

Communication on Progress

Stockholm, 2022-04-01

Statement by the CEO

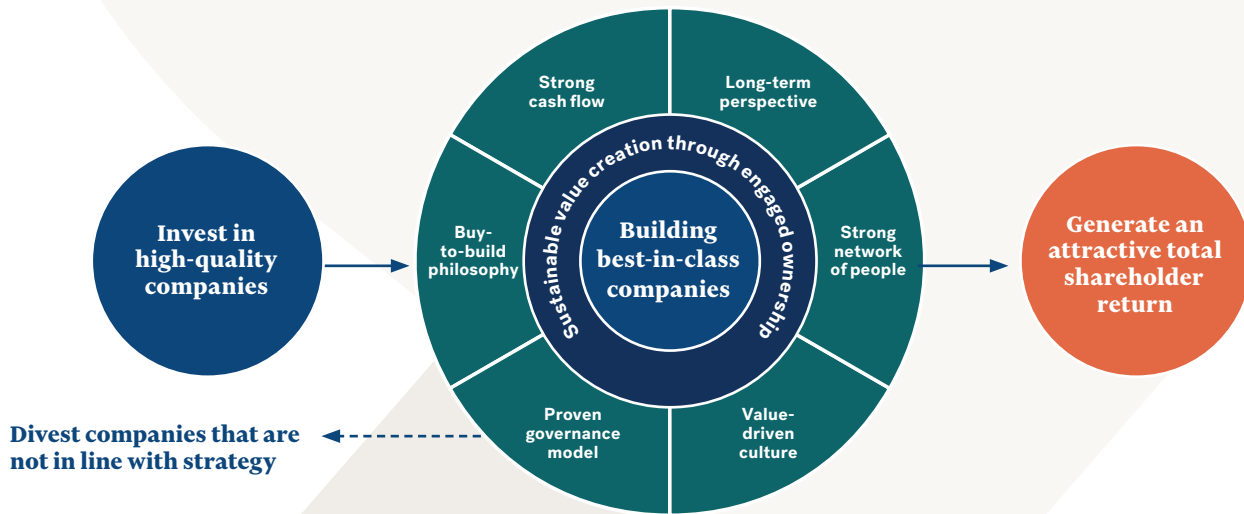
I am pleased to confirm that Investor reaffirms its support of the ten principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. Investor is committed to making the Global Compact and its principles part of the strategy, culture and daily operations. 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 communication.



Johan Forssell
President and CEO Investor AB

Business Model

By investing in high-quality companies and using our foundation as a base for sustainable value creation, we build best-in-class companies and thereby generate an attractive total shareholder return.



Foundation

Long-term perspective

with a focus on industrial development to increase the competitiveness

Strong network of people

to share best practice and experience to drive value creation

Value-driven culture

that guides us in our decision making

Proven governance model

built on clear roles and responsibilities between us as an owner, the companies' boards and managements

Buy-to-build philosophy

as long as we see further value creation potential in our companies

Strong cash flow

enables us to capture investment opportunities and pay a steadily rising dividend

Sustainable value creation process

Each company we are engaged in has a dedicated business team, consisting of our board representatives in the company and investment professionals at Investor. The business teams build company knowledge, benchmark versus competition and evaluate corporate structures. Considerable time is being spent on finding and capturing value-creating opportunities offered by long-term trends such as new technology and sustainability. Based on the analysis, we develop and constantly refine value creation plans, identifying strategic key value drivers that we believe that the companies should focus on to maximize long-term value. We present these plans to the company's Chair and CEO, drive them in the board discussions and follow up on the progress.

The plans typically focus on:

- Profitable growth
 - Innovation
 - Digitalization
 - Sustainability
 - Add-on acquisitions
- Operational excellence
 - Corporate structure
 - Agility & financial flexibility
 - Succession planning & talent management

Strategy

We create value for people and society by building strong and sustainable businesses.

Ultimate Target

Generate an attractive total return



Strategic Priorities

Grow net asset value



Pay a steadily rising dividend



Deliver on our ESG targets



Operating Priorities

Engaged ownership



Ensure an attractive portfolio



Operate efficiently



Maintain financial flexibility



Foundation

Long-term perspective

Strong network of people

Value-driven culture

Proven governance model

Buy-to-build philosophy

Strong cash flow



Strategic priority Deliver on our ESG targets

Business Ethics & Governance

Governance and business ethics constitute the foundation of our sustainability approach. Investor's Sustainability Guidelines (see page 14) set clear expectations for Investor and our portfolio companies to conduct the operations in a responsible and ethical manner. Investor has zero tolerance for non-ethical business behavior.

Outcome

96% of our companies have signed the UN Global Compact

100% of our companies have a Whistleblowing channel in place

96% of our companies have set measurable sustainability targets

Comment

In 2021, Investor engaged in a dialog with all portfolio companies regarding sustainability. Investor, as well as each of our companies, has a Code of Conduct, anti-corruption policy, health and safety policy, Human Rights policy and whistleblowing channel in place.

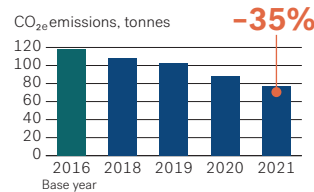
Climate & Resource Efficiency

Investor AB's emissions

Investor is committed to climate targets aligned with limiting global warming to 1.5°C. Our target is to achieve net zero greenhouse gas emissions from our scope 1 and 2 by 2030.

Goal
-100%

Outcome



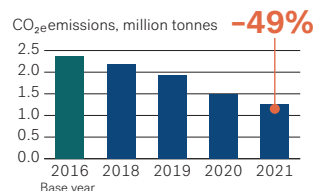
Comment

In 2021, emissions equaled 77 tonnes, a reduction of 35 percent compared to 2016 (26). The emissions from Investor AB are low as Investor has no operating business and its premises have a high proportion of renewable electricity.

Portfolio companies' emissions

Investor's scope 3 target is to reduce greenhouse gas emissions from our portfolio by 70 percent by 2030 compared with 2016 (companies' scope 1 and 2). Investor encourages its portfolio companies to align with the Paris Agreement and when relevant, to commit to Science Based Targets.

Goal
-70%



In 2021, scope 1 and scope 2 emissions from our companies equaled 1,260,500 tonnes, a reduction of 49 percent compared to 2016 (40). 88 percent of our companies have targets to reduce their scope 1 and 2 emissions (78). By the end of 2021, 83 percent of our companies had aligned their reduction targets with the Paris Agreement (57) and 33 percent had committed to Science Based Targets (22).

Portfolio companies' indirect emissions

All our companies shall have targets to reduce emissions from their value chain, for example related to the use of their products (the portfolio companies' scope 3 emissions). In addition, all companies shall have resource efficiency targets relevant to their operations.

Goal
100%

75% of our companies measure scope 3 emissions

63% of our companies have a target for scope 3 emissions

63% of the companies have a resource efficiency target

In 2021, 75 percent of our companies measured scope 3 emissions (74) and 63 percent had reduction targets related to their products, services or value chains (43). In terms of resource efficiency, and in addition to scope 3 targets, 63 percent of our companies have set specific resource efficiency targets (57).

Diversity & Inclusion

Investor AB

Investor believes that diverse teams characterized by inclusion stimulate innovation and drive better decision-making. Our target is to maintain a gender balance of 40/60 in the Management Group. We measure perceived level of inclusion among employees.

Goal
40/60

Outcome

60% of the Management Group are women

57% of the Extended Management Group are women

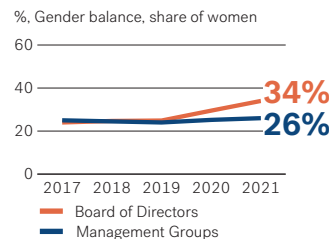
8.9 perceived level of inclusion among employees (scale 1-10)

Investor measures the perceived level of inclusion among our employees as well as the perception as an individual to make an impact and contribute to the overall strategy. In 2021, employees reported a high level of inclusion compared to external benchmark, scoring 8.9 (8.9)

Portfolio companies

Investor encourages our companies to promote diversity and inclusion. Our aggregated portfolio targets are to reach a gender balance of 40/60 in the companies' boards and management by 2030. In addition, all our companies shall measure perceived level of inclusion among employees.

Goal
40/60



In 2021, the portfolio companies' board of directors included a representation of 15 nationalities (14) and an average share of women of 34 percent (30). In the portfolio companies' management groups, the share of women was 26 percent (25) and 23 nationalities were represented (23). During 2021, 83 percent of our companies had targets or commitments regarding diversity (83), and 92 percent measured the perceived level of inclusion among employees (87).

Operating Priorities

Our operating priorities support the strategic priorities and guide us in how we best can future-proof Investor and our companies, thereby creating long-term value.

Engaged Ownership



Investor's investment philosophy is buy-to-build. This means that we develop the companies in our portfolio over time, as long as we see further value creation potential. Our long-term perspective is never an excuse for weak short-term performance. We are typically the largest owner and actively support our companies to remain or become best-in-class through board representation. We spend considerable time on developing our network and on succession planning to ensure that we have the best possible boards and CEOs in our companies. We want board members to be experienced, engaged and willing to devote significant time to their assignment.

To ensure efficient corporate structures, we continuously evaluate potential value-creating opportunities, such as add-on acquisitions, divestments of non-core operations and sometimes focus-enhancing spin-offs.

The acceleration of the technological development and climate change offer new business opportunities while challenging current business models. Our companies are well positioned to these long-term trends, and we support them by encouraging collaboration, innovation, operational excellence, sustainability initiatives, and relentless execution, in order to ensure long-term competitiveness and success.

Ensure an Attractive Portfolio



In order to grow our net asset value and generate an attractive total return, we need to ensure that we always have a strong portfolio of high-quality, industry-leading companies, well-positioned to benefit from exposure to attractive long-term growth trends.

In practice, we constantly evaluate our portfolio to make sure that there is still attractive potential in our companies. As long as we believe that this is the case, we engage with the companies to support them in capturing profitable growth opportunities. Over time, we also need to rejuvenate our portfolio by adding new companies. Although we have a long-term investment horizon, if we arrive at the conclusion that a certain company no longer fits with our strategy, that its potential is not attractive enough, or that it would be better off in a different ownership, we would actively drive a divestment process to find a new good owner and maximize value for our shareholders.

From a capital allocation perspective, when we find attractive opportunities, we will continue to invest in selected current listed companies, and provide capital support when needed. Within Patricia Industries, our ambition is to make add-on acquisitions through our current platform companies and invest in new ones. We will also continue to invest selectively in new EQT funds.

