

## Communication on Progress

Stockholm, 2020-04-03

### 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.



Johan Forssell

President and CEO Investor AB

# Business Model

## Investor's purpose

### What we do

We are an engaged long-term owner that actively supports the building and development of best-in-class companies. Through substantial ownership and board participation, we drive the initiatives that we believe will create the most value for each individual company. Ultimately this creates value for our shareholders and for society at large. Our business is organized in three business areas; Listed Companies, Patricia Industries and Investments in EQT.

#### Listed Companies

**69%**

of total adjusted assets

Consists of our listed portfolio companies in which we are a significant minority owner.

#### Patricia Industries

**23%**

of total adjusted assets

Consists of our wholly-owned and partner-owned companies, as well as financial investments.

#### Investments in EQT

**7%**

of total adjusted assets

EQT is a leading investment organization. We invest in its funds and own 18.1 percent of the capital in EQT AB.

## We create value

### Operating priorities

**1.**  
Grow net asset value

**2.**  
Operate efficiently

**3.**  
Pay a steadily rising dividend

## Our core values

## Create value

# for people and society by building strong and sustainable businesses

## How we do it

- 
**Clear governance model**  
 Our model builds on clear roles and responsibilities between us as an owner, the companies' boards and managements.
- 
**Best-in-class boards**  
 We are often the largest owner and we leverage our network to find the best board and management candidates for our companies.
- 
**Strong industrial network**  
 We use our extensive professional network to identify and evaluate attractive business opportunities.
- 
**Highly-skilled employees**  
 We focus on the long-term development of our employees and offer opportunities to continuously learn and build skills.
- 
**Strong financial flexibility**  
 Our strong balance sheet and cash flow allow us to support our companies long-term, capture investment opportunities and pay a steadily rising dividend.

## Value creation plans

Our business teams, consisting of our board representatives, investment managers and analysts, develop value creation plans for each company, identifying strategic key value drivers for the next three to five years.

The plans typically focus on:

- Operational excellence
- Profitable growth
- Corporate health
- Industrial structure
- Innovation
- Talent management
- Sustainability
- Capital structure

## Created impact in 2019

**40%**  
total shareholder return

**SEK 9.9 bn**  
paid dividend

of which approx.

**SEK 2.3 bn**  
to our main owner, the Wallenberg foundations whose purpose is to grant funding to scientific research in Sweden.

## Investor AB

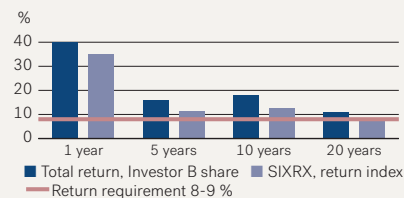
**97%**  
of employees are proud to work at Investor

**-4%**  
CO<sub>2</sub>e emission reduction from Investor AB compared to 2018

## Our companies

**-9%**  
CO<sub>2</sub>e emission reduction from portfolio companies compared to 2018

**10%**  
R&D spending in relation to total sales in our companies



Care for People

Contribute with Heart and Mind

Challenge and Improve

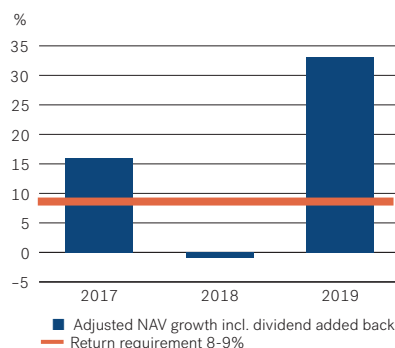
# Targets and Outcome

Investor is committed to generate an attractive long-term total return. Our return requirement is the long-term risk-free interest rate plus an equity risk premium, in total 8-9 percent annually. Our operating priorities are to grow our net asset value, operate efficiently and to pay a steadily rising dividend.

OPERATING PRIORITIES	Outcome	Comment
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## 1. Grow our net asset value

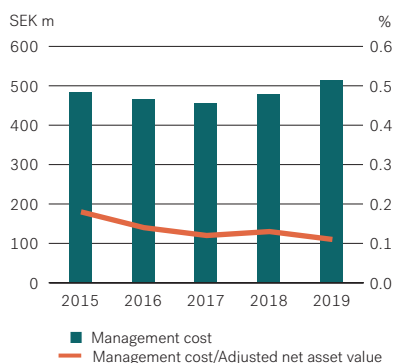
To achieve attractive net asset value growth, Investor owns high-quality companies and is an engaged owner, supporting our companies to achieve profitable growth. We strive to allocate our capital wisely.



Our adjusted net asset value amounted to SEK 485.0bn at year-end 2019 (372.0), a change, with dividend added back, of 33 percent (-1).

## 2. Operate efficiently

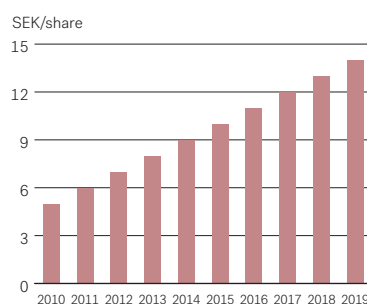
Investor maintains cost discipline to remain efficient and to maximize operating cash flow.



Management costs amounted to SEK 513m (478), corresponding to approximately 0.11 percent of our adjusted net asset value (0.13).

## 3. Pay a steadily rising dividend

Investor's dividend policy is to distribute a large percentage of the dividends received from Listed Companies, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is to pay a steadily rising dividend.



The Board of Directors proposes a SEK 14.00 dividend per share (13.00), to be paid in two installments, SEK 10.00 per share in May, 2020, and SEK 4.00 per share in November, 2020. Based on this proposal, on average our dividend has increased by 9 percent annually over the past five years and 13 percent over the past ten years.

Sustainability is an integral part of our ownership model. Investor has set sustainability targets for our overall portfolio as well as for Investor as a company. Targets presented below relate to our portfolio of 22 companies within Listed Companies, Patricia Industries and EQT AB. Read more about Investor's sustainability targets as a company on page 12-13.

SUSTAINABILITY TARGETS	Outcome	Comment
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## 1. Business Ethics & Governance

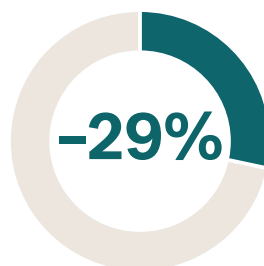
Governance and business ethics constitute the foundation for our sustainability approach. Investor's Sustainability Guidelines (see page 12) set clear expectations for our companies to conduct their operations in a responsible and ethical manner. Investor has zero tolerance for non-ethical business behavior.

**Our companies**  
**100%**  
 have a Code of Conduct  
**100%**  
 have an Anti-Corruption Policy  
**100%**  
 have a Whistleblowing channel  
**95%**  
 have signed the UN Global Compact

In 2019, Investor engaged with all our 22 portfolio companies regarding sustainability. The percentage of companies that are members of UN Global Compact increased to 95 percent compared to 83 percent in 2018. All portfolio companies have a Code of Conduct, Anti-Corruption Policy and Whistleblowing channel in place. 95 percent of the companies have a policy covering human rights. All companies have a Health and Safety Policy and measure and follow-up the number of recordable work-related injuries.

## 2. Climate & Resource Efficiency

Investor is committed to climate targets aligned with the Paris Agreement. Investor's target is to reduce greenhouse gas emissions from our portfolio by 50 percent by 2030. In addition, all our companies shall have targets to reduce emissions from their value chain, for example related to the use of their products.



reduction of greenhouse gas emissions from our portfolio compared to 2016

Since 2016, greenhouse gas emissions from our companies have decreased by 29 percent. The data includes our portfolio companies' scope 1 and 2 emissions. 41 percent of our companies have relevant reduction targets related to their products, services or value chains (the portfolio companies' scope 3 emissions). In terms of resource efficiency and in addition to scope 3 targets, 59 percent of our companies have set specific resource efficiency targets.

## 3. Diversity & Inclusion

Investor strives for diversity across all dimensions: nationality, age, gender, education as well as differences in mindsets and experiences. We have targets at the portfolio level of 40/60 gender balance in board and management by 2030. In addition, all our companies shall measure perceived level of inclusion among employees.

**Portfolio Board of Directors**  
**25%**  
 Average share of women  
**15**  
 Number of nationalities  
**Portfolio Management Groups**  
**24%**  
 Average share of women  
**21**  
 Number of nationalities

In 2019, the average share of women in the boards was 24.9 percent compared to 24.7 percent in 2018. In 2019, the average share of women in the management groups was 24.0 percent compared to 24.5 percent in 2018. The progress is not satisfactory and actions are being taken to step by step reach the long-term targets. 77 percent of our companies have targets or commitments regarding diversity and 59 percent measured the perceived level of inclusion among employees.

# Engaged Ownership

Investor believes in engaged ownership and always takes a long-term investment perspective. Our ambition is for our companies to remain or become best-in-class, to outperform competition and reach their full potential.

We work continuously to support our companies to remain or become best-in-class.

We have strong ownership positions, exercise our influence through the boards, develop and drive value creation plans and continuously follow-up on performance.

We act in the best interest of each company from an industrial and long-term perspective.

## Investment philosophy

Investor's investment philosophy is buy-to-build. We develop the companies over time as long as we see further value creation potential. We are typically the largest owner and actively support our companies in making attractive investments. This means that we are willing to sacrifice short-term profitability for longer-term value creation. However, our long-term perspective is never an excuse for weak short-term performance.

If we arrive at the conclusion that a certain company would be better off in a different ownership, or that it no longer offers attractive enough development potential, we would actively drive a divestment process and try to maximize the value for our shareholders.

## Best-in-class boards

We exercise our influence through our representation on the companies' boards. Our results ultimately depend on the people in our organization and in our network. Therefore, we spend much of our time identifying and developing talent to ensure that the best people with different skills and perspectives are appointed to the boards of our companies. Our experience is that a well-functioning board is diverse in terms of age, gender, background and not least in different mindsets and experiences. The board should include individuals with relevant industrial, functional and geographic knowledge which is not too narrow or specific.

