday situations.