Operate Efficiently



We always strive to operate efficiently. Maintaining cost discipline is important to maximize cash flow available for investments and dividends. We always try to find ways to work smarter, simplify processes and free up resources that can be used for more value-creating tasks.

Maintain Financial Flexibility



We strive to always maintain strong financial flexibility. A strong balance sheet gives us the ability to support our companies and capture attractive investment opportunities. Our cash flow generation is a key strength as it substantially increases our financial flexibility, enabling us to both invest and generate a steadily rising dividend. Over the past decade, we have generated significant cash flow based on dividends from Listed Companies, distribution from Patricia Industries' companies and net proceeds from Investments in EQT.

Created Impact

We create value for people and society by building strong and sustainable businesses.

55%
total shareholder return

Investor AB

-35%

CO₂e emission reduction from Investor AB compared to 2016

Dividends

SEK 10.7bn
dividend paid in 2021

of which

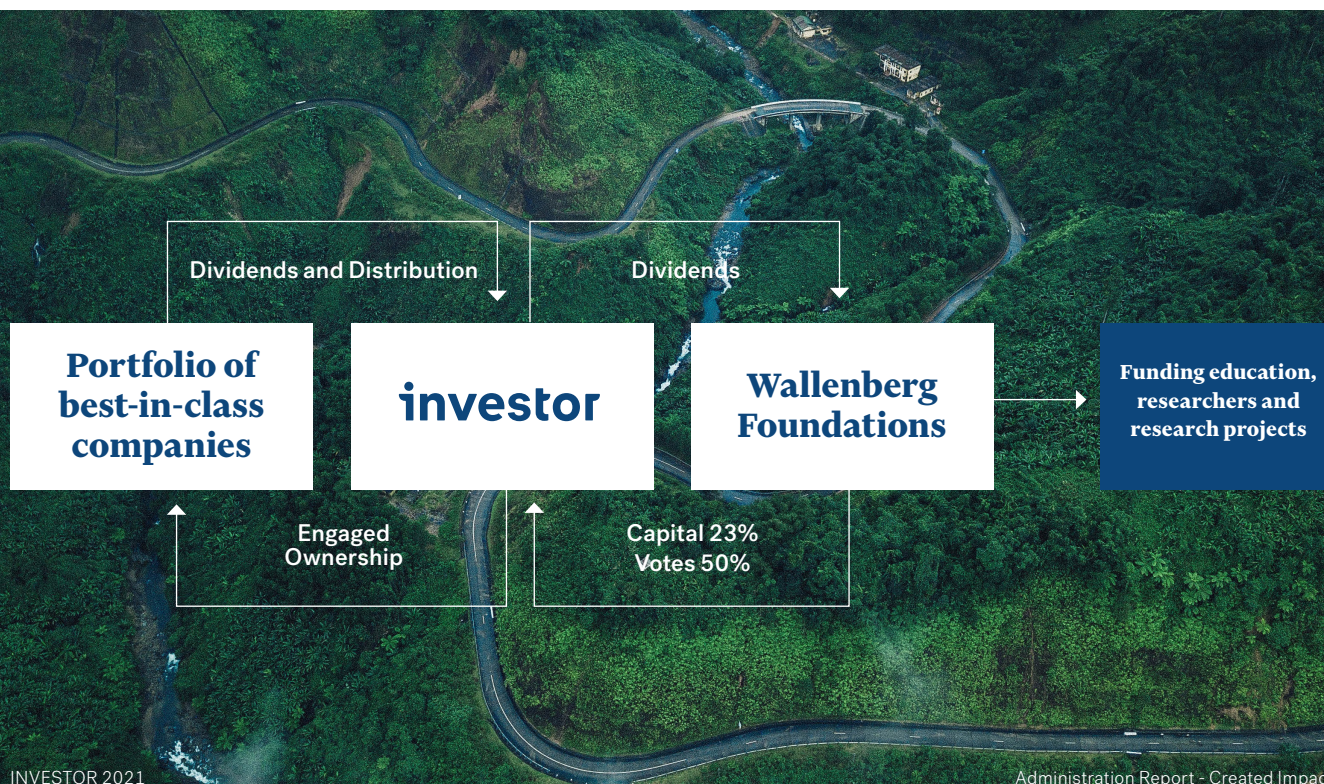
SEK 2.5bn
to our main owners, the Wallenberg Foundations

Our companies

-49%
CO₂e emission reduction from portfolio companies compared to 2016

SEK 155bn
R&D spending in our companies

Investor's main owners are the Wallenberg Foundations, whose purpose is the betterment of Sweden through funding of excellent research and research projects. Since 1917, more than SEK 39bn has been awarded in grants. By building strong and sustainable companies as well as generating dividend payments, Investor is an important part of this unique eco-system.



Sustainability

One of our three strategic priorities is to deliver on our ESG targets reflecting Investor's firm belief that a sustainable business approach is a prerequisite for creating long-term value.

Sustainability as a strategic priority

Guided by our purpose to create value for people and society by building strong and sustainability businesses, we continue our efforts to future-proof Investor and our companies. On a global scale we are in the midst of two major transformative shifts, digitalization and sustainability, impacting all companies. We believe that companies must invest in and further speed up the transformation in order to mitigate the risks and act on business opportunities. Investor's approach is built on materiality and the most important sustainability areas are identified based on our impact both as a company and an owner:

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

In our role as an owner we make an impact, through the capital we provide, our engaged ownership, our representation on the boards and through the

employment, innovations, products and services delivered by our companies.

Business Ethics & Governance

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

Investor's Sustainability Guidelines set clear expectations for Investor and our companies to conduct their operations in a responsible and ethical manner. Investor has a program for this work that covers a range of areas within governance, ethics, risk and compliance.

These areas are selected based on a risk assessment and include cyber and information security, ethical business conduct, whistleblowing, anti-corruption and anti-bribery.

The subsidiaries are reviewed in relation to these areas and in addition, one or two focus areas are selected for a deeper review. Dialogs are also held with all listed companies. In 2021, focus

was on cyber and information security. Dialogs have also been held with all listed companies.

Investor, as well as each of our companies, has a Code of Conduct, Anti-corruption Policy and Whistleblowing channel in place. 96 percent of companies are members of UN Global Compact (96). All portfolio companies have a Health and Safety Policy and a Human Rights Policy in place. 96 percent have set measurable targets within sustainability (96).

Climate & Resource Efficiency

The business community has a key role in taking action and developing new innovative solutions to combat climate change and increase resource efficiency.

Investor is committed to climate targets aligned with the Paris Agreement. In 2021 we sharpened the targets to align with the 1.5 degree ambition and set a net zero target to be achieved by 2030. We joined the UN 'Race to Zero' initiative ahead of

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

**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 and 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.

Portfolio Companies

COP26 through the Exponential Roadmap Initiative. Read more about our roadmap to achieving our targets on pages 121-122.

Investor AB's scope 1 and 2 emissions equaled 77 tonnes in 2021, a reduction of 35 percent compared to 2016. As a long-term owner, we need to take into account risks as well as business opportunities related to climate change and thus accelerate the transition to a sustainable low carbon economy. Investor works through the board representatives by engaging and following up with the companies on their targets and measures to reduce their climate impact.

Our revised portfolio target is to reduce emissions by 70 percent (previously 50 percent) by 2030. The aim is to ensure that our companies stay at the forefront of their industries. We encourage the companies to align their climate targets with the Paris Agreement, to commit to Science Based Targets when relevant and to report in accordance with recommendations from Task force on Climate-related Financial Disclosures (TCFD). By the end of 2021, 83 percent of our companies had aligned their reduction targets with the Paris Agreement (57), 33 percent have approved Science Based Targets (22) and 33 percent report in accordance with TCFD. The companies' scope 1 and 2 emissions equaled 1,260,500 tonnes in 2021, a reduction of 49 percent compared to 2016.

Investor expects that all the companies have targets to reduce emissions from their value chain (companies' scope 3). In 2021, 63 percent of the companies had scope 3 targets (43) and 63 percent of the companies had resource efficiency targets relevant to their operations (57). Read more on page 121-123.

The first parts of the EU taxonomy regulation (EU 2020/852) has entered into force, with the aim to create a harmonized classification and criteria for sustainable economic activities. Disclosure obligations differ for non-financial companies and for financial market participants. As an

industrial holding company, Investor AB has chosen to follow the taxonomy reporting requirements for financial institutions. Read more on page 123.

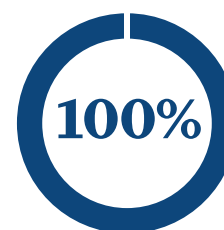
Diversity & Inclusion

Investor believes that building long-term successful companies requires people with different competences, perspectives and experiences. Diverse teams characterized by inclusion stimulate innovation and drive better decision-making. This is key for companies to outperform.

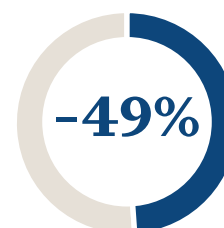
It is our ambition as a company to recruit from a broad talent base and contribute to a meritocratic business community free from unconscious bias. Investor has targets to maintain a gender balance of 40/60 in the Management Group, with at least 40 percent of the underrepresented gender. In 2021, the proportion of women in Investor's Management Group was 60 percent and 50 percent in the overall organization. We measure perceived inclusion through employee surveys and compared to the external benchmark, our employees reported a high level of inclusion, scoring 8.9 (scale 1-10).

Investor drives diversity in its portfolio companies through the nomination committees and board representation. Investor's targets for 2030 are to reach a gender balance of 40/60 at an aggregated level in the portfolio companies' boards and management groups. In addition, Investor has a target to ensure that all companies measure the perceived level of inclusion among employees regularly.

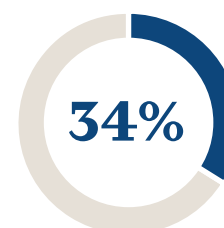
In 2021, the average share of women in the companies' boards was 34 percent (30). In the management groups the share was 26 percent (25). There were 15 nationalities represented in the boards and 23 in the management groups. 83 percent of the companies had diversity targets (83) and 92 percent measured inclusion (87). Read more on page 119.