We believe in strong boards of limited size, which still allows for sufficient breadth of capabilities, as this ensures a high level of individual accountability and strong dynamics. Most importantly, the board should have the experience and competence necessary to support the company's long-term ambitions. Investor expects the boards to engage in strategic issues in order to ensure investments in long-term attractive opportunities. We strive for strong alignment with the chairperson and regularly invite all chairpersons in our companies to a "Chairs' Circle" to discuss key trends and share knowledge.

## Our long-term perspective is never an excuse for weak short-term performance

### Value creation plans

We have formed a business team for each company we are engaged in. The business teams consist of our board representatives, investment managers and analysts. The business teams analyze the industries and benchmark the companies' performance versus their competitors. Based on the analysis, we develop and constantly refine value creation plans for each company. These plans identify strategic key value drivers that the companies should focus on,

in order to maximize long-term value. The plans typically focus on operational excellence, profitable growth, capital structure, industrial structure, innovation, sustainability, talent management and corporate health.

We maintain a close and continuous dialog around value creation with the companies' chairpersons and CEOs. It is critical that the owners, boards and management teams are aligned and that the value creation plans are followed up periodically and thoroughly.

### Execution is key

The future of our companies depends on their capacity to drive change and their willingness to invest for the long-term. We firmly believe that to become or remain best-in-class, companies must have the ability to invest in research and development, regardless of pressure from external forces. We encourage collaboration, innovation, operational excellence and relentless execution, so that the companies can be successful and grow profitably over time.

### Cash flow generation

Over the past decade, we have established strong cash flow generation based on dividends from Listed Companies, distribution from Patricia Industries' companies and net proceeds from Investments in EQT. This cash flow allows us to finance investments in both existing and new companies and to pay a steadily rising dividend.



## Industries we invest in

We own companies in industries we understand well, and in which we can use our experience, network and financial expertise. This means that we invest in listed companies in the Nordics, and in unlisted companies both in the Nordics and in North America, mainly within:

- engineering
- healthcare
- financial services
- technology

## Investment criteria

- strong market positions
- sustainable and flexible business models
- strong and sound corporate cultures
- exposure to growth markets
- strong profitability and cash flow
- continuous focus on innovation and R&D
- exposure to service and aftermarket sales

# Sustainability

Sustainability is fundamental to our business success and the success of our companies. Investor has a long tradition of being a responsible owner and company, and firmly believes that a sustainable business approach is a prerequisite for creating long-term value.

## Our approach

Investor takes a business-driven approach to sustainability as we believe this is a prerequisite for creating long-term-value, both in our role as a company as well as in our role as a responsible owner. We define sustainability as the delivery of long-term value in economic, environmental and social terms. At an overall level our work is based on our Sustainability Policy, Code of Conduct and clear roles and responsibilities.

It is in our role as an owner that we have the most impact, through the capital we provide, our engaged ownership and through our representation on the boards. In addition, we create value through the employment, innovations, products and services delivered by our companies. When we support our

companies to develop best-in-class businesses, they create value for their customers, for society, and in turn, for us and our shareholders.

In 2019, Investor performed its second materiality assessment in order to identify our most important sustainability areas. We identified three focus areas relating to our impact both as a company and an owner:

- Business Ethics & Governance
- Climate & Resource Efficiency
- Diversity & Inclusion

## Business Ethics & Governance

Investor has zero tolerance for non-ethical business behavior. We are convinced that good business ethics and governance are key to build strong and successful companies.

Investor is a member of the UN Global Compact and supports the ILO conventions, Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises.

In our role as an owner we have also developed a framework including Sustainability Guidelines, a sustainability network for knowledge sharing and an approach for monitoring sustainability issues and performance in the value creation plans for each portfolio company. We report on our sustainability performance once a year to the Investor Board of Directors.

Investor's Sustainability Guidelines set clear expectations for Investor and our companies to conduct their operations in a responsible and ethical manner. Investor as well as each of our companies have a Code of Conduct, Anti-corruption policy and Whistleblowing channel in place.

## UN Sustainable Development Goals

Investor is committed to the UN Sustainable Development Goals and contributes to a number of them. Read more at [www.investorab.com](http://www.investorab.com)



### Gender Equality SDG 5.5

Ensure full participation in leadership and decision-making



### Decent Work & Economic Growth SDG 8.2

Innovate and upgrade for economic productivity



### Responsible Consumption & Production SDG 12.2

Sustainable management and use of natural resources



### Climate Action SDG 13

Take urgent action to combat climate change and its impacts



### Peace, Justice & Strong Institutions SDG 16.5

Substantially reduce corruption and bribery



### Partnership for the Goals SDG 17.16

Enhance the global partnership for sustainable development

## Investor's Sustainability Guidelines

1. Ensure that sustainability is integrated into the business
2. Comply with local and national legislation in each country of operation
3. Regularly assess material sustainability topics and have an active dialog with stakeholders
4. Sign and adhere to the UN Global Compact, commit to UN Sustainable Development Goals, support the ILO conventions, Universal Declaration of Human Rights, as well as the OECD Guidelines for Multinational Enterprises
5. Have implemented policies and Code of Conduct that address relevant sustainability areas including business ethics
6. Analyze risks and opportunities and formulate relevant measurable targets
7. Continuously improve social, environmental and economic impact with a special focus on innovation, climate, diversity & inclusion
8. Have adequate processes and resources to manage and monitor sustainability performance
9. Have a secure reporting channel for whistleblowing in place
10. Transparently report on the sustainability development



### Climate & Resource Efficiency

The business community has a key role in taking action and coming up with new innovative solutions to combat climate change and increasing resource efficiency. Investor is committed to climate targets aligned with the Paris Agreement and has the target to halve its greenhouse gas emissions by 2030. As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy.

Through our board representatives we engage and follow up with our companies on their targets and measures to reduce their climate impact including carbon footprint of products and solutions. Investor annually follows up with the companies regarding water consumption, waste and CO<sub>2e</sub> emissions. Investor's targets are:

- To reduce CO<sub>2e</sub> emissions by 50 percent by 2030 compared to 2016 for the overall portfolio (portfolio companies' scope 1 and 2). As of 2019, emissions have decreased by 29 percent.
- To monitor and track that all our companies have targets to reduce emissions from their value chain, for example related to the use of their products (portfolio companies' scope 3). In 2019, 41 percent of the companies had scope 3 targets and 59 percent had resource efficiency targets.

The same targets are applicable for Investor as a company. In 2019, the scope 1 and 2 emissions equaled 130 tonnes, a reduction of 10 percent compared to 2016. To reach our target, Investor will continue to reduce emissions from our energy consumption and company cars. We also work to reduce the impact from our operations by for example managing waste in an environmentally sound manner and more efficient traveling. Read more on page 110-113.

Investor CO <sub>2e</sub> emissions, tonnes	2019
Scope 1 emissions	18
Scope 2 emissions <sup>1)</sup>	112
Scope 3 emissions <sup>1)</sup>	356,970

1) Method and description of Investor's scope 2 and 3 emissions are presented on page 113.

### Diversity & Inclusion

Investor strongly believes that diverse teams characterized by inclusion and different perspectives stimulate innovation and drive better decision-making. Inclusive organizations maximize the power of all differences and realize the full potential of all of their employees. We strive for diversity across all dimensions: national origin, age, gender, education as well as differences in perspectives and experiences. This builds stronger companies and creates long-term value.

Investor drives this work through the nomination committees and board representation. Investor's targets for 2030 are:

- To reach a gender balance of 40/60 in the portfolio companies' boards of directors and executive management groups from an overall portfolio perspective. This means at least 40 percent of the underrepresented gender.
- All companies measure the perceived level of inclusion among employees.

In 2019, the average proportion of women in the boards was 25 percent and 24 percent in the management groups. There were 15 nationalities represented in the boards and 21 in the management groups. 77 percent of our companies have targets or commitments regarding diversity and 59 percent measure the perceived level of inclusion among employees on a regular basis.

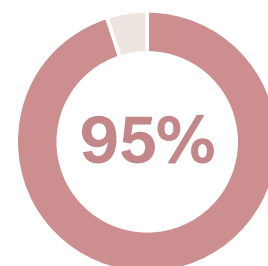
The same targets are applicable for Investor as a company. In 2019, the proportion of women in Investor's Extended Management Group was 50 percent and 48 percent in the overall organization.

Investor is well diversified in terms of age, gender and expertise. Through employee surveys we follow up on engagement, motivation and inclusion. Read more on page 14 and 112.

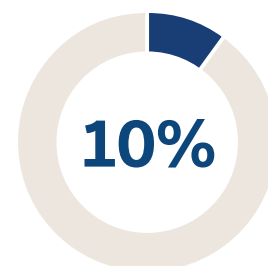
Diversity Investor, share of women	2019
Employees	48%
Extended Management Group <sup>1)</sup>	50%
Board of Directors <sup>2)</sup>	44%

1) The share in Investor's Management Group was 60%.  
2) Investor's Board of Directors excluding the CEO.

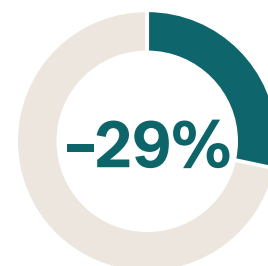
## Portfolio Companies



95% of our companies are members of UN Global Compact



10% of our companies' total revenues were re-invested within research and development



-29% reduction of CO<sub>2e</sub> emissions from our companies compared to 2016

### Investor Key Activities 2019

- Engaged with all our 22 companies regarding sustainability
- Investor Sustainability Network met four times
- Initiated sustainability training within Patricia Industries
- Investor identified long-term sustainability targets to be reached by 2030

# People at the Centre

We are convinced that top quality individuals with different mindsets make all the difference. Investor's highly skilled employees and board representatives are at the center of our business model. We strive to create a sustainable, inclusive and attractive workplace, where people feel they can have positive impact.

## Our culture is our foundation

Investor is a purpose-driven company with a strong sense of pride in our long history. Over time, it has built a culture which underlines the importance of being curious, open to new ideas and collaboration.