100% of our companies have a structured approach against corruption and bribery



-49% reduction of CO_{2e} emissions from our companies compared to 2016



34% average share of women in our companies' boards of directors

Key activities 2021

- One of Investor's "Chair's Circle" meetings focused entirely on sustainability
- Investor Sustainability Network met six times
- Sharpened 2030 climate targets and joined the UN 'Race to Zero'
- Investor became a formal TCFD supporter
- Training sessions held on EU Taxonomy and TCFD for Investor employees and wholly-owned subsidiaries
- Cyber and information security deep-dive review of subsidiaries as special focus in risk assessment

GHG emissions, tonnes CO _{2e} ¹⁾	2021	2020	2019	2018	2016 (base year)
Investor AB's scope 1	11	16	18	18	22
Investor AB's scope 2	66	72	86	90	96
Portfolio companies' scope 1 and 2	1,260,500	1,471,300	1,918,600	2,170,600	2,474,700

1) Method and more key performance indicators for Investor AB and portfolio are presented on page 121-123.

Diversity Investor AB, share of women ²⁾	2021	2020	2019	2018	2016 (base year)
Board of Directors	40%	44%	44%	40%	40%
Management Group	60%	60%	60%	60%	40%
Extended Management Group	57%	50%	50%	50%	29%
Employees	50%	50%	48%	50%	51%

2) Method and more diversity key performance indicators for Investor AB and portfolio are presented on page 119-120.

Patricia Industries

Patricia Industries invests in and develops wholly-owned companies with long-term growth potential. The vision is to be a great home for great companies.

Ownership model

Our key focus is to invest in and develop wholly-owned companies in the Nordics and North America. The ownership horizon is long-term, and exits are not part of the strategy. The aim is to exceed 90 percent ownership, with the companies' managements and boards of directors as co-owners, to ensure full alignment.

Patricia Industries operates with a decentralized model from 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.

We focus on investing through our existing wholly-owned companies, for example to finance organic growth initiatives or add-on acquisitions.

Key activities 2021

For the major subsidiaries, pro forma organic sales growth was 3 percent in constant currency, while EBITA decreased by 1 percent. Adjusting for items affecting comparability, EBITA was flat. Excluding Mölnlycke, where figures were substantially distorted by covid-19-related contracts for Personal Protective Equipment, organic sales and adjusted EBITA grew by 11 and 26 percent respectively.

Advanced Instruments, Sarnova, Atlas Antibodies, Braun-Ability, Piab and Permobil all made or announced strategic add-on acquisitions. In total, Patricia Industries invested SEK 6.2bn of equity in its existing subsidiaries to fund add-on acquisitions. Following its acquisition of evitria, Atlas Antibodies was reclassified from a financial investment to a major subsidiary.

During the year, Grand Group was divested to FAM, which also acquired the Grand Hôtel property, previously owned by Vectura, Patricia Industries' subsidiary. The divestments within Financial Investments continued. Total divestments within Patricia Industries amounted to SEK 2.3bn.

Distributions to Patricia Industries amounted to SEK 6bn, mainly driven by Mölnlycke, Vectura and Three Scandinavia. These proceeds strengthen Patricia Industries capacity to invest in existing and new subsidiaries.

Key going forward

All companies are working actively to capture opportunities offered by long-term trends such as increased healthcare penetration, digitalization, automation and sustainability.

We continue to focus on further developing our existing companies and drive profitable growth, organically and through add-on acquisitions. Our ambition is also to find new subsidiaries in the Nordics and in North America. We will continue to divest holdings within Financial Investments to redeploy proceeds and resources to other portfolio companies.

Overview

19%
of total adjusted assets

SEK 144bn
adjusted net asset value (ex. cash)

9
subsidiaries

3%
total return 2021

SEK 6.0bn
total distributions

SEK 6.2bn
invested 2021

Ownership

Focus on wholly-owned companies

Ownership perspective

Long-term, buy-to-build strategy

Board representation

Boards comprise of independent directors and directors from Patricia Industries

Valuation methodology

Estimated market values, acquisition and equity methods and other relevant methods



Investment criteria

Geography

- Nordics
- North America

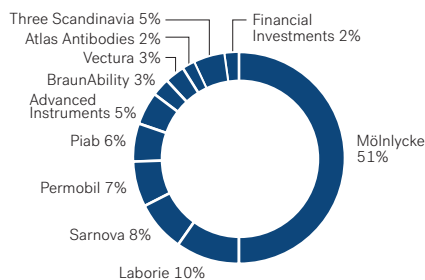
Industry

- Attractive industry niches, with long-term growth outlook

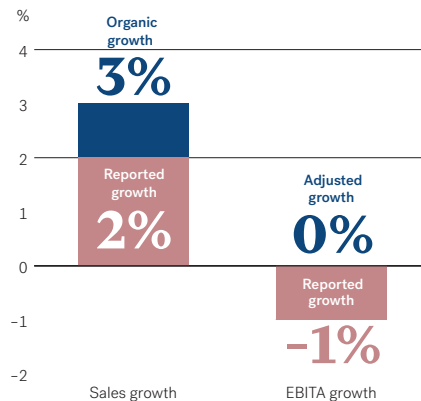
Companies

- Good growth opportunities
- Market-leading positions
- Strong profitability and cash flow
- Agility and resilience
- Strong corporate culture

Share of Patricia Industries

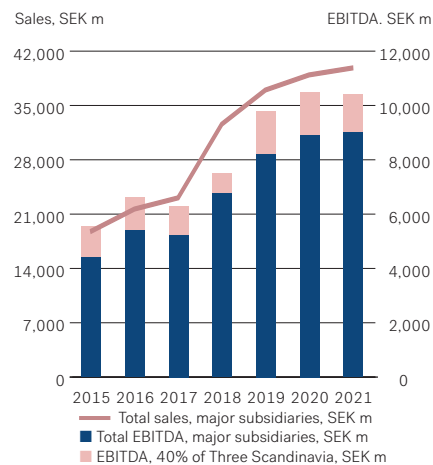


Performance 2021, major subsidiaries¹⁾



1) Including Advanced Instruments and Atlas Antibodies pro forma and excluding the Grand Group.

Annual sales and EBITDA¹⁾



1) Portfolio as of Dec 31, 2021. Reported EBITDA, incl. items affecting comparability, e.g. acquisition-related transaction costs.

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

SEK 73_{bn}

estimated value
of holding

9%

of total
adjusted assets

99%

total
exposure

-6%

organic sales growth,
constant currency

-11%

reported
EBITDA growth

Important events 2021

- Organic sales growth amounted to -6 percent in constant currency, mainly explained by less contribution from personal protective equipment (PPE) compared to 2020, and a temporary, covid-19-related production halt within Gloves during 2021. Excluding PPE, organic growth amounted to 4 percent.
- The EBITDA margin declined due to higher raw materials and logistics costs and a temporary, covid-19-related production halt in Gloves.
- Wound Care grew 10 percent organically in constant currency.
- Organic growth within Surgical was -20 percent in constant currency, mainly explained by less contribution from PPE compared to 2020.
- Cash flow was strong and Mölnlycke distributed EUR 250m to the owners, of which EUR 249m to Patricia Industries.
- Mölnlycke launched a new structure with four decentralized, customer-centric and empowered business areas; Wound Care, Gloves, ORS (Operating Room Solutions), and Anti-septics. The business areas have end-to-end responsibility for business-specific operations, including P&L and balance sheet. All business area executives were recruited internally.

Important sustainability areas and related risks

- Corporate sustainability strategy based on three themes: green mindset, responsible relationships and ethical business.
- Green mindset encompasses both risks and opportunities, such as mitigating exposure to floods or droughts at certain manufacturing locations, finding sources of renewable energy and supplying reusable products and those produced from renewable sources.
- The principles covering these sustainability topics are primarily addressed in the Code of Conduct, Sustainability Policy, Quality Policy and Supplier standard and Code of Conduct.

Sustainability priorities 2021

- Sustainability incorporated into corporate strategy as one of the three strategic focus areas.
- Clear roadmap developed for each theme within sustainability and further developed sustainability reporting.
- VP Sustainability recruited building a dedicated resource to coordinate the sustainability work within the business areas.

Key figures, EUR m

	2021	2020
Net sales	1,686	1,793
EBITDA	485	536
EBITDA, %	28.8	29.9
EBITDA	421	475
EBITDA, %	25.0	26.5
Operating cash flow	382	470
Net debt	1,510	1,492

Key sustainability performance indicators

	2021	2020
Number of employees	8,315	7,910
Gender balance in Management Group, share of women %	50	22
CO ₂ e emissions, tonnes (scope 1 and 2)	96,208	96,105
Employees trained on anti-bribery and anti-corruption, %	97	98
Code of Conduct confirmed by suppliers, % ¹⁾	85	96
Number of accidents per million working hours (LTA)	1.7	1.1
Employee engagement score, %	77	79

1) Agreements with suppliers of raw materials and outsourced sterilization.

www.molnlycke.com

Chair: Gunnar Brock

CEO: Zlatko Rihter

Board members from Patricia Industries: Gunnar Brock, Christian Cederholm

OUR VIEW

- Mölnlycke develops, produces and sells innovative, evidence-based quality products within wound management, pressure injury prevention and surgical solutions. Its strong position offers attractive long-term, profitable growth opportunities.
- To drive long-term profitable growth, Mölnlycke continues to invest in innovation and clinical evidence as well as commercial execution in both existing and new markets. In addition, Mölnlycke will continue to consider acquisitions as a way to accelerate growth and the pace of innovation.

Laborie manufactures and delivers high-quality, high-impact diagnostic and therapeutic products within Urology, Urogynecology, Gastroenterology and Obstetrics, Gynecology & Neonatal Health.

SEK **15**_{bn}
estimated value
of holding

2%
of total
adjusted assets

98%
total
exposure

21%
organic sales growth,
constant currency

126%
reported
EBITA growth

Important events 2021

- Organic sales growth amounted to 21 percent in constant currency, as end-customer demand recovered across business areas, while significant supply chain challenges impacted negatively.
- The reported EBITA margin amounted to 27 percent compared to 16 percent in 2020. Adjusting for items affecting comparability both during 2020 and 2021, the EBITA margin improved from 19 to 28 percent.
- Laborie acquired Pelvalon, a medical technology company that has developed the Eclipse™ System, an innovative, non-surgical, patient-controlled device for women suffering from fecal incontinence. The product is highly complementary to Laborie's existing urogynecology product portfolio and commercial channels.
- In January, 2022, Laborie exercised its option to acquire a perpetual, exclusive license to the Optilume™ drug-coated balloon for treatment of urethral strictures. The product fits well into Laborie's urology product portfolio and commercial channels. The total consideration amounted to USD 165m. Adjusting for its minority ownership, Laborie invested approximately USD 150m, of which USD 100m was provided by Patricia Industries and the remainder by Laborie's cash and external debt.

Important sustainability areas and related risks

- Material aspects include employee health and safety, workforce diversity and inclusion, ethical business conduct, environmental impact, product quality, and innovation intensity.
- The supporting principles are addressed in the Code of Conduct and Ethics, Supplier and Distributor Code of Conduct, compliance program, and Quality Policy.

Sustainability priorities 2021

- Continued to strengthen employee health and safety program (EHS) globally.
- Further strengthened focus on social sustainability through relaunched corporate brand and mission statement focused on preserving and restoring human dignity and quality of life.
- Continued to improve anti-bribery & corruption controls, including enhanced auditing and monitoring functions.
- Appointed new director of EHS to drive improvement initiatives across Laborie's supply chain, drafting of corporate EHS standards and implementation of EHS information management system.

Key figures, USD m

Net sales	313	230
EBITDA	93	44
EBITDA, %	29.9	19.1
EBITA	83	37
EBITA, %	26.6	16.0
Operating cash flow	60	21
Net debt	424	403

Key sustainability performance indicators

Number of employees	780	870
Gender balance in Management Group, share of women %	38	36
CO ₂ e emissions, tonnes (scope 1 and 2)	1,755	1,705 ¹⁾
Employees trained on anti-bribery and anti-corruption, %	98	100
Incident rate	0.98	0.40 ¹⁾
Employee satisfaction, eNPS	+4	+17
Percentage of women among senior leadership, %	37	44

1) Restated compared to annual report 2020.

www.laborie.com

Chair: Bo Jesper Hansen

CEO: Michael Frazzette

Board members from Patricia Industries: Yuriy Prilutskiy

LABORIE

OUR VIEW

- As an industry-leading innovator, manufacturer and supplier of medical technology products to the urology, gastroenterology and labor & delivery markets, Laborie has significant long-term growth potential supported by favorable underlying patient demographic trends, continued investment in new product development and global expansion, and multiple strategic acquisition opportunities.
- Laborie remains focused on core business performance and management of ongoing covid-driven supply chain constraints, as well as operational footprint enhancements. To drive growth, Laborie will accelerate investments in the development and launch of new products, expand globally into new markets, and continue to evaluate strategic acquisitions in both new and existing therapeutic areas. Looking ahead, Laborie will make significant investments in launching the recently acquired products, including Eclipse™ and Optilume™.



Sarnova is a US provider of specialty healthcare and safety products, services and software to the emergency medical services (EMS), acute care, and cardiac response markets.

SEK **11**bn
estimated value
of holding

1%
of total
adjusted assets

95%
total
exposure

0%
organic sales growth,
constant currency

31%
reported
EBITA growth

Important events 2021

- Organic sales growth was flat in constant currency, compared to 2020 when demand surged due to covid-19. The underlying business developed positively.
- Adjusting for items affecting comparability, the EBITA margin was 13 percent, an improvement compared to 2020.
- Sarnova continued to invest in additional commercial resources, digital platform enhancements and warehouse optimization.
- Sarnova acquired Allied 100, a leading specialty distributor of automated external defibrillators (AEDs). The business has been combined with Sarnova's existing Cardio Partners business, creating the Cardiac Response business unit. For the 12-month period ending June 30, 2021, sales and adjusted EBITDA for Allied 100 were approximately USD 117m and USD 20m respectively. The total consideration amounted to USD 290m, of which USD 210m was funded through equity provided by Patricia Industries.

Important sustainability areas and related risks

- Focus areas include customer satisfaction, creating a safe and healthy workplace for employees, maintaining a diverse and engaged workforce, ensuring environmentally sustainable operations, and ethical business conduct.
- The principles supporting these sustainability areas are primarily addressed in the Code of Conduct, Employee Handbook and general corporate policies.

Sustainability priorities 2021

- Conducted a customer satisfaction survey to identify areas for customer service improvements.
- Continued education of employees on ethical conduct, with emphasis on anti-trust, anti-corruption, and Code of Conduct.
- Established Employee Resource Groups with charters focused on implementation of diversity and inclusion initiatives.
- Established cross functional team to develop emission reduction strategy initiatives.
- Conducted vendor sustainability survey.

Key figures, USD m

	2021	2020
Net sales	835	725
EBITDA	104	78
EBITDA, %	12.5	10.8
EBITA	91	69
EBITA, %	10.9	9.5
Operating cash flow	77	49
Net debt	569	525

Key sustainability performance indicators

	2021	2020
Number of employees	1,370	1,195
Gender balance in Management Group, share of women %	9	10
CO ₂ e emissions, tonnes (scope 1 and 2)	2,635	2,181 ¹⁾
Employees trained on Code of Conduct, %	100	100
Employee Engagement, % versus Benchmark (+/-)	79, -3	82, +11
Percentage of women among employees, %	61	46
Customer satisfaction, NPS	56	56

1) Restated compared to annual report 2020

www.sarnova.com

Chair: Matthew Walter

CEO: Jeff Prestel

Board members from Patricia Industries: Yuriy Prilutskiy

OUR VIEW

- As the leading provider of specialty medical products and services for the emergency preparedness and respiratory markets in the U.S., Sarnova has attractive long-term profitable growth potential.
- Sarnova remains focused on commercial execution within the Emergency Preparedness, Acute Care and Cardiac Response businesses, new product launches, accelerated adoption of the company's private label and custom kitting solutions, investment and digitalization of its warehousing and distribution capabilities, and successful integration of the Allied100, Digitech and R1 revenue cycle management businesses.
- Sarnova continues to evaluate acquisition opportunities to strengthen its existing business as well as to expand into attractive adjacent markets leveraging its organizational capabilities.

permobil

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.

SEK **11**bn
estimated value
of holding

1%
of total
adjusted assets

98%
total
exposure

6%
organic sales growth,
constant currency

-5%
reported
EBITA growth

Important events 2021

- Organic sales growth amounted to 6 percent in constant currency. Americas and EMEA grew, while APAC declined. Covid-19-related restrictions and supply chain constraints continued to impact negatively.
- The EBITA margin declined, explained by increased costs for freight and sourcing as well as investments in a strategic product development project. Good cost control mitigated the margin decline.
- Permobil acquired Progeo, a leading Italian manufacturer of manual wheelchairs with annual sales of approximately SEK 100m, thereby significantly improving its portfolio of manual wheelchairs in Europe and strengthening its position in Italy.
- Permobil also entered an agreement to acquire Panthera. The acquisition will strengthen Permobil's product offering with the world's lightest manual wheelchairs for active users, alongside the company's Progeo and TiLite product ranges. The acquisition was completed in January 2022.
- Permobil launched the Voice Assistant feature on its Permobil app, enabling wheelchair users to access their usage data, for example remaining driving range, verbally through Amazon Alexa™ and Google Assistant™. It also launched Mototronik, a front-mounted power assist device for manual wheelchairs.

Important sustainability areas and related risks

- The most material aspects are quality of life for users, product and service quality and safety, safe and respectful work place, diversity and inclusion, business ethics, responsible sourcing and environmental impact.
- The principles covering these aspects are found in the Sustainability Policy, Core Values, Code of Conduct, Anti-Corruption Policy, Health and Safety Policy and Supplier Code of Conduct.

Sustainability priorities 2021

- For each sustainability focus area, key performance indicators have been identified, and targets and associated action plans are in various stages of development for each area.
- Defined, launched and communicated Sustainability Policy both internally and externally.
- Switched to electricity from renewable sources in one location with other sites to follow.
- Secured supply chain during covid-19 pandemic in order to deliver products to users and thereby sustaining Quality of Life for Users.

Key figures, SEK m

	2021	2020
Net sales	4,062	3,944
EBITDA	782	826
EBITDA, %	19.2	20.9
EBITA	612	641
EBITA, %	15.1	16.3
Operating cash flow	214	835
Net debt	3,166	2,559

Key sustainability performance indicators

	2021	2020
Number of employees	1,660	1,570
Gender balance in Management Group, share of women %	40	30
CO ₂ e emissions, tonnes (scope 1 and 2)	8,545	9,195
Injury Rate, TCIR	1.06	0.63
Employee perceived inclusiveness, scale 1-10	6.8	6.3
Suppliers with signed Code of Conduct, %	89	76
R&D intensity (R&D/sales), %	4.0	3.1

www.permobil.com

Chair: Martin Lundstedt

CEO: Bengt Thorsson

Board members from Patricia Industries: Thomas Kidane

OUR VIEW

- Permobil's ambition to increase quality-of-life for its users through innovation has made the company a globally leading provider of advanced mobility solutions with attractive opportunities for profitable growth.
- Key focus over the coming years is to drive organic growth through innovation and commercial efforts, complemented by strategic add-on acquisitions to strengthen the product portfolio and sales capabilities in existing and new geographies.



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

SEK **8**_{bn}
estimated value
of holding

1%
of total
adjusted assets

97%
total
exposure

18%
organic sales growth,
constant currency

18%
reported
EBITA growth

Important events 2021

- Organic sales growth amounted to 18 percent in constant currency, driven by all divisions and regions.
- The reported EBITA margin was flat. Adjusting for items affecting comparability both during 2020 and 2021, the EBITA margin improved slightly to 25 percent.
- Within Vacuum Automation, Piab launched a new range of suction cups for the Logistics, Warehousing, E-commerce and Automotive industries. Within Vacuum Conveying, Piab launched the piFLOW[®]am, a vacuum conveyor for the additive manufacturing market.
- Piab acquired Airbest, a leading Chinese company within Vacuum Automation, strengthening its presence in the country. In early January, 2022, Piab announced the acquisition of Manut-LM, a French manufacturer of lifting automation equipment, further strengthening the company's presence in the French market.

Important sustainability areas and related risks

- Corporate sustainability strategy based on four key areas: innovation for inclusive and sustainable industrialization, safety and well-being, diversity and inclusion, and climate and resource efficiency.
- The principles around these aspects are primarily addressed in the Code of Conduct, Sustainability Policy, Trade Compliance Policy, and Anti-Corruption Policy.

Sustainability priorities 2021

- Introduced sustainability evaluation in New Product Introduction (NPI) process, including a new criteria of recyclability.
- Started establishing divisional plans for recyclability of products.
- Transitioned to renewable energy for all locations where possible.
- Established and measured a group wide well-being index.