Our core values that guide us in our daily work are; Care for People, Contribute with Heart and Mind, Challenge and Improve and Create Value. In 2019, we continued the work to integrate our core values. A strong and sound corporate culture is a prerequisite to successfully achieve our vision and goals. We continuously develop our corporate culture based on our core values.

## Growth and development

We believe in supporting everyone to reach their full potential and make sure everybody has a sense of growth and direction. Working at Investor means having the opportunity to make an impact either within the investment organization or as a specialist within our corporate functions. Being part of a small team within a specific area, leads to a strong sense of team commitment and responsibility.

During the year we launched the framework Impact and Development,

a continuous approach for discussion on goals and priorities, values, development and feedback. Each individual has his or her own Personal Development Plan. It is discussed frequently and the development planning is employee-driven, which means that the employee owns the plan. Investor, on the other hand, provides structured support and guidance.

We offer different opportunities to continuously learn and develop, including internal and external trainings but also job rotations to portfolio companies. The primary focus for professional development and up-skilling is on-the-job training. We regularly organize activities to encourage a learning organization and promote collaboration and sharing of knowledge.

## Diversity and inclusion

We believe building long-term successful companies requires people with different backgrounds, experiences and perspectives. Also, we are convinced that making use of the total available talent base builds stronger and more dynamic teams. Our organization is well diversified in terms of age, gender and expertise.

We strive to expand our recruitment base and when recruiting, our ambition

is to have a gender diverse slate of candidates and diverse interview panels.

Investor has a zero tolerance policy against any kind of harassment or discrimination and we have an external whistleblowing channel.

We continue to measure perceived inclusion and how our employees feel about their individual ability to make an impact.

We want to offer fair and market-based compensation. When it comes to equal pay, we conduct an annual salary evaluation to ensure that we provide equal compensation between men and women.

## Building for the future

As part of attracting future employees and strengthening our employer brand, we offer students internships within our different business areas. During 2019, we welcomed eight talented interns to Investor. Over the years, we have built close relationships with selected universities and frequently meet with students from different schools.

When joining Investor our new employees take part in an onboarding program and are introduced to the different functions and business units, as well as our purpose and our values.

## Core Values and Behaviors

### Care for People

Building strong and sustainable businesses requires talented and motivated people. Our collaborative, respectful and transparent working environment is an instrumental part of our culture.

- We treat each other with respect
- We encourage teamwork
- We embrace diversity & inclusion
- We develop ourselves and help others to grow

### Challenge and Improve

We firmly believe that there is always room for improvement. It is crucial for us as an engaged owner as well as in our daily work. We constantly challenge ourselves and our companies to be innovative and to work smarter.

- We set high expectations
- We dare to question
- We challenge old structures and ways of working

### Contribute with Heart and Mind

Our success is driven by the talent, expertise and passion of our employees. Everyone is expected to contribute and create positive impact.

- We foster an open, informed and transparent culture
- We contribute our views and knowledge
- We bring energy and passion into everything we do
- We actively build relationships and networks

### Create Value

We strive to create value in everything we do, ultimately generating returns for our shareholders and benefiting people and society. Creating value is the guiding principle for our priorities, decisions and actions.

- We always act in our companies' best interests
- We all contribute to creating value
- We create financial as well as non-financial value



## Our philosophy on remuneration - in short

- Total remuneration should be competitive in order to attract the right person to the right place at the right time.
- A substantial part of the total remuneration should be variable.
- The remuneration should be linked to long-term shareholder returns. We encourage our employees to invest in Investor shares.
- The remuneration principles should be transparent.
- We apply the "grandparent principle" for any changes of an individual's remuneration.

### Collective bargaining agreement

Investor mirrors the collective bargaining agreement for the banking community and offer our employees the same or better benefits.

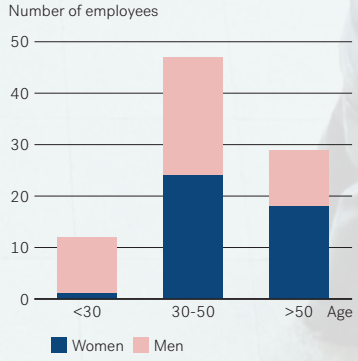
**50/50%**  
women/men

Extended Management Group

**48/52%**  
women/men

Investor

Age distribution<sup>1)</sup>



Key indicators<sup>1)</sup> December 31 2019

Number of employees	89
Employees, women	48%
Managers, women	32%
Extended Management Group, women	50%
Extended Management Group, nationalities	2
Personnel turnover	15%
Average sick leave <sup>2)</sup>	1.5%
<b>Employees</b>	
Stockholm	76
New York	10
Amsterdam	2
Palo Alto	1

1) Excluding wholly-owned subsidiaries.  
2) Percentage of total time. Data collected from HR and remuneration systems in the Stockholm office.

# Patricia Industries

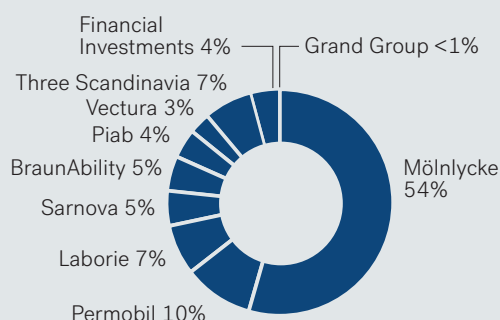
Patricia Industries' key focus is to invest in and develop wholly-owned companies with long-term growth potential. The vision is to be a great home for great companies. In 2019, key priorities were to further develop the existing companies, including the most recently acquired subsidiaries, and completing the divestment of Aleris.

## 23%

of total adjusted assets

## 115

SEK bn



### Highlights

- Based on estimated market values, the value of Patricia Industries, excluding cash, increased by 23 percent.
- Laborie and Piab announced important strategic acquisitions.
- Mölnlycke, Permobil, Laborie and Piab made several important new product launches.
- SEK 5.7bn was distributed to Patricia Industries from Mölnlycke, Permobil, Piab and Three Scandinavia.
- Aleris was divested, with divestment proceeds amounting to SEK 2.0bn.
- Financial Investments were divested for total proceeds of SEK 3.4bn.
- The boards were strengthened in several companies and Piab and Vectura appointed new CEOs.

Patricia Industries' key focus is to invest in and develop wholly-owned companies in the Nordics and North America. The aim is to exceed 90 percent ownership, with the companies' management and board directors as co-owners, to ensure full alignment.

Patricia Industries operates from offices in Stockholm, New York and Palo Alto, and has a separate investment mandate and a specially appointed Board of Directors.

The boards of Patricia Industries' companies are typically composed of independent directors from our network and investment professionals from Patricia Industries, led by an independent, non-executive, chairperson.

The portfolio also includes Financial Investments, in which the investment horizon has not yet been defined.

### Capital allocation

We focus on investing through our existing wholly-owned companies, for example to finance organic growth initiatives or add-on acquisitions. While the main priority is to further develop the existing companies, we also look for new subsidiaries offering attractive long-term profitable growth opportunities, both in the Nordics and in North America.

### Performance 2019

For the major subsidiaries, pro forma organic sales growth amounted to 4 percent in constant currency, while EBITA grew by 18 percent. Distributions from the companies to Patricia Industries amounted to SEK 5.7bn. Mölnlycke, Permobil, Piab and Three Scandinavia all made distributions. These proceeds strengthen the capacity to invest in existing and new subsidiaries.

### Investments and divestments during the year

Net divestments amounted to SEK 5.3bn, driven by exit proceeds from Aleris and the divestment of financial investments for approximately SEK 3.4bn. At the end of the year, Laborie announced the USD 525m acquisition of Clinical Innovations. Patricia Industries will contribute USD 450m in equity to Laborie to help finance the transaction. In addition, several subsidiaries, made important complementary acquisitions during the year. For example, Piab announced the acquisition of TAWI Group right before year-end.

### Going forward

Near-term, we focus on mitigating the impact of the covid-19 outbreak in early 2020, with focus on employees, customers, supply chains and production. We will continue to focus on further developing our existing companies and drive continued profitable growth through organic and in-organic initiatives. Our ambition is also to find new subsidiaries in the Nordics and in North America. We will continue to divest financial investments and redeploy proceeds and resources to other companies in the portfolio.

## Board members from Investor

BraunAbility	Noah Walley
Grand Group	Jenny Ashman Haquinius
Laborie	Yuriy Prilutskiy
Mölnlycke	Gunnar Brock (Chair), Christian Cederholm
Permobil	Christian Cederholm
Piab	Thomas Kidane
Sarnova	Yuriy Prilutskiy
Three Scandinavia	Christian Cederholm, Lennart Johansson
Vectura	Thomas Kidane, Lennart Johansson

## Overview<sup>1)</sup>

### Ownership

wholly-owned subsidiaries, partner-owned companies

### Board representation

boards comprise of independent directors and directors from Patricia Industries

### Ownership perspective

long-term, buy-to-build strategy

### Valuation methodology

acquisition, equity and other relevant methods, estimated market values as supplementary information

**115**

adjusted net asset value  
(ex. cash), SEK bn

**5.7**

total Distribution,  
SEK bn

**23%**

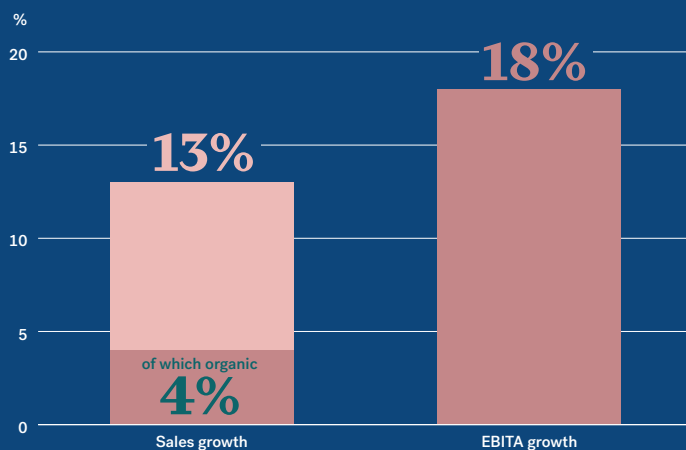
adjusted value change

**5.3**

net divested, SEK bn

1) Governance and valuation methodology refer to subsidiaries and partner-owned investments.