Key figures, SEK m

	2021	2020
Net sales	1,738	1,526
EBITDA	485	420
EBITDA, %	27.9	27.5
EBITA	409	359
EBITA, %	23.5	23.5
Operating cash flow	376	364
Net debt	1,767	1,574

Key sustainability performance indicators

	2021	2020
Number of employees	695	625
Gender balance in Management Group, share of women %	11	30
CO ₂ e emissions, tonnes (scope 1 and 2)	1,553	1,535
Employees signed off on Code of Conduct, %	99	100
Employee engagement index (scale 1-100)	86	83
R&D intensity (R&D/sales), %	4.6	4.6
Energy efficiency (piSMART pumps sold/total pumps sold), %	20	21

www.piab.com

Chair: Mats Rahmström new Chair as of February 22, 2022

CEO: Clas Gunneberg

Board members from Patricia Industries: Thomas Kidane

OUR VIEW

- Piab has significant growth potential driven by the global automation trend that makes manufacturing and logistics more efficient, safe and sustainable. The company's innovative culture and capabilities have resulted in leading products in terms of performance, energy-efficiency, and intelligent features.
- Technological breakthroughs in robotics and connectivity bring multiple opportunities for Piab. The company will continue to invest in product development to be at the forefront of innovation as well as in expanding its geographic end-markets. Piab will continue to look for strategic add-on acquisitions to accelerate growth and expand into adjacent segments.

Advanced Instruments is a global provider of scientific and analytical instruments for the biotechnology, clinical and food & beverage industries.

SEK 7_{bn}
estimated value
of holding

1%
of total
adjusted assets

99%
total
exposure

24%
organic sales growth,
constant currency

4%
reported
EBITA growth

Important events 2021

- Organic sales growth amounted to 24 percent in constant currency, driven by good growth in consumables, services and instruments.
- Adjusting for acquisition-related transaction costs, the EBITA margin amounted to 46 percent, unchanged compared to 2020.
- In order to prepare Advanced Instruments for future growth, investments to further expand the global commercial organization and accelerate key product development projects continued.
- Advanced Instruments acquired Solentim, a global leader in innovative solutions for cell line development of biopharmaceutical products. For the 12-month period ending June 2021, Solentim's revenues and adjusted EBITDA amounted to approximately USD 17m and USD 5m respectively. Average annual growth for the past three years amounted to 38 percent. The total consideration amounted to USD 240m, of which Patricia Industries contributed USD 170m in equity.

Important sustainability areas and related risks

- Key sustainability areas include diversifying our supply chain, engaged and trained work force, effective M&A integrations, reduced energy reliance and consumption and innovation of new products with focus on customer needs.
- The principles supporting these areas are primarily addressed in the Code of Conduct and the Quality Management System.

Sustainability priorities 2021

- Expanded use of virtual service capabilities to reduce environmental impacts.
- Progressed implementation of recycling programs to reduce the environmental impact of operations, focused on energy consumption and carbon emissions.
- Continued to implement cellular manufacturing, with positive implications for environmental performance such as eliminating overproduction, reducing material waste, shifting to rightsized equipment and optimizing production floor space.

Key figures, USD m

	2021	2020
Net sales	103	77
EBITDA	38	37
EBITDA, %	37.1	47.7
EBITA	37	35
EBITA, %	35.7	46.0
Operating cash flow	32	34
Net debt	195	152

Key sustainability performance indicators

	2021	2020
Number of employees	225	130
Gender balance in Management Group, share of women %	33	30
CO ₂ e emissions, tonnes (scope 1 and 2)	1,147	1,227 ¹⁾
Reduced CO ₂ e emissions through virtual service, tonnes	8.98	7.26
Number of employees trained on Code of Conduct	99	92
Number of work-related injuries	0	1

1) Restated compared to annual report 2020.

www.aicompanies.com

Chair: David Perez

CEO: Byron Selman

Board members from Patricia Industries: Yuriy Prilutskiy

OUR VIEW

- With a strong brand reputation and deep customer relationships, Advanced Instruments is recognized as the global authority on osmolality testing, and its products are the standard within each of its core biotechnology, clinical and food & beverage markets.
- The key near-term focus will be on continuing to add to the company's human capital, expand its direct commercial capabilities, accelerate investment in the new product pipeline, and acquire and integrating strategic acquisitions.
- There are multiple organic and non-organic opportunities for long-term profitable growth due to strong and durable underlying growth rates in each of the company's core markets, as well as a diverse array of strategic acquisition targets within each of Advanced Instruments' core markets.

BraunAbility is a global manufacturer of mobility transportation solutions, including wheelchair accessible vehicles, wheelchair lifts and seating, storage and securement products.

SEK **4**_{bn}
estimated value
of holding

<1%
of total
adjusted assets

95%
total
exposure

17%
organic sales growth,
constant currency

23%
reported
EBITA growth

Important events 2021

- Organic sales growth amounted to 17 percent in constant currency, as demand recovered from low levels last year due to covid-19. The recovery was driven by the consumer segment, while the commercial segment remained challenged by the limited availability of vehicle chassis.
- The EBITA margin was essentially flat compared to last year. Increased material and labor costs as well as an unfavorable product mix were largely offset by pricing initiatives and cost management.
- BraunAbility acquired a 51 percent interest in Q'Straint, the global leader in wheelchair securement solutions for private and public transportation. Q'Straint's deep and innovative portfolio of wheelchair restraints is highly complementary and strategic to BraunAbility's product portfolio. For the 12-month period ending June 30, 2021, Q'Straint's sales were approximately USD 61m, with profitability above BraunAbility's historical levels. The transaction was funded by cash on hand and USD 20m in equity from Patricia Industries.

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.
- The principles guiding these areas are primarily addressed in the Code of Conduct, Supplier Code of Conduct, Employee Handbook, Quality Policy and company vision and values.

Sustainability priorities 2021

- Launched the company's first hybrid wheelchair accessible vehicle.
- Conducted an anti-bribery/anti-corruption (ABAC) risk assessment and deployed training to employees.
- Launched an employee voice survey to obtain engagement and inclusion indices.

Key figures, USD m

	2021	2020
Net sales	692	567
EBITDA	52	44
EBITDA, %	7.5	7.7
EBITA	35	29
EBITA, %	5.1	5.1
Operating cash flow	38	20
Net debt	300	189

Key sustainability performance indicators

	2021	2020
Number of employees	1,825	1,555
Gender balance in Management Group, share of women %	25	20
CO ₂ e emissions, tonnes (scope 1 and 2) ¹⁾	5,272	4,770
Injury Rate, TCIR ¹⁾	1.1	1.0
Employees receiving performance development reviews, % ¹⁾	89	94
Managers trained on anti-bribery and anti-corruption, %	99	n/a
Engagement index and inclusion index scores	70, 56	n/a

1) The sustainability indicators exclude BraunAbility's subsidiaries.

www.braunability.com

Chair: Nick Gutwein

CEO: Staci Kroon

Board members from Patricia Industries: Noah Walley

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 has substantial unmet needs and benefits from sustainable demographic growth drivers.
- There are multiple opportunities to grow the business through product portfolio expansion, entry into new geographies, and acquisitions. In addition, there remains potential to further improve manufacturing efficiency and retail operations.
- Focus remains on executing on strategic growth initiatives, including new product development, innovation projects and partnerships, continuous improvement of quality and safety, and complementary add-on acquisitions. While BraunAbility has been negatively impacted by covid-19 and supply chain challenges, the long-term outlook for the business remains positive.

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.

SEK **4**bn
estimated value
of holding

<1%
of total
adjusted assets

99%
total
exposure

-6%
reported
sales growth

31%
reported
EBITA growth

Important events 2021

- Sales growth amounted to -6 percent, substantially explained by lost income from the divested Grand Hôtel property. Adjusted for this divestment, growth amounted to 32 percent, driven by new Community Services properties.
- The EBITA-margin was 16 percent, an improvement compared to 2020.
- Vectura divested the Grand Hôtel property. The net proceeds from the transaction, after debt amortization in Vectura, were distributed to Patricia Industries.
- Several acquisitions of Care and Community Services-related properties were completed.
- During 2021, property market value decreased due to recent divestments. Adjusting for the divestment of the Grand Hôtel property, the market value increased explained by acquisitions of care properties, investments in ongoing construction projects, as well as yield compression in the market.
- Johan Skoglund was appointed new Chair.

Important sustainability areas and related risks

- The most material aspects are business ethics, good working conditions, diversity and inclusion, well-being for people in and around our properties, innovation, climate and circularity.
- Principles covering these areas are primarily described in the Code of Conduct, Sustainability Policy and Supplier Code of Conduct.

Sustainability priorities 2021

- Implemented new sustainability framework based on Leading in climate & circularity, Innovation for people and Always taking responsibility.
- To reach climate neutrality in 2025, all energy for heating and electricity is now secured from renewable sources.
- To prepare for EU-taxonomy and TCFD, Vectura conducted a physical climate risk assessment of all projects and subsequent portfolio mapping.

Key figures, SEK m

	2021	2020
Net sales	279	298
EBITDA	172	184
EBITDA, %	61.5	61.9
EBITA, adjusted	45	34
EBITA, adjusted, %	16.0	11.4
Operating cash flow	-355	-1,450
Net debt	3,963	4,302
Market value of properties	8,388	9,182

Key sustainability performance indicators

	2021	2020
Number of employees	33	31
Gender balance in Management Group, share of women %	40	40
CO ₂ e emissions, tonnes (scope 1 and 2)	383	269 ¹⁾
CO ₂ e emissions intensity, kg/m ²	3.7	4.8 ¹⁾
Energy intensity, kWh/m ²	118	132 ¹⁾
Employees trained on business ethics, %	n/a ²⁾	93
Employee satisfaction, Teamship Index (0-100)	83	83

1) Restated compared to annual report 2020, due to developed calculation method.

2) 2021 training postponed until 2022 due to covid-19 restrictions

www.vectura.se

Chair: Johan Skoglund

CEO: Joel Ambré

Board members from Patricia Industries: Ulrika af Burén

OUR VIEW

- Vectura creates value for people, companies, and society by developing buildings, places and experiences. Real estate offers a source of long-term predictable cash flow and value creation potential.
- Vectura's value creation is generated by developing, managing and owning sustainable and innovative real estate with focus on community service and commercial buildings. Key priorities for Vectura are to successfully advance ongoing developments, execute on the project pipeline and source additional growth opportunities.

Atlas Antibodies is a global developer, manufacturer and distributor of advanced reagents for basic and clinical biomedical research in critical areas such as oncology and neurology.

SEK **3**_{bn}
estimated value
of holding

<1%
of total
adjusted assets

89%
total
exposure

34%
organic sales growth,
constant currency

34%
reported
EBITA growth

Important events 2021

- Following its acquisition of evitria, Atlas Antibodies was reclassified as a major subsidiary within Patricia Industries (previously reported within Financial Investments).
- Atlas Antibodies acquired evitria, a quality leader within custom recombinant antibody expression serving the biopharmaceutical industry. The acquisition brings together two highly innovative companies, creating an antibody-focused platform serving both academia and biopharma customers. evitria continues to operate as a stand-alone entity under the evitria name. In the transaction, Patricia Industries contributed its 70 percent ownership in Atlas Antibodies and approximately SEK 2bn of cash in equity financing.
- Organic sales growth (pro forma, including evitria) amounted to 34 percent in constant currency.
- The EBITA margin increased slightly.
- Investments in the commercial organization and administrative functions continued.
- Nille Klaebel was appointed new CEO, effective September, 2021.