## Performance 2019, major subsidiaries





SEK **62bn**  
estimated value  
of holding

**12%**  
of total  
adjusted assets

**99%**  
total exposure

Mölnlycke designs, manufactures and supplies single use products and solutions for managing wounds, improving surgical safety and efficiency, and preventing pressure ulcers.

Organic sales  
growth,  
constant currency

**4%**

Reported EBITA  
growth

**5%**

### Important events 2019

- Organic sales growth amounted to 4 percent in constant currency, with Wound Care growing faster than Surgical. All regions contributed to growth, with Emerging Markets growing at the highest rate.
- The EBITA margin was essentially unchanged. Profitability was negatively impacted by increased sales and marketing activities to support ongoing product launches.
- Within Wound Care, the roll-out of the Mepilex® Border Flex range continued and the product has now been launched in all major markets.
- Mölnlycke acquired M&J Airlaid, a manufacturer of a key component in Mölnlycke's best-selling wound care dressings. The acquisition supports Mölnlycke's growth ambitions and adds critical R&D capabilities.
- Mölnlycke successfully issued a 10-year EUR 500m senior unsecured bond at attractive terms.
- Distribution of EUR 425m to Patricia Industries, reflecting the company's strong balance sheet and financial flexibility.

### Important sustainability areas and related risks

- Material aspects include sustainable supply chains, business ethics, health and safety, diversity and equality, product quality and environmental impact.
- The principles are primarily addressed in the Code of Conduct, Sustainability Policy, Quality Policy and Supplier Code of Conduct.

### Sustainability priorities

- Updated the compliance program, addressing subjects such as business ethics including anti-corruption, anti-bribery, health care compliance and fair competition law issues.
- Efforts to reduce climate impact through product development, increased efficiency in supply chain logistics and improved waste management in manufacturing.
- Employee trainings to increase health and safety in factories.
- Efforts to increase the share of women in senior positions.

### Key figures, EUR m

	2019 <sup>1)</sup>	2018
Net sales	1,542	1,452
EBITDA	451	418
EBITDA, %	29.2	28.8
EBITA	391	372
EBITA, %	25.3	25.6
Operating cash flow	382	374
Net debt	1,471	1,193

1) Including impact from IFRS 16. Leasing.

### Key sustainability performance indicators

	2019	2018
Number of employees	7,790	7,895
Employees trained on anti-bribery and anti-corruption, %	96	n.a
Number of accidents per million working hours (LTA)	1.5	2.1
Women in senior positions (Director level or above), %	35	33
CO <sub>2e</sub> emissions, tonnes (Scope 1 and 2)	97,939	91,792

[www.molnlycke.com](http://www.molnlycke.com)

Chair: Gunnar Brock

CEO: Richard Twomey

### OUR VIEW

- Mölnlycke continues to offer attractive long-term, profitable growth opportunities on the back of its leading market positions and focus on delivering innovative, evidence-based quality products within wound management, pressure injury prevention and surgical solutions.
- As long-term owners, Patricia Industries drives investments in continued innovation and clinical evidence to support long-term profitable growth. Mölnlycke has delivered several new products to the market and is continuously improving clinical expertise and evidence. Key priorities to drive continued growth include innovation, expansion on emerging markets and complementary acquisitions.



SEK **12**<sup>bn</sup>  
estimated value  
of holding

**2%**  
of total  
adjusted assets

**96%**  
total exposure

Permobil provides advanced mobility and seating rehab solutions through development, production and sale of powered and manual wheelchairs, pressure-relieving cushions and power-assist devices.

Organic sales  
growth,  
constant currency

**1%**

Reported EBITA  
growth

**15%**

### Important events 2019

- Organic sales growth amounted to 1 percent in constant currency. All product segments grew except for Seating & Positioning. Regionally, APAC reported strong growth while Americas and EMEA were stable.
- The EBITA margin improved driven by initiatives to control costs, production efficiency improvements and favorable exchange rate-related effects. Last year's margin was negatively impacted by costs related to the CEO transition and an asset disposal.
- Operationally, Permobil continued to consolidate its manufacturing footprint, thereby reducing complexity.
- Permobil launched several new products, including the F-series advanced front-wheel drive power wheelchair.
- Distribution of SEK 620m to its owners, of which SEK 601m to Patricia Industries.

### Important sustainability areas and related risks

- The most material aspects are quality of life for users, product and service safety and quality, safe and respectful work place, diversity and inclusion, responsible sourcing, business ethics and environmental impact.
- These areas are largely covered in principle in core values, Code of Conduct, Anti-Corruption Policy, Health and Safety Policy and Supplier Code of Conduct.

### Sustainability priorities

- Conducted a materiality assessment resulting in seven focus areas on which the continued sustainability efforts will be based.
- Improved and prioritized key performance indicators.
- Established new Health and Safety Policy and arranged awareness training. Ongoing online tutorial for employees.
- Offer Permobil Connect, a number of services aided by connected power wheelchairs, in more markets enabling less disruption to end-users.

Key figures, SEK m	2019 <sup>1)</sup>	2018
Net sales	4,446	4,162
EBITDA	924	780
EBITDA, %	20.8	18.8
EBITA	726	634
EBITA, %	16.3	15.2
Operating cash flow	776	649
Net debt	3,549	3,088

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	1,625	1,565
Injury Rate, TCIR	1.68	3.01
Delivered medical products, units <sup>2)</sup>	1,007,000	1,019,000
CO <sub>2e</sub> emissions, tonnes (Scope 1 and 2)	10,586	10,252
R&D intensity (R&D/sales), %	3.80	3.82

2) Restated compared to annual report 2018, due to developed calculation method.

[www.permobil.com](http://www.permobil.com)

Chair: Martin Lundstedt  
CEO: Bengt Thorsson

### OUR VIEW

- Permobil's ambition to increase life quality for its users through innovation has made the company a globally leading provider of advanced mobility solutions with attractive opportunities for profitable growth.
- Its strong culture, portfolio of brands, competitive product offering and innovation capabilities form a strong base for providing accessibility for more users globally.
- Key focus in the coming years is to drive organic growth, complemented by add-on acquisitions to strengthen the product portfolio and sales capabilities in existing and new geographies.



SEK **8**bn  
estimated value  
of holding

**2%**  
of total  
adjusted assets

**98%**  
total exposure

Laborie develops, designs and distributes innovative capital equipment for the urology and gastroenterology sectors, with complementary and recurring high-volume sales of catheters and other diagnostic and therapeutic disposables.

Organic sales  
growth,  
constant currency

**4%**

Reported  
EBITA growth

**168%**

### Important events 2019

- Organic sales growth amounted to 4 percent in constant currency, driven by balanced growth between the urology and gastrointestinal business units.
- The EBITA margin amounted to 25.1 percent and was impacted by USD 6m in costs related to the acquisition of Clinical Innovations. Profitability continued to improve driven by cost savings materializing from the integration of the urology diagnostics and therapeutics company Cogentix (acquired in April 2018) and the restructuring of Laborie's European business.
- During the third quarter, Laborie initiated the commercial launch of its next-generation NXT urodynamics platform.
- In December, Laborie announced the acquisition of Clinical Innovations, a global leader in childbirth and neonatal medical products, for a total consideration of USD 525m. Patricia Industries will contribute USD 450m in equity to help finance the acquisition. In 2019, Clinical Innovations' sales amounted to approximately USD 70m. Laborie also acquired Ardmore Healthcare, a UK-based supplier of gastrointestinal products, in January.

### Important sustainability areas and related risks

- Material aspects include medical device regulatory and compliance regulations, supply chain continuity and compliance, simplifying business infrastructure, cybersecurity and data protection.
- The principles are addressed in the Code of Conduct, Supplier Code of Conduct, Compliance Policy, Quality System procedures and data privacy and security procedures.

### Sustainability priorities

- Implemented enhanced Supplier Code of Conduct and new procedures to evaluate and intervene if incidents of non-compliance occur.
- Increased the integration of sustainability activities into business processes. These initiatives have focused on labor conditions, environmental protection and enhanced data protection. The key environmental performance indicators will be assessed and improved in 2020.

### Key figures, USD m

	2019 <sup>1)</sup>	2018
Net sales	205	181
EBITDA	56	22
EBITDA, %	27.3	12.4
EBITA	51	19
EBITA, %	25.1	10.6
Operating cash flow	24	-20
Net debt	288	278

1) Including impact from IFRS 16. Leasing.

### Key sustainability performance indicators

	2019	2018
Number of employees	580	580
Employees trained on Code of Conduct, %	99	98
Conformity to Supplier Code of Conduct, %	42	n.a
CO <sub>2</sub> e emissions, tonnes (Scope 1 and 2)	1,300	1,346
R&D intensity (R&D/sales), %	5	4

### www.laborie.com

Chair: Bo Jesper Hansen

CEO: Michael Frazette

### OUR VIEW

- As the global leader in advanced urodynamic testing, the gold standard for diagnosing the underlying causes of complex urinary incontinence, Laborie is poised to continue its organic growth on the back of multiple long-term drivers such as an aging population and higher awareness of pelvic floor disorders.
- Near-term, the priorities for Laborie are to drive continued growth and product innovation in its core urology and gastrointestinal businesses, advance the internal R&D pipeline, and complete the integration of Clinical Innovations, which provides Laborie with a third business segment with attractive long-term growth opportunities. Laborie will also continue to evaluate additional add-on acquisitions within urology as well as other markets.





SEK **6**bn  
estimated value  
of holding

**1%**  
of total  
adjusted assets

**86%**  
total exposure

Sarnova is a specialty distributor of medical equipment, products, supplies and training services to emergency providers, hospitals and health-related organizations.

Organic sales  
growth,  
constant currency

**4%**

Reported  
EBITA growth

**14%**

### Important events 2019

- Organic sales growth amounted to 4 percent in constant currency, driven by balanced growth between the Acute Care and Emergency Preparedness divisions.
- The underlying EBITA margin was unchanged compared to last year, as Sarnova continued to invest in additional commercial resources within both Acute Care and Emergency Preparedness, digital platform enhancements and warehouse optimization.
- Sarnova and Ambu mutually agreed to transition distribution of several products from Sarnova to Ambu. The transition resulted in profit contribution to Sarnova, impacting its EBITA margin positively during the year, as well as a USD 38m payment from Ambu to Sarnova.
- Sarnova completed two acquisitions for its Emergency Preparedness division, Southeast Emergency Equipment and Concordance Healthcare Solutions, strengthening its product and services offering further.

### Important sustainability areas and related risks

- The most material aspects are profitable growth, customer satisfaction, engaged employees, ethical conduct and diversity in the workplace.
- The principles are primarily addressed in the Code of Conduct, Employee Handbook and general corporate policies.

### Sustainability priorities

- Issued a new Code of Conduct. Continued education for employees on ethical conduct, with an emphasis on anti-trust and anti-bribery.
- Conducted an annual employee engagement survey with an emphasis of greater employee participation.
- Focused on improving diversity within workforce.
- Conducted a customer satisfaction survey.

Key figures, USD m	2019 <sup>1)</sup>	2018 <sup>2)</sup>
Net sales	647	597
EBITDA	82	69
EBITDA, %	12.6	11.6
EBITA	73	64
EBITA, %	11.3	10.7
Operating cash flow	86	49
Net debt	287	307

1) Including impact from IFRS 16, Leasing.

2) Consolidated as of April 4, 2018. Historical pro forma figures presented for information purposes.

Key sustainability performance indicators	2019	2018
Number of employees	645	620
Employees trained on Code of Ethics, %	99	98
Employee Engagement, % versus Benchmark (+/-)	80, +4	76, +5
Percentage of women among employees, %	44	44
CO <sub>2</sub> e emissions, tonnes (Scope 1 and 2)	2,323	2,270
Customer satisfaction, NPS	55	47

[www.sarnova.com](http://www.sarnova.com)

Chair: Matthew D Walter

CEO: Jeff Prestel

### OUR VIEW

- As the leading specialty distributor of medical products for the emergency preparedness and respiratory markets in the U.S., Sarnova has attractive long-term profitable growth potential.
- Near-term, focus is on commercial execution within the Emergency Preparedness and Acute Care businesses, expansion of product and service capabilities such as private label and custom kitting, inventory management, and investments in warehouse and distribution capacity.
- Sarnova continues to evaluate acquisition opportunities to strengthen its existing business as well as expand into attractive adjacent markets leveraging its organizational capabilities.



**6**  
SEK bn  
estimated value  
of holding

**1%**  
of total  
adjusted assets

**95%**  
total exposure

BraunAbility is a global manufacturer of automotive mobility products engaged in design, development and distribution of wheelchair accessible vehicles (WAV) and wheelchair lifts.

Organic sales  
growth,  
constant currency

**5%**

Reported  
EBITA growth

**43%**

### Important events 2019

- Organic sales growth amounted to 5 percent in constant currency, primarily driven by strong performance in commercial wheelchair accessible vehicles and lifts.
- The EBITA margin amounted to 7.7 percent, an improvement compared to last year driven by operating efficiency improvements and supply chain optimization initiatives.
- BraunAbility completed several complementary acquisitions, including Kersey Mobility, a wheelchair accessible vehicles dealer operating three stores in the Pacific Northwest.
- BraunAbility opened its new corporate headquarters in Carmel, Indiana, in September.

### Important sustainability areas and related risks

- Material aspects include product quality, customer satisfaction, innovation, regulatory compliance, occupational health and safety, sustainable supply chain, financial health and talent management.
- These principles are primarily addressed in the Code of Conduct, Supplier Code of Conduct, Employee Handbook, Quality Policy and company vision and values.

### Sustainability priorities

- Implemented an enterprise-wide talent review process.
- Completed a supplier risk assessment and revised the Supplier Code of Conduct.
- Established a Research & Development group focused on product innovation.
- Implemented a discrepancy severity rating system to aid in early indication of warranty issues and prioritization.

Key figures, USD m	2019 <sup>1)</sup>	2018
Net sales	734	646
EBITDA	70	45
EBITDA, %	9.6	7.0
EBITA	57	40
EBITA, %	7.7	6.2
Operating cash flow	72	55
Net debt	193	195

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	1,700	1,685
Employees receiving performance development reviews, % <sup>2)</sup>	98.5	n.a
Injury Rate, TCIR <sup>2)</sup>	1.1	1.1
CO <sub>2</sub> e emissions, tonnes (Scope 1 and 2) <sup>2)</sup>	6,112	6,275
Reduction in warranty cost per unit WAV/lift, % <sup>2)</sup>	-13/-5	+36/+7
Procurement spending on local suppliers (300mile radius), % <sup>2)</sup>	80.8	n.a
Suppliers signed off on Code of Conduct, no. <sup>2)</sup>	59	59

2) The sustainability indicators exclude BraunAbility's subsidiaries.

[www.braunability.com](http://www.braunability.com)

Chair: Nick Gutwein

CEO: Staci Kroon

### OUR VIEW

- As the global market leader in automotive mobility products for people with disabilities, BraunAbility has significant organic growth potential as its core wheelchair accessible vehicle market is underpenetrated and benefits from sustainable demographic growth drivers.
- There are multiple opportunities to grow the business through acquisitions, product portfolio expansion, and entry into new geographies. In addition, there remains potential to further improve manufacturing efficiency.
- Focus remains on executing on strategic growth initiatives, including new product development, continuous improvement on quality and safety, and complementary add-on acquisitions.



**5**  
SEK bn  
estimated value  
of holding

**1%**  
of total  
adjusted assets

**96%**  
total exposure

Piab develops, produces and distributes gripping and moving solutions for end-users and machine manufacturers to improve energy efficiency, productivity and work environment.

Organic sales  
growth,  
constant currency

**-4%**

Reported  
EBITA growth

**1%**

### Important events 2019

- Organic sales growth amounted to -4 percent in constant currency. All geographic regions declined. Vacuum Automation reported moderate growth, while the other divisions declined.
- Reported profitability included SEK 9m in acquisition-related costs. Excluding these costs, the EBITA margin was 28 percent. Underlying profitability improved driven by a combination of good cost control, favorable mix and the weak SEK.
- Piab acquired TAWI Group, a leading manufacturer of ergonomic handling solutions with global reach. In 2019, TAWI's sales amounted to approximately SEK 350m. Piab also acquired three Swedish distributors, strengthening the Nordic sales organization.
- Several new products were launched, including a smart Ergonomic Handling lifter, End-of-arm vacuum tool for collaborative robots and a smart Vacuum Conveying solution.
- Piab distributed SEK 59m to Patricia Industries.
- Clas Gunneberg was appointed new CEO and assumed his position in September 2019.

### Important sustainability areas and related risks

- The most material aspects are profitable growth through continuous development of innovative and energy efficient products, engaged employees, sound business ethics, trade compliance and anti-corruption.
- These principles are primarily addressed in the Code of Conduct, Trade Compliance Policy, Anti-Corruption Policy, Employee Handbook and Supplier Code of Conduct.

### Sustainability priorities

- Implementation of an Employee Handbook and a Code of Conduct for suppliers.
- Implemented a Trade Compliance Policy. The policy includes procedures for identifying risk countries and products. Also implemented enhanced procedures to prevent sales of goods and services to countries currently under US and EU sanctions.
- Continued R&D efforts of Industry 4.0 products such as the piFLOW SMART and piLIFT SMART solutions that are more energy efficient, more user-friendly and contain more features and functionality compared to current products.

Key figures, SEK m	2019 <sup>1)</sup>	2018 <sup>2)</sup>
Net sales	1,267	1,255
EBITDA	379	354
EBITDA, %	29.9	28.2
EBITA	341	338
EBITA, %	26.9	26.9
Operating cash flow	325	216
Net debt	987	1,064

1) Including impact from IFRS 16, Leasing.

2) Consolidated as of June 14, 2018. Historical pro forma figures presented for information purposes..

Key sustainability performance indicators	2019	2018
Number of employees	515	465
Employees signed off on Code of Conduct, %	83	64
Energy efficiency (piSMART pumps sold/total pumps sold), %	18	18
CO <sub>2</sub> e emissions, tonnes (Scope 1 and 2)	1,278	1,075
R&D intensity (R&D/sales), %	4.9	4.4

www.piab.com

Chair: Ronnie Leten

CEO: Clas Gunneberg

### OUR VIEW

- Piab has significant organic growth potential driven by the global automation trend within manufacturing and logistics. Based on our long-term commitment we continue to support investments in product development and geographic expansion to drive sustainable growth.
- There is also an opportunity to further leverage the company's strong product portfolio and complement it by add-on acquisitions to support growth.
- By acquiring TAWI Group, Piab establishes itself as a global leader in ergonomic handling solutions. The companies have a strong strategic fit with complementary product portfolios, and create an even stronger sales force and network of distributors.



SEK **4**bn  
estimated value  
of holding

**1%**  
of total  
adjusted assets

**100%**  
total exposure

Vectura develops, owns and manages properties for community service, office and hotel with a long-term commitment. Manages the whole value chain, from land acquisition to development and management.

Reported sales  
growth

**17%**

Reported  
EBITA growth

**28%**

## Important events 2019

- Adjusting for a non-recurring revenue last year, sales growth amounted to 23 percent, primarily driven by the office segment (opening of the Royal Office in January 2019) and recent additions to the community service portfolio.
- Commercial and community service projects progressed according to plan and Vectura continued to strengthen its project pipeline. Several ongoing constructions of care properties were completed, and several new constructions were initiated.
- The zoning plan for GoCo Health Innovation City in Mölndal, Sweden, was approved, and includes office space, care properties, hotel, research facilities and accommodation.
- Vectura renewed and extended its credit facility, enabling the company to deliver on its expansion ambitions and project pipeline.
- The market value of Vectura's real estate amounted to SEK 7,282m as of December 31, 2019 (5,911).
- Joel Ambré was appointed new CEO, effective August 2019.