Important sustainability areas and related risks

- Material aspects include employee health and safety, diversity and inclusion, business ethics, climate and environment, product quality and innovation.
- The principles covering these areas are primarily addressed in the Code of Conduct, Work Environment Policy and Sustainability Policy.

Sustainability priorities 2021

- Through the ISO 9001 certification that was approved this year, sustainability was woven into the supplier qualification process risk assessment and a first assessment of current suppliers was completed.
- During the year Atlas Antibodies registered with sustainability ratings provider EcoVadis. The company was awarded silver status.
- Continued focus on reducing waste throughout the supply chain and in improving yields in key manufacturing processes.

Key figures, SEK m	2021	2020
Net sales	324	247
EBITDA	162	124
EBITDA, %	50.1	50.2
EBITA	143	107
EBITA, %	44.2	43.3
Operating cash flow	115	78
Net debt	406	-117
Key sustainability performance indicators	2021	2020
Number of employees	115	95
Gender balance in Management Group, share of women %	60	50
CO2e emissions, tonnes (scope 1 and 2)	63	n/a ¹⁾
R&D intensity (R&D/sales), %	14	19
Percentage of women among employees, %	70	67
Employee engagement score, (scale 1-5)	3.9	3.9

1) Historical data not available. 2021 figure to be used to approximate baseline.

www.atlasantibodies.com

Chair: Torben Jörgensen

CEO: Nille Klaebel

Board members from Patricia Industries: Louise Kores, Lennart Johansson

OUR VIEW

- Atlas Antibodies is a unique protein detection and analysis platform, providing attractive growth opportunities driven by favorable market trends within, for example, medical research and biopharmaceutical development.
- Key focus during the coming years will be to drive growth through innovation, geographical expansion, new market segment entry and strategic add-on acquisitions.

Our Core Values

We create value for people and society by building strong and sustainable businesses. Our core values and culture guide us in everything we do.

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.

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.

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.

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.



Risks and Uncertainty Factors

All business activities involve risks. Risk management is therefore a continuous process in the daily business. Proactive risk management is crucial for successful governance and operations. The Board frequently follows up on limits and risk exposure to ensure the ability to reach business strategies and goals.

Risk management

The Board is responsible for ensuring efficient risk management. At Investor, risk management is an integral part of the Group's processes and is kept close to business operations. The Board has adopted policies with risk levels, mandates and limits for the parent company and its business areas, while the boards of the subsidiaries decide and follow up on policies that have been adapted to manage the risks in their respective businesses. Risk management is conducted continuously in the day to day business at Investor and in the portfolio companies.

A comprehensive risk assessment is made annually to identify and evaluate existing and emerging risks. This assessment encompasses all categories of risks and involves the Management Group, representatives from the whole organization as well as input from the subsidiaries. Material risks are

compiled in a company-wide risk map. When needed, action plans are defined and implemented to minimize the probability and impact of identified risks.

The conclusions drawn from the risk assessments are discussed and confirmed with the Board. The CEO and Management Group continuously follow up on the implementation of action plans and report back to the Board.

Essential risks that impact Investor fall within different risk categories and are described below.

These risks can individually, or in combination, have a major negative impact on the business. Actions to mitigate these risks are crucial and part of the everyday business at Investor.

For further description on risk management, see page 49 and 63-65.

Risks

Strategic risks

Commercial risk

Being a long-term owner, the exposure to companies and sectors varies over time depending on economic development. Market conditions and industry dynamics change, and transactions may not be feasible at a preferred time.

Technology shift risk

The pace of technology change and the digital transformation is rapid. Being at the forefront of R&D and adapting to new technology is a prerequisite for all portfolio companies to become or remain best-in-class.

Environmental and climate-related risk

Indirect risks related to environmental factors of our portfolio companies continue to grow in importance at the same time as regulatory activity and reporting requirements are increasing. This includes for example resource scarcity, climate change and biodiversity. Environmental related risks have bearing on most traditional risk types, such as reputational and market risk for our portfolio companies.

Political and geopolitical risk

Political and geopolitical uncertainty has implications on the portfolio companies' businesses and strategies. Increased protectionism and international trade restrictions may lead to deglobalization and impact the business environment in which the portfolio companies operate.

Risk Mitigating Actions

The Board has set investment principles and adopted a policy. The overall portfolio risk is mitigated by investments in several different industries and geographies. The business teams and the Management Group follow up continuously and report regularly to the Board on the development of the portfolio.

Investor's business teams constantly analyze the industries and the technology development and adapt the value creation plans. The risk is managed by continuous focus on agile and flexible business models, product development, customer needs, market analysis and cost efficiency. The value creation plans are reported to the Board. Investor's Management and Board regularly discuss and follow-up on the value creation plans.

For further details see Business Model, page 8.

The Sustainability policy is annually updated and adopted by the Board. During 2021 Investor has sharpened the climate targets further and joined the UNFCCC' Race to Zero. Clear expectations are set on the portfolio companies. New measures and targets have been set to further futureproof Investor and the portfolio companies. Investor expects the portfolio companies to continue to mitigate negative environmental impact and transition to a low carbon economy, e.g. by developing and executing on climate strategies, committing to reduce their emissions in line with the Paris Agreement. This work is driven through the board representatives in the individual companies including following up on companies' targets and measures to reduce their environmental impact. Investor also monitors and follows up on the portfolio companies' progress through dialog and reporting.

For further details and Investor's TCFD disclosures, see page 14-15, 120-123.

The Board and Management Group monitor and work proactively to assess political and geopolitical risks and how they affect the portfolio companies' businesses. When possible, Investor representatives participate in various relevant forums to present our case to promote transparency, a level playing field and free trade.

Uncertainty factors

Commercial and financial risks are the most significant risks and uncertainty factors affecting the Group. During the last two years, the global economy, financial markets and societies have been significantly impacted by covid-19.

Just as the world slowly was starting recovering from the pandemic the uncertainty increased with the dramatically changed geopolitical situation following Russia invading Ukraine. The development with immense suffering for people

and society as well as more severe sanctions, can have a major impact on the world economy.

In addition, supply chain challenges, the energy shortage, other geopolitical tensions, inflation concerns and possible interest increase are all uncertainties that also have contributed to increased volatility in the financial markets.

The described uncertainties may have a material adverse impact on Investor's and the portfolio companies' business operations and financial situations.

Risks

Financial risks

The risks of losses due to changes in market variables such as fluctuations of share prices, interest rates and currency rates, are significant for Investor. Share price risk is the largest. The risks that liquidity is unavailable to meet payment commitments or that financing cannot be obtained or only at increased cost due to changed market conditions, are other essential financial risks.

Compliance risks

Business ethics risk

High ethical standards, respect for human rights and labor laws are the foundation for a strong and sustainable business. The risk of bribery and corruption or the risk of investing in companies with insufficient ethical business conduct, poor working conditions or non-compliance with labor rights all carry a reputational risk and can have a significant negative effect on both Investor, the portfolio companies and other stakeholders.

Regulatory risk

All businesses and operations are affected by laws, regulations, agreements, sanctions and other regulatory requirements. Non-compliance with any of the above will significantly affect the business and reputation negatively, for both Investor and the portfolio companies.

Operational risks

Cyber and information security risk

Cyber and information security risk is an increasingly material risk that continuously evolves. Security incidents, cyber attacks, hacking or data leakage may have a direct impact on the operations of Investor and the portfolio companies.

Key personnel/succession risk

The ability to attract and retain the right competence is a very important prerequisite for Investor's long-term success. Our network is key to finding the best board and management candidates for our companies as well as for recruitment to Investor.

Risk Mitigating Actions

Limits for financial risks are set in the Finance policy adopted by the Board. A measure to manage fluctuations in exchange rates and interest rates is the option to hedge by using derivative instruments. The share price risk is not hedged. Daily procedures are established to monitor, evaluate and report to the Management Group on current exposure. Also, ensuring financial preparedness by managing the liquidity ratio, allocating loan maturities over time and diversifying sources of capital are continuous risk mitigating activities. Regular reports on exposure versus set limits are provided to the Audit and Risk Committee by Treasury and Risk Control.

For further details see note 3, Financial risks and risk management page 63-65.

The Board has adopted a Policy framework with principles on how Investor should act as a responsible owner and company. Investor has set clear expectations on all portfolio companies to act responsibly and ethically. It is the responsibility of each portfolio company and its management to analyze and take systematic action to reduce these risks. New portfolio companies are evaluated in the investment process' due diligence. Investor follows up the subsidiaries on a range of areas within governance, ethics, risk and compliance, all selected based on risk assessment. Preventive measures include regular risk assessments, procedure development to mitigate risk, regular employee training to strengthen awareness and having whistleblowing channels implemented.

For further details see Business Ethics and Governance, page 14, 118-119.

Compliance with laws and regulations is a basic principle in the Policy framework adopted by the Board. Preventive measures taken are among other internal controls implemented in procedures as well as control functions following-up on compliance. The regulatory environment is continuously monitored in order to prepare for changes that may impact the business.

The Board has adopted an Information security policy. The Management Group has implemented procedures and continuity plans to identify, protect, detect, recover and respond to incidents. Investor assesses regularly its risk profile and invests continuously to protect its systems and improve recovery plans. Investor follows-up on the subsidiaries' cyber security maturity and resilience. To increase awareness in the organization, employees are trained. Status and actions are regularly reported to and discussed within the Audit and Risk committee.

The Board and the boards in the portfolio companies continuously identify required key skills, to support the companies' long-term ambitions and needs, and reach out to individuals with relevant industrial, functional and geographical knowledge to broaden the network. The ability to attract, retain and develop individuals within Investor is supported by several measures including e.g. a well-defined recruitment process, succession planning, a competitive and long-term approach to compensation, and a focus on development opportunities through the performance reviews.

For further details see Our Core Values page 41.

An aerial photograph of a winding asphalt road with yellow double lines, cutting through a dense, lush green forest. A small red car is visible on the road. The text is centered over the road.

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

Sustainability Notes

Sustainability reporting

Investor's Sustainability Report 2021 is integrated in the Annual Report and covers the calendar year 2021. The content is mainly found on pages 8-9, 11-15 and in this supplement on pages 117-125.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core option, as well as the disclosure requirements set out in the Swedish Annual Accounts Act. The wholly-owned subsidiaries have sustainability sections on pages 24-33. The listed companies and a number of the companies within Patricia Industries also publish their own sustainability reports. The sustainability report has been limited assured by our auditors, Deloitte.

In 2021 the number of major portfolio companies was maintained at 24. This does however represent two underlying changes in the year. Grand Group was divested and Atlas Antibodies, formerly included within Financial Investments, is recognized as a wholly-owned subsidiary. 2021 is the first year that Advanced Instruments is included in the sustainability KPIs since it was acquired in the fourth quarter of 2020.

Our sustainability work is also disclosed on our website where our Sustainability Policy, Code of Conduct, guiding principle on tax, TCFD report and whistleblowing procedures are available. A mapping of Investor's existing sustainability reporting with references to SASB metrics is also available on our webpage. Investor reports its Communication of Progress to the UN Global Compact and climate data to CDP.

Governance and approach

Investor's Board of Directors has decided on a policy framework that sets the principles for how Investor should act as a responsible owner and company. The policies are reviewed and approved on an annual basis. The Board of Directors is responsible for Investor's overall strategy, including the approach to integrate sustainability aspects as part of our value creation. The CEO has overall responsibility for Investor's business strategy including for example climate-related issues and business ethics.

Risk assessments are conducted continuously in the day to day business at Investor. A comprehensive risk assessment is made each year to identify and evaluate existing and emerging risks to mitigate. This assessment encompasses all categories of risks and involves the Management Group, representatives from the whole organization, the control functions as well as input from the subsidiaries. Material risks are compiled in a company-wide risk map. When needed, action plans are defined and implemented to minimize the probability and impact of identified risks. The conclusions drawn from the risk assessments are discussed and confirmed with the Board. The CEO and Management Group continuously follow up on the implementation of action plans and report back to the Board.

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. The managerial responsibility for responsible investments lies within the investment organization. The Heads of Listed Companies and Patricia Industries are responsible for integrating sustainability into the investment and ownership strategies, including risk assessment, due diligence, continuous monitoring and follow-up. Investor's board representative together with the business teams engage with the companies at least yearly regarding sustainability.

Investor also has a dedicated sustainability team that together with the business teams drive specific sustainability related projects across

all three focus areas. All employees within Investor have a responsibility to work in line with the overall sustainability strategy. Investor conducts sustainability training for employees regularly and at least yearly.

Stakeholder engagement

Investor continuously monitors its most significant economic, environmental and social impacts to ensure that Investor addresses the most important issues to its stakeholders. Key stakeholder groups have been identified based on their interest and potential impact from and on Investor's operations.

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

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

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

Materiality assessment

The first materiality analysis was performed in 2016 and in 2019 we conducted an updated stakeholder dialog to reaffirm the results and prioritize the most material topics going forward. The stakeholders raised the importance of Investor encouraging 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 secure Investor's long-term attractiveness as an investment. The results from different stakeholders showed great similarities when it comes to what was most valued. 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.

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 both diversity and inclusion as business imperatives and believes 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. Investor reports scope 1, 2 and 3 emissions. Our scope 3 emissions includes our portfolio companies' scope 1 and 2 emissions.

Policy and strategic documents

The Sustainability Policy sets the framework for Investor's sustainability approach and work. The Sustainability Policy and other policies and strategic documents cover areas such as governance and climate.

Areas	Policy and strategic documents
Compliance with laws and business ethics Fair competition Human Rights International standards	<ul style="list-style-type: none"> • Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Governance, Risk and Compliance Policy • Work Environment Procedures • Risk Management Procedures • Diversity and Inclusion Plan • Employee Handbook • Tax Policy
Bribery and corruption Conflict of interest Political donations	<ul style="list-style-type: none"> • Code of Conduct (incl. Anti-bribery and Anti-corruption Policy) • Gift and Benefit Procedures • Risk Management Procedures • Inside Information Policy • Employee Handbook
Diversity and non-discrimination	<ul style="list-style-type: none"> • Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Diversity and Inclusion Plan • Employee Handbook • Work Environment Procedures
Working conditions and employee development	<ul style="list-style-type: none"> • Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Employee Handbook • Work Environment Procedures
Environment and climate	<ul style="list-style-type: none"> • Code of Conduct • Sustainability Policy (incl. Investor Sustainability Guidelines) • Employee Handbook (incl. Travel Policy)

Memberships and partnerships

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. Investor is also a member 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 2021, our total paid dividend amounted to SEK 10.7bn, whereof approx. SEK 2.5bn, was distributed to our lead owners, the Wallenberg Foundations, whose purpose is to grant funding to scientific research in Sweden. Investor strives to be a good corporate citizen and also supports organizations such as IVA, SNS, Chambers of Commerce, Business Challenge and Young Enterprise Sweden. The areas we prioritize are youth, education and entrepreneurship.

Investor formed a Sustainability Network in 2017 where key sustainability personnel in our portfolio companies normally meet three to four times per year to discuss different challenges and opportunities. In 2021, the Investor Sustainability Network met virtually six times.

Business Ethics & Governance

Governance and approach

Acting responsibly and ethically is crucial for Investor to maintain a high level of credibility. The risk for unethical behavior within Investor's organization or in our portfolio companies could have a significant negative effect on both Investor, the portfolio companies and other stakeholders. Unethical behavior could also affect the future development of the business.

Investor's Board of Directors has 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. 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 yearly.

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. 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. We hold regular trainings and all policies and procedures are available on Investor's intranet.

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 external whistleblower system, both employees and other 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.

The whistleblowing procedure is prepared and managed by Compliance and approved by Investor's Management Group. 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. Reports are handled confidentially by representatives at Investor's Legal department. Access to messages received through the channel is restricted. Representatives from the Legal department

decide if and how a whistleblowing report should be escalated based on established investigation procedures. A summary of received reports is presented to the Board of Directors on an annual basis. In 2021, Investor received five reports through the whistleblowing channel, all were related to situations in our portfolio companies. All reports have been processed and managed in accordance with set investigations procedures.

Program covering governance, risk and compliance

To continuously develop and enhance ethical business conduct, risk management and compliance within the portfolio companies, Investor focuses on strengthening the governance structures surrounding these. Investor has a program that covers a range of areas within governance, ethics, risk and compliance. The areas are selected based on risk assessment and include ethical business conduct, trade compliance, anti-corruption, anti-bribery and whistleblowing. Investor uses a risk-based approach when reviewing the subsidiaries' work within the selected governance, risk and compliance areas.

In addition to the overall review a focus area is selected each year. In 2021 this was the companies' efforts and maturity within cyber and information security. Representatives from all wholly owned companies participated in an awareness training followed by a review of their own processes. Dialogs were also held with all listed companies about their efforts and maturity around cyber and information security. The reviews and dialogs were based on the elements of the NIST cyber security framework and the COBIT maturity model. Based on reviews and dialogs it is concluded that all companies have an active approach to continuously develop their processes to meet new threats. Asset management and third-party management are examples of areas that in some companies have been identified for further enhancement.

Focus areas 2018-2021

- Cyber and information security
- Corruption and bribery
- Board reporting
- Trade compliance
- Sustainability
- Supplier control
- Data privacy

Targets and outcomes

In 2021, all employees at Investor AB participated in training covering principles in the policy framework, among other things, the principles set in the Code of Conduct and procedures for gifts and benefits. All employees have signed the Code of Conduct which also includes 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. Investor's policies and instructions are continuously monitored through controls and testing to deter non-compliance and reduce the risk for incidents. Any incidents are investigated and documented according to established investigation routines. Material incidents are reported to the Management Group and the Board and any corrective actions are taken. There have been no reported incidents at Investor relating to bribery and corruption during 2021.

Investor has a procurement process that defines roles and responsibilities when evaluating suppliers and products. Among other things suppliers and products should be evaluated in relation to quality, price, information security, business ethics, climate and human rights. There are regular follow-ups with suppliers, mostly through dialogs and assessments. Each subsidiary sets its own procedures for evaluation and audits of its suppliers. As an industrial holding company, our supply chain is neither extensive nor complex. The primary suppliers are office, software and hardware providers, consultancies and travel agents. Our 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 during 2021.

Our portfolio companies are expected to adhere to Investor's Sustainability Guidelines (see page 14). The guidelines define the expectations applicable to all portfolio companies to conduct their operations in a responsible and ethical manner. They require, among other things, that

our portfolio companies have adequate policies, processes and resources to manage and monitor business ethics, and that they have secure whistleblowing systems in place.

A key priority for Investor is to ensure full compliance of the requirements in the Sustainability Guidelines. Investor continuously monitors the portfolio companies' development and progress. Both through reviews, dialogs and the annual sustainability self-assessment questionnaire.

Portfolio companies	2021	2020	2019
Companies that have signed the UN Global Compact	96%	96%	95%
Companies that have a whistleblowing channel	100%	100%	100%
Companies that have an anti-corruption policy	100%	100%	100%
Companies that have a Code of Conduct	100%	100%	100%
Companies that have a human rights policy	100%	100%	95%
Companies that have a health and safety policy	100%	100%	100%

The business teams within Investor develop value creation plans for each portfolio company which include business ethics and sustainability. Progress within the portfolio companies regarding business ethics and the sustainability guidelines are monitored regularly and 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.

Diversity & Inclusion

Governance and approach

Investor strongly believes that building long-term successful companies require people with different competences, perspectives and experiences. Diverse teams characterized by inclusion stimulate innovation and drive better decision-making. This is key for companies to outperform.

Our diversity and inclusion policy is part of our Sustainability Policy, approved by the Board of Directors and includes diversity and inclusion targets. Our approach and procedures are summarized in the Diversity and Inclusion Plan, which is approved by the Management Group and is aimed at providing guidance on how to embrace inclusion and diversity and execute on the policy as a company.

Our aspiration is that all employees are encouraged and comfortable to express opinions and constructive ideas. We aim for our employees to feel a sense of belonging and feel valued as individuals. To create a workplace and a culture that is inclusive and free from discrimination, we have a special focus on six areas: sustainable and inclusive working conditions, to facilitate to combine work and parenthood, a structured process for professional development so that everyone can reach their full potential, a structured recruitment process with the aim to reach the total talent pool and avoiding unconscious bias, a fair and marketbased remuneration without unreasonable differences, and a zero-tolerance against any kind of harassment or discrimination. A Diversity and Inclusion group, made up of employee representatives and representatives from the Extended Management Group, actively collaborates on initiatives to further strengthen diversity and inclusion within Investor.