## Important sustainability areas and related risks

- The most material aspects are reducing energy consumption, material usage and waste to ensure the development of sustainable buildings over time, business ethics, as well as healthy and safe environments around the buildings.
- Principles for these areas are primarily described in the Code of Conduct, Sustainability Policy and Supplier Code of Conduct.

## Sustainability priorities

- Developed and implemented a Supplier Code of Conduct.
- A materiality assessment has been conducted which resulted in raised ambitions regarding climate impact, innovation, supply chain responsibilities, contributions to society as well as health and well-being. Based on the result a sustainability strategy will be launched 2020.

Key figures, SEK m	2019 <sup>1)</sup>	2018
Net sales	273	233
EBITDA	173	142
EBITDA, %	63.3	60.8
EBITA, adjusted	74	58
EBITA, adjusted, %	27.2	24.7
Operating cash flow	-597	-298
Net debt	2,662	2,166

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	22	22
Percentage of women among employees, %	50	38
CO <sub>2e</sub> emissions, tonnes (Scope 1 and 2)	101	109
CO <sub>2e</sub> emissions intensity, kg/m <sup>2</sup>	3.0	3.4 <sup>2)</sup>
Energy intensity, kWh/m <sup>2</sup>	134	137 <sup>2)</sup>

2) Restated compared to annual report 2018, due to developed calculation method.

[www.vecturafastigheter.se](http://www.vecturafastigheter.se)

Chair: Mats Wäppling  
CEO: Joel Ambré

## OUR VIEW

- Vectura is focused on creating value by developing and efficiently managing innovative and sustainable real estate in the community service, office and hotel segments.
- Near-term priorities for Vectura include strengthening the organization, executing on its pipeline of development projects and sourcing additional growth opportunities.



SEK **0.4**<sub>bn</sub>  
estimated value  
of holding

**<1%**  
of total  
adjusted assets

**100%**  
total exposure

The Grand Group offers accommodation, food & beverage, spa, conference and banqueting. It consists of Scandinavia's leading hotels Grand Hôtel, Lydmar Hotel and The Sparrow Hotel.

Sales growth

**7%**

Reported  
EBITA growth

**not  
measurable**

### Important events 2019

- Organic sales growth amounted to 7 percent, positively impacted by the reopening of rooms following last year's renovation of the façade.
- The EBITA margin improved compared to last year, although it remained negatively impacted by start-up costs relating to the Stockholm-based boutique hotel The Sparrow Hotel, opened in early 2019.

### Important sustainability areas and related risks

- Material aspects include operating in an environmentally-friendly way, protecting guests' privacy and safety, and creating a safe and secure working environment.
- The principles are described in the core values, Code of Conduct, Environmental Policy and Human Resources manual.

### Sustainability priorities

- Investment into security with the stated objective for Grand Hôtel to become the safest hotel in Europe.
- New multi-year contract signed for wind-powered electricity.
- Compliance with new requirements in the area of sustainability from the association Leading Hotels of the World effective from January 1, 2020.
- Implemented second phase of service training for all employees and new guest satisfaction measurement system in cooperation with Leading Hotels.
- Continued efforts to reduce food waste and increase purchasing of ecological and locally produced goods.

Key figures, SEK m	2019 <sup>1)</sup>	2018
Net sales	680	603
EBITDA	142	34
EBITDA, %	20.8	5.7
EBITA	11	-5
EBITA, %	1.7	-0.8
Operating cash flow	1	-42
Net debt	893	4

1) Including impact from IFRS 16, Leasing.

Key sustainability performance indicators	2019	2018
Number of employees	380	380
Absentee rate, %	4.6	4.5
Customer satisfaction, NPS	70	66
CO <sub>2e</sub> emissions, tonnes (Scope 1 and 2)	419	421
Recycled biowaste, tonnes	77	90

[www.grandhotel.se](http://www.grandhotel.se), [www.lydmar.com](http://www.lydmar.com), [www.thesparrowhotel.se](http://www.thesparrowhotel.se)

Chair: Peter Wallenberg Jr.

CEO: Pia Djupmark

### OUR VIEW

- The Grand Group continues to develop its concept and customer offering, while focus on cost-efficiency and flexibility remains key to handle changes in demand.
- Our focus is on continued revenue growth and improvement of operational excellence. In addition, focus is on improving performance of the recently opened The Sparrow Hotel.

An aerial photograph of a dense, lush green forest. A dirt road or path winds through the trees, visible in the lower right quadrant. The text is centered over the image.

**We strive to be a leader in  
sustainable business practices**

# Sustainability Notes

Investor's Sustainability Report 2019 is integrated in the Annual Report and covers the calendar year 2019. The content is mainly on pages 7, 12-15 and in this supplement on pages 110-113. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core option, as well as the provisions of the Swedish Annual Accounts Act. The wholly-owned subsidiaries have sustainability sections on pages 22-31.

The listed companies and a number of the companies within Patricia Industries also publish their own sustainability reports. The sustainability report has been reviewed by a third party, PwC, to ensure the accuracy and completeness of the reporting. Questions or comments regarding the report can be directed to Sustainability Specialist, Sofia Jonsson, [sofia.jonsson@investorab.com](mailto:sofia.jonsson@investorab.com)

## GRI Content Index

General Disclosures	Disclosures	Page	
Organizational Profile	102-1	Name of the organization	Inside cover page
	102-2	Activities, brands, products and services	1, 4-5, 10-11, 16-33
	102-3	Location of headquarters	Back of cover
	102-4	Location of operations	Back of cover, 15
	102-5	Ownership and legal form	34-35
	102-6	Markets served	11, 110-111
	102-7	Scale of the organization	8-9, 15, 50-51, 112-113
	102-8	Information on employees and other workers	15, 112-113
	102-9	Supply chain	111
	102-10	Significant changes to the organization and its supply chain	111
	102-11	Precautionary Principle or approach	12-13, 113
	102-12	External initiatives	12, 111
	102-13	Membership of associations	12, 111
	Strategy	102-14	Statement from senior decision-maker
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	12-15, 111-112
Governance	102-18	Governance structure	36-41
Stakeholder Engagement	102-40	List of stakeholder groups	111
	102-41	Collective bargaining agreements	15
	102-42	Identifying and selecting stakeholders	111
	102-43	Approach to stakeholder engagement	111
	102-44	Key topics and concerns raised	111
Reporting Practice	102-45	Entities included in the consolidated financial statements	100, 111
	102-46	Defining report content and topic boundaries	110-111
	102-47	List of material topics	12-13, 110-111
	102-48	Restatements of information	111-113
	102-49	Changes in reporting	111-113
	102-50	Reporting period	110
	102-51	Date of most recent report	111
	102-52	Reporting cycle	110
	102-53	Contact point for questions regarding the report	110
	102-54	Claims of reporting in accordance with the GRI Standards	110
	102-55	GRI Content Index	110
	102-56	External assurance	110, 114
Specific Standard Disclosures	Disclosures	Page	
<b>Business Ethics &amp; Governance</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-13, 111-112
	103-2	The management approach and its components	12-13, 111-112
	103-3	Evaluation of the management approach	110-112
GRI 205: Anti-Corruption	205-3	Confirmed incidents of corruption and actions taken	112
<b>Climate &amp; Resource Efficiency</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-13, 111-112
	103-2	The management approach and its components	12-13, 111-113
	103-3	Evaluation of the management approach	110-113
GRI 305: GHG Emissions	305-1	Direct GHG emissions (scope 1)	113
	305-2	Energy indirect GHG emissions (scope 2)	113
	305-3	Other indirect GHG emissions (scope 3)	113
<b>Diversity &amp; Inclusion</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-15, 111-112
	103-2	The management approach and its components	12-15, 111-113
	103-3	Evaluation of the management approach	110-113
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	113

Unless otherwise indicated, all GRI Standards used are from 2016.

## Stakeholder engagement

Investor continuously monitors its most significant economic, environmental and social impacts to ensure that Investor is addressing the most important topics of its business and stakeholders. The key stakeholder groups have been identified based on their interest and potential impact from and on Investor's operations.

Investor's most significant sustainability topics have been identified and prioritized via ongoing engagements, dialogues, group meetings, and interviews with stakeholders through different channels and methods. Most of them are integrated in our regular work through for example ongoing dialogue with investors, analysts, employees, suppliers and partners.

Stakeholders	Methods of engagement	Key topics
Employees incl. existing and potential	<ul style="list-style-type: none"> <li>Regular communication and meetings</li> <li>Annual and semi-annual performance reviews</li> <li>Employee surveys</li> <li>Interviews and workshops</li> <li>External surveys concerning employer brand and student perception</li> <li>Internship programs</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics and governance</li> <li>Diversity and inclusion</li> <li>Employee development</li> <li>Work-life balance</li> <li>Climate</li> </ul>
Investors and Analysts	<ul style="list-style-type: none"> <li>Annual Report and Interim Reports</li> <li>Webcasts, website and press releases</li> <li>Sustainability assessment/surveys</li> <li>Capital market days</li> <li>Investor and analysts meetings and roadshows</li> <li>Annual General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics and governance</li> <li>Economic performance</li> <li>Climate</li> <li>Diversity</li> <li>Integrate sustainability in business model</li> </ul>
Portfolio Companies	<ul style="list-style-type: none"> <li>Regular communication and meetings</li> <li>Active representation in boards</li> <li>Investor Sustainability Network</li> <li>Annual assessment and follow-up</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics and governance</li> <li>Climate and resource efficiency</li> <li>Diversity and inclusion</li> </ul>
Society incl. authorities, universities, experts, business partners and NGOs	<ul style="list-style-type: none"> <li>Annual and Sustainability Reports</li> <li>Meetings with sustainability scientist and experts</li> <li>Community engagement and dialogue</li> <li>Memberships and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Transparency and reporting</li> <li>Integrate sustainability in business model</li> <li>Business ethics and governance</li> <li>Environment and climate</li> <li>Diversity and inclusion</li> </ul>

The table shows the key stakeholder groups, methods we use to engage with them and the key sustainability topics raised.

## Materiality assessment

The first materiality analysis was performed in 2016. During 2019 we conducted an updated stakeholder dialogue to reaffirm the results and prioritize the most material topics going forward. The stakeholders raised the importance of Investor driving the portfolio companies to create sustainable business models and work in a sustainable way. All of our stakeholders stress the importance of active governance of sustainability issues both as a company and as an owner in order to ensure Investor's long-term attractiveness as an investment. The results from different stakeholders showed great similarities when it comes to what was valued the most. Topics that have been raised by our key stakeholders are governance, business ethics, anti-corruption, climate and diversity. All stakeholders considered these topics to be very important. Many stakeholder groups also underlined the importance of transparency in reporting and communication.

The updated materiality analysis led to minor changes to the material topics. Financial strength and long-term return are the foundation for Investor's entire business model and not reported as a specific topic within the context of our GRI report. The material topics regarding indirect influence were merged within other relevant topics. A more significant change after the updated materiality analysis is that Investor now includes climate as a separate material topic. Investor has limited direct impact on environment but as a owner, we have large indirect impact through our portfolio companies.

Material topic	Boundary and impact
Business Ethics & Governance	Impact within and outside the organization. Ethical business conduct is the foundation for our and our portfolio companies' long-term success. The information regarding the material topic covers Investor AB and aggregated data for our portfolio companies.
Diversity & Inclusion	Impact within and outside the organization. Investor views diversity and inclusion as business imperatives and the value that is created benefits society at large. The information regarding the material topic covers Investor AB and aggregated data for our portfolio companies.
Climate & Resource Efficiency	Impact mainly outside the organization. Small direct impact from Investor AB and main impact is indirect through the operations of our portfolio companies. Investors includes climate data relating to our scope 1, 2 and 3 emissions. Our scope 3 emissions includes the portfolio companies' direct emissions (their scope 1 and 2 emissions on an aggregated level).

## Reporting

Entities divested during the year (Aleris) are removed from the baseline for greenhouse gas emissions and are not included in the yearly sustainability data for the overall portfolio. The company's last sustainability report was published in March 2019. Some new contextual information has been added which was not included in the previous report, but aside from this there have been no material changes in reporting practices. The report does not contain any significant restatements of information compared to previous years.

Our business model and supply chain remains unchanged in all material aspects. As an industrial holding company, our supply chain is neither extensive nor complex. Investor's primary suppliers are office, software and hardware providers, consultancies, travel agents etc. Investor's own analysis shows limited sustainability related risks in our supply chain. Suppliers are primarily active in Nordic countries and there have been no major changes of suppliers in 2019.

Our sustainability work is also disclosed on our website where our Sustainability Policy, Code of Conduct, guiding principle on tax and whistleblowing procedures available. Investor reports its Communication of Progress to the UN Global Compact and climate data to CDP.

Areas	Policy and strategic documents
Compliance with laws and business ethics Fair competition Human Rights International standards	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Sustainability Policy (incl. Investor Sustainability Guidelines)</li> <li>Compliance Policy</li> <li>Work Environment Procedures</li> <li>Equality Plan</li> <li>Employee Handbook</li> <li>Tax Policy</li> </ul>
Bribery and corruption Conflict of interest Political donations	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Gift and Benefit Procedures</li> <li>Personal Account Trading Policy</li> <li>Employee Handbook</li> </ul>
Diversity and non-discrimination	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Sustainability Policy (incl. Investor Sustainability Guidelines)</li> <li>Equality Plan</li> <li>Employee Handbook</li> <li>Work Environment Procedures</li> </ul>
Working conditions and employee development	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Sustainability Policy (incl. Investor Sustainability Guidelines)</li> <li>Employee Handbook</li> <li>Work Environment Procedures</li> </ul>
Environment and climate	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Sustainability Policy (incl. Investor Sustainability Guidelines)</li> <li>Employee Handbook (incl. Travel Policy)</li> </ul>

## Memberships and partnerships

Investor works together with other Swedish investors and share knowledge. We are for example involved in Sida's Swedish Investors for Sustainable Development with the aim of developing more efficient performance indicators and processes to measure development of the UN Sustainable Development Goals. Investor aims to continuously generate sustainable, economic value and simultaneously have a positive impact on society and the environment, thus creating shared value. In 2019, our total paid dividend amounted to SEK 9.9bn, whereof approx. SEK 2.3bn, was distributed to the Wallenberg Foundations, whose purpose is to grant funding to scientific research in Sweden.

Investor strives to be a good corporate citizen. The areas we prioritize are youth, education and entrepreneurship. Investor supports several organizations such as IVA, SNS, Forum för Valförd, Chambers of Commerce, Business Challenge and Young Enterprise Sweden.



## Business Ethics & Governance

### Investor AB

Acting responsibly and ethically is crucial for Investor to maintain a high level of credibility. Investor's Board of Directors have decided on a policy framework that sets the principles for how Investor should act as a responsible owner and company. These topics are addressed in our Code of Conduct and other documents such as our policies for sustainability, anti-corruption and whistleblowing.

The Sustainability Policy sets the framework for Investor's sustainability approach and work. The Board of Directors have decided on a long-term sustainability approach covering both Investor and our portfolio companies. The Management Group decides on the development and execution of the sustainability approach and within the Management Group the Head of Corporate Communication & Sustainability is responsible for coordinating and driving the overall sustainability work.

Our Code of Conduct guides all employees in their day to day work based on our values as well as policies. The Code of Conduct applies to all employees, Boards of Director and company representatives. All employees are expected to comply with our policies and confirm their adherence by signing Investor's Code of Conduct. We hold regular trainings and all policies and procedures are available on Investor's intranet. In 2019 all employees participated in training covering principles in the policy framework. Investor's internal instructions are monitored continuously and updated at least annually. Material incidents are reported to the Management Group and the Board.

Investor has zero tolerance for corruption and bribery. We also have internal procedures approved by the Management Group, aimed at providing guidance to evaluate what is appropriate and not appropriate in professional relations regarding, among other things, gifts and benefits. According to the internal procedures, the gifts and benefits given and received shall always be characterized by openness and moderation. In doubtful situations, the immediate manager shall always be informed and consulted. Investor's Legal department is also available for guidance. In 2019, all employees were trained on the procedures. All employees sign the Code of Conduct which also include the anti-bribery and anti-corruption policy. The risk for bribery and corruption is evaluated continuously and also assessed on an annual basis as part of Investor's risk assessment process. There were no incidents at Investor relating to bribery and corruption during 2019.

### Whistleblowing channel

We strive to maintain a transparent business climate and high business ethics and we value the safety and respect of everyone affected by our business. Through our whistleblower system, both employees and external parties can report suspected violations of law or business ethics. Investor's employees are an important source of insight for revealing possible misconduct that needs to be addressed. Investor organizes regular training for employees. The purpose of the whistleblowing channel is to encourage employees and other stakeholders to blow the whistle on suspected misconduct without any risk of retaliation, as well as to ensure an appropriate investigation process.

The whistleblowing procedure is prepared and managed by Compliance and approved by Investor's Management Group. Reports are handled confidentially by representatives at Investor's Legal department. Access to messages received through the whistleblowing channel is restricted. Representatives from the Legal department decide if and how a whistleblowing report should be escalated. A summary of received whistleblowing reports is presented to the Board of Directors on an annual basis. Investor also reports on the outcome in the Annual Report. In 2019, Investor received four reports through the whistleblowing channel of which one was Human Resource-related and three related to situations in our portfolio companies. All reports have been processed and managed.

### Portfolio companies

Our portfolio companies are expected to adhere to Investor's Sustainability Guidelines. Investor continuously monitors the portfolio companies' development and progress. One way is through the annual sustainability self-assessment questionnaire, where we follow-up the Sustainability Guidelines. The progress is presented to the Board of Directors once a year.

The business teams within Investor have developed value creation plans for each portfolio company which includes sustainability issues. The company specific focus areas vary depending on industry, development stage, and the risks and opportunities that are relevant for each company. Examples of focus areas could be business ethics, sustainability governance, supplier control, innovations, energy efficiency and diversity. If a serious sustainability related issue occurs in one of our companies, Investor's business team is responsible for raising the matter and for monitoring the steps the company takes to address the issue. For example, the business team for Ericsson has during the year monitored and followed up on the company's work to strengthening their ethics and compliance program.

Investor created a Sustainability Network in 2017. Through Investor's Sustainability Network, we meet the portfolio companies' Heads of Sustainability three to four times per year to discuss different sustainability challenges and opportunities. In 2019, Investor Sustainability Network met four times.

In 2019, Investor also facilitated a sustainability training for the companies within Patricia Industries. The training was divided in two parts covering both a general sustainability training and a more practical training related to governance structure for sustainability.



## Diversity & Inclusion

### Investor AB

Investor aims to provide a best-in-class working environment for our employees. All employees shall be treated equally, fairly and with respect regardless of age, gender, national origin, disability, religion, sexual orientation or union membership, among others. To ensure equal opportunities in the work environment, Investor's management has established an Equality Plan regarding equality initiatives for Investor's employees. The plan includes five steps: investigate, analyze, take action, follow up and evaluate. This applies to the areas equal work environment, work and parenthood, training and competence development, recruitment, equal wages, and work against harassment, sexual harassment and reprisals.

The work environment at Investor shall be characterized by opportunity for professional growth and development, opportunity to influence as well as social wellbeing. The Work Environment Procedure is decided by the Management Group and is reviewed and approved annually. It is designed so that no employee shall put their health at risk.

Investor conducts an employee engagement survey every 18-24 months. The latest survey in 2018 came out with strong results versus the external benchmark on engagement, leadership, team efficiency and psychosocial work environment. Our strongest scores are linked to values and pride. 100 percent of our employees stated that they are familiar with our values and 97 percent declared that they act according to them and that they are proud to work at Investor. Areas to work on are individual feedback and follow-up. Investor will conduct the next survey in 2020. To enhance an inclusive culture, Investor will also set a target for perceived level of inclusion. Read more about the targets and progress on pages 7 and 12-15.

Employee turnover	Women	Men
Number of new employee hires	5	4
Rate of new employee hires	5.6%	4.5%
Number of employee turnover	9	5
Rate of employee turnover <sup>1)</sup>	20.0%	11.0%
Employment contract	Women	Men
Number of permanent employees	43	44
Number of temporary employees <sup>2)</sup>	0	2
Employment type	Women	Men
Number of full-time employees	42	44
Number of part-time employees	1	2
Parental leave	Women	Men
Average time on parental leave, number of weeks <sup>3)</sup>	48	10

1) The turnover is calculated on the average number of employees during the year. The total employee turnover was 15% and includes retirement, moves to subsidiaries and normal attrition. We are aware that the number was higher than previous years and monitor it closely.

2) The two temporary employees are located at the Stockholm office.

3) Data for the Stockholm office. Investor aims for a more equal balance in the take out of parental leave between the genders.

Gender	Women	Men
Employees <sup>1)</sup>	48.3%	51.7%
Managers	31.6%	68.4%
Extended Management Group	50.0%	50.0%
Management Group	60.0%	40.0%
Board of Directors <sup>2)</sup>	44.4%	55.6%

Age group	<30 years	30-50 years	>50 years
Employees <sup>1)</sup>	12	50	27
Extended Management Group	0	5	3
Board of Directors <sup>2)</sup>	0	0	9

1) Includes all employees, including the members of the Management Group.  
2) Board of Directors excluding the CEO.

### Portfolio companies

With nearly 500,000 co-workers world-wide, it is crucial that our portfolio companies work with competence development, employee engagement and ensure a safe and healthy work environment. In our yearly questionnaire, all companies reported that they have policies covering health, safety, diversity, anti-discrimination. In 2019, 100 percent of our companies' measure and follow-up on recordable work-related injuries and employee satisfaction on a regular basis.

Our portfolio companies are expected to encourage and promote diversity and inclusion in their organizations. In end of 2019, 77 percent of our companies have a commitment or target related to diversity. The average proportion of women in the companies' management groups amounts to 24 percent. The average proportion within the Listed Companies is 21 percent, Patricia Industries 28 percent and EQT 17 percent. In the total portfolio, the average age is 51 and there are 21 nationalities represented. 59 percent of our companies measured the perceived level of inclusion among their employees.

Management Groups, women	2019	2018
Listed Companies	21.4%	21.0%
Patricia Industries	28.2%	30.3%
EQT	16.7%	9.1%
<b>Average share of women</b>	<b>24.0%</b>	<b>24.5%</b>

Management Groups, nationalities	2019	2018
Listed Companies	21	21
Patricia Industries	13	10
EQT	3	5
<b>Total number of different nationalities</b>	<b>21</b>	<b>21</b>

Participating in nomination committees, in order to compose the best possible board for each company, is one of Investor's most important tasks as an owner. Investor is represented in nine nomination committees in the Swedish listed companies. In six of these, Investor has female representation.

The average proportion of women in the companies' boards of directors amounts to 25 percent. The average proportion within the Listed Companies is 35 percent, Patricia Industries 13 percent and EQT 17 percent. In the total portfolio, the average age is 58 and there are 15 nationalities represented in the boards.

Board of Directors, women	2019	2018
Listed Companies	34.6%	35.0%
Patricia Industries	12.9%	13.1%
EQT	16.7%	16.7%
<b>Average share of women</b>	<b>24.9%</b>	<b>24.7%</b>

Board of Directors, nationalities	2019	2018
Listed Companies	15	15
Patricia Industries	8	8
EQT	2	2
<b>Total number of different nationalities</b>	<b>15</b>	<b>15</b>

The process to collect diversity data has been improved during the year to ensure higher quality. Historical data contains minor changes compared to what was reported in previous years. In the reported diversity data, executive directors have been excluded from the Board of Directors (e.g. CEO) to prevent double counting as they are included in the Management Groups.

## Climate & Resource Efficiency

### Investor AB

Investor actively works to reduce the environmental impact of our operations. We integrate environment and climate considerations into our business operations and risk assessments. Investor is members and follows the UN Global Compact's ten principles, which include the precautionary principle. Our direct environmental impact is limited, but we take action to reduce our negative impact and carbon footprint. This includes cautious use of natural resources and energy as well as managing waste in an environmentally sound manner. The greenhouse gas emissions are largely generated through energy consumption in our offices and through business travel. The Employee Handbook includes Investor's travel policy with guidance to reduce the domestic business travel by air. In 2019, the energy consumption in our offices amounted to 1,291 MWh. At our main premises in Stockholm we use 100 percent renewable electricity.

Investor has committed to climate targets aligned with the Paris Agreement's aim of limiting global temperature rise to 2 degrees above pre-industrial levels, while trying to limit the temperature increase to 1.5 degrees. Investor's target is to reduce greenhouse gas emissions from our scope 1 and 2 with 50 percent by 2030 compared with 2016. In 2019, the direct emissions equaled 130 tonnes, a reduction of 10 percent compared to 2016.

GHG emissions, tonnes CO <sub>2</sub> e	2019	2018	2017	2016
Scope 1	18	18	22	22
Scope 2 (market based)	112	117	114	123
<b>Investor's scope 1 and 2 emissions</b>	<b>130</b>	<b>135</b>	<b>136</b>	<b>145</b>

Scope 3 emissions, tonnes CO <sub>2</sub> e	2019	2018	2017	2016
Equity share of portfolio emissions <sup>1)</sup>	356,300	372,200	372,400	421,500
Emissions from business travel <sup>2)</sup>	530	600	690	610
Other scope 3 emissions <sup>3)</sup>	140	160	210	170
<b>Investor's scope 3 emissions</b>	<b>356,970</b>	<b>372,960</b>	<b>373,300</b>	<b>422,280</b>

1) Equity share includes the emissions from our portfolio companies' scope 1 and 2 emissions equal to the owned share of the companies. Please note that the portfolio target is set on the total level.  
2) Emissions from business travel includes for example air, rail, hotel nights and taxi.  
3) Emissions from other activities includes emissions from example purchased IT equipment.

Investor has used Ecometrica software through a system called Our Impact, administered by U&We. Emissions are expressed in CO<sub>2</sub>e, carbon dioxide equivalents, which means all relevant greenhouse gases are included. Emissions are reported in accordance with the Greenhouse Gas Protocol (World Resources Institute). Investor uses a market-based method to calculate greenhouse gas emissions. For purchased electricity and district heat, we have obtained local emission factors from suppliers. The emissions from portfolio companies' exclude Financial Investments and EQT funds. Emission from biogenic sources (biodiesel used for heating) are 0.04 tonnes of CO<sub>2</sub>e.

### Portfolio companies

Investor has identified climate and resource efficiency as areas where we have an opportunity to make an impact. Investor's long-term climate targets towards 2030 aim to ensure that the portfolio is in line with the Paris Agreement. Investor works through the representation on the boards to drive the companies to set targets and strategies to develop resource efficient processes and to reduce their greenhouse gas emissions.

The first overall portfolio target is to reduce portfolio companies' scope 1 and 2 emissions with 50 percent by 2030 compared to 2016. This is an absolute reduction target for the overall portfolio (not an equity approach). The baseline is set to 2016 as this is the first year Investor measured our companies' emissions and is aligned with the Agenda 2030. In 2019, greenhouse gas emissions from our overall portfolio decreased by 29 percent compared to 2016. In the yearly sustainability questionnaire Investor tracked that 50 percent of our companies had targets to reduce their scope 1 and 2 emissions.

Companies' emissions, tonnes CO <sub>2</sub> e <sup>1)</sup>	2019	2018	2017	2016
GHG emissions Listed Companies	2,058,300	2,282,400	2,455,400	2,981,100
GHG emissions Patricia Industries	138,300	131,700	119,200	120,000
GHG emissions EQT	0	0	200	200
<b>Total GHG emissions</b>	<b>2,196,600</b>	<b>2,414,100</b>	<b>2,574,800</b>	<b>3,101,300</b>

1) Emissions from our portfolio companies' total scope 1 and 2 emissions.

The second portfolio target is to ensure that all of our companies have relevant reduction targets for their scope 3 emissions. In 2019, 73 percent of our companies measured scope 3 emissions and 41 had reduction targets for their scope 3 emissions. In terms of resource efficiency, 59 percent of our companies targets regarding resource efficiency.

# Auditor's Limited Assurance Report on the Sustainability Report

To Investor AB (publ), corporate identity number 556013-8298

## Introduction

We have been engaged by Investor AB (publ) to undertake a limited assurance engagement on parts of Investor's Sustainability Report for the year 2019, specifically sustainability information on pages 7, 12-15, and 110-113 of the Annual Report 2019.

## Responsibilities of the Board and Management

The Board of Directors and the Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 110. The criteria consist of the *GRI Sustainability Reporting Standards* and the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a sustainability report that is free from material misstatements, whether due to fraud or error.

## Responsibilities of the Auditor

Our responsibility is to express a conclusion on the selected parts of the Sustainability Report as specified above, based on the procedures we have performed. We have conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by IAASB.

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. Such an engagement is different and substantially less in scope

than an audit conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

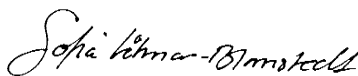
The audit firm applies ISQC 1 *International Standard on Quality Control* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We confirm that we are independent in relation to Investor according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

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 conclusions below.

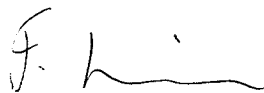
## Conclusions

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.

Stockholm, March 20, 2020  
PricewaterhouseCoopers AB



Sofia Götmar-Blomstedt  
Authorized Public Accountant



Fredrik Ljungdahl  
Sustainability Expert Member of FAR