We are convinced that making use of the total available talent base builds stronger and more dynamic teams and we strive to expand our recruitment base. It is our ambition as a company to recruit from a broad talent base and contribute to a meritocratic business community free from unconscious bias. When it comes to equal pay, we conduct an annual salary evaluation to ensure that we provide equal compensation between genders. Investor mirrors the collective bargaining agreement for the banking community and offers our employees the same or better benefits.

Targets and outcomes

Investor has the target to maintain a gender balance of 40/60 in Investor's Group Management, meaning at least 40 percent of the underrepresented gender. In 2021, the proportion of women in

Investor AB's Management Group was 60 percent and 50 percent in the overall organization. At the end of 2021, the number of employees was 96 (headcount). Investor is well diversified in terms of age, gender and expertise. The average age among employees is 44 years.

Gender, women	2021	2020	2019
Employees ¹⁾	50%	50%	48%
Managers	35%	39%	32%
Extended Management Group	57%	50%	50%
Management Group	60%	60%	60%
Board of Directors ²⁾	40%	44%	44%

Age group 2021	<30 years	30-50 years	>50 years
Employees ¹⁾	17	34	45
Extended Management Group	0	3	4
Board of Directors ²⁾	0	0	9

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

Investor conducts employee engagement surveys on a regular basis. Previously performed annually, in 2021 we moved to a quarterly cadence, with each of the surveys targeting different areas like Values and Diversity and Inclusion. The surveys in 2021 came out with strong results versus the external benchmark. The engagement score was top 5 percent of a global finance benchmark. Our strongest scores are linked to strategy and organizational fit.

Investor measures perceived level of inclusion among our employees as well as their ability as individuals to make an impact and contribute to the overall strategy. In 2021, employees reported a high level of inclusion compared to external benchmark, scoring on average 8.9 (scale 1-10). On belonging and on feeling valued, the scores were 8.9 as well. The main area to work on is career development.

Employee survey	2021	2020
Employee Inclusion average score (scale 1-10)	8.9	8.9
Employee Engagement average score (scale 1-10)	9.0	9.0
Employee Net Promoter Score (eNPS scale -100 to 100)	76.5	80.0

	2021		2020	
	Women	Men	Women	Men
Employee turnover				
Number of new employee hires	2	4	7	3
Rate of new employee hires	2%	4%	7%	3%
Number of employee turnover	1	1	4	3
Rate of employee turnover ¹⁾	2%	2%	9%	7%
Employment contract				
Number of permanent employees	47	46	45	44
Number of temporary employees ²⁾	1	2	2	3
Employment type				
Number of full-time employees	45	46	43	44
Number of part-time employees	3	2	4	3
Parental leave				
Average time on parental leave, weeks ³⁾	15	11	16	9

1) The turnover is calculated on the average number of employees during the year. The total turnover was 2 percent and includes retirement, moves to subsidiaries and normal attrition. With a relatively low total headcount number, the turnover tends to vary year over year.
2) The three temporary employees are located at the Stockholm office.
3) Data for the Stockholm office. Investor aims for a more equal balance in the use of parental leave between the genders.

People Data ¹⁾ December 31	2021	2020	2019
Number of employees	96	94	89
Personnel turnover	2%	8%	15%
Average sick leave ²⁾	0.4%	1.9%	1.5%

Employees	2021	2020	2019
Stockholm	82	79	76
New York	12	12	10
Amsterdam	1	2	2
Palo Alto	1	1	1

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

Investor encourages the portfolio companies to actively promote diversity and inclusion and has set diversity and inclusion targets for our portfolio. The first target is to ensure that all portfolio companies measure the perceived level of inclusion among employees on a regular basis. The second target is to reach a gender balance of 40/60 in the portfolio companies' board of directors and executive management teams from an overall portfolio perspective by 2030.

Our portfolio companies report progress yearly on the basis of voluntary and self-reported data. In 2021, all companies reported that they have policies covering diversity and anti-discrimination and 83 percent of our companies have a commitment or target related to diversity, mainly focused on gender. 92 percent of our companies measured the perceived level of inclusion among employees.

The average proportion of women in the companies' management groups amounts to 26 percent. The average age is 52 and there are 23 nationalities represented. The five most common nationalities are Swedish, American, Danish, British and Finnish. Among the Swedish portfolio companies, the management groups have on average 41 percent Non-Swedish members.

Portfolio Management Groups, women	2021	2020	2019
Listed Companies	21.0%	22.3%	21.4%
Patricia Industries	33.2%	30.2%	28.2%
EQT AB	12.5%	14.3%	16.7%
Average share of women	25.7%	25.0%	24.0%

Portfolio Management Groups, nationalities	2021	2020	2019
Listed Companies	22	23	21
Patricia Industries	12	11	13
EQT AB	5	3	3
Total number of different nationalities	23	23	21

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 eleven nomination committees in the listed companies. In eight of these, Investor has female representation.

The average proportion of women in the companies' boards of directors amounts to 34 percent. The average age is 58 and there are 15 nationalities represented. The most common nationalities are Swedish, American, British, Canadian and Belgian. Among the Swedish portfolio companies, the boards of directors have on average 30 percent Non-Swedish members.

Portfolio Board of Directors, women	2021	2020	2019
Listed Companies	38.8%	36.5%	34.6%
Patricia Industries	25.7%	19.8%	12.9%
EQT AB	50.0%	37.5%	16.7%
Average share of women	33.8%	30.0%	24.9%

Portfolio Board of Directors, nationalities	2021	2020	2019
Listed Companies	14	14	15
Patricia Industries	7	7	8
EQT AB	4	4	2
Total number of different nationalities	15	14	15

In the reported diversity data, executive directors are excluded from the Board of Directors (e.g. CEO) to prevent double counting as they are included in the Management Groups.

Governance

As a long-term owner, we both need to take into account risks and take advantage of opportunities resulting from climate change. Our aim is to contribute to the transition to a society with net-zero greenhouse gas emissions. Investor is committed to the Paris Agreement and has set long term targets for Investor as a company and for Investor's portfolio of companies.

The Governance structure (page 117-118) describes the approach to Investor's business strategy including climate-related issues.

Each business area is responsible for driving the implementation of our sustainability strategy and assessing potential risks and opportunities related to climate change. Investor also has a dedicated sustainability team that together with the business teams drive specific sustainability related projects including climate-related topics.

During the year, Investor has performed a number of activities to increase its knowledge and expertise in climate issues. Investor held several presentations and trainings for employees regarding sustainability and our focus areas during the year.

Strategy and risk management

Investor AB's investment strategy is based on the conviction that sustainability strategies are fundamental for the long-term growth of our net asset value. Given Investor's long-term investment horizon it is crucial to take climate aspects into account in investment decisions. Climate-related risks and opportunities exist both in the short- and long-term perspective. In the shorter term, the transition to a low carbon society also means investment opportunities, e.g. companies with products and services that contribute to the transition to a low-carbon economy. Concurrently, there is a risk that our portfolio companies do not transform quickly enough to meet the demands for lower carbon emission solutions, impacting the long-term value of Investor's portfolio.

Many of our portfolio companies are sustainability leaders, such as Electrolux, ABB and Husqvarna. These companies have over many years developed products demanded by customers who require low carbon solutions.

Investment in research and development is important to secure the long-term competitiveness of our portfolio companies. Since Investor's ownership strategy is to engage in companies that are leaders in their industries, we continuously focus on their performance, technology position and research and development strategy to develop new innovative products. The future success of our companies depends on their capacity to drive change and to invest for the long-term in new solutions that are more resource efficient and that meet the needs of their customers. We monitor the companies' investments in research and development (R&D). In 2021, R&D expenses in our companies totaled SEK 155bn.

At Investor, climate-related issues are monitored continuously and once a year a more comprehensive analysis is conducted on all portfolio companies. As an owner we assess our portfolio's overall exposure to climate-related risks and opportunities. All 24 portfolio companies report their yearly sustainability performance to Investor. The collection of information is both through a sustainability reporting system and through follow-up dialog with each company. Climate calculations and analyses are performed for Investor's portfolio companies in order to identify companies' fossil fuel dependency and negative trends for carbon emissions.

It is likely that governments and international bodies such as EU will introduce various regulatory measures, which will increase the price of GHG emissions. Companies will likely also be indirectly impacted by a rise in energy costs, for example in the purchase of energy-intensive materials. Most of our portfolio companies have a comparably low carbon impact in relation to their respective industries and due to the spread of sectors (telecommunications, manufacturing, pharmaceuticals, banking) and geographical presence, it is unlikely that all of

Investor's portfolio companies would be affected by increased price of GHG emissions at the same time.

The process of managing this risk involves fostering a commitment from our portfolio companies to continue to mitigate carbon emissions and adapt to a low carbon economy e.g. by developing climate strategies and committing to reduce their emissions in line with the Paris Agreement. Investor develops individual value creation plans for each portfolio company and drives the climate strategy through our board representation in the individual companies. Investor also monitors and follows our companies progress through dialog and reporting.

The business teams and sustainability team engage with our portfolio companies on a regular basis. In 2021, Investor engaged with our 24 companies regarding sustainability. Investor follows-up with the companies each year regarding water consumption, waste and greenhouse gas emissions.

Through Investor's Sustainability Network we meet the portfolio companies' Heads of Sustainability to discuss different sustainability challenges and opportunities. Investor Sustainability Network met six times during 2021. Four of the meetings focused on environment and climate, covering themes such as EU Taxonomy, Task Force on Climate-related Financial Disclosures (TCFD) and carbon capture. One meeting focused on human rights and one on sustainability overall.

Targets and outcomes

Investor has committed to the following climate targets:

- Reduce GHG emissions from Investor AB's scope 1 and 2 by 100 percent i.e. net zero by 2030.
- Reduce absolute GHG emissions from portfolio companies by 70 percent by 2030 compared to 2016 (the portfolio companies' scope 1 and 2).
- Accelerate our portfolio companies' climate strategies beyond their basic footprint, ensuring that all portfolio companies set relevant reduction targets related to their products, services or value chain (the portfolio companies' scope 3).

Investor sharpened its targets in 2021 to align with the Paris Agreement's aim of limiting global temperature rise to well below 1.5 degrees above pre-industrial levels, as the need for transition towards fossil free has grown even more imminent. Investor AB also joined the UN 'Race to Zero' initiative ahead of COP26 through the Exponential Roadmap Initiative. Previously Investor targeted a 50 percent reduction of its scope 1 and 2 and reduction of GHG emissions from portfolio companies (scope 1 and 2) by 50 percent by 2030.

Investor AB's greenhouse gas emissions

Investor AB's 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. Investor integrates environment and climate considerations into its business operations and risk assessments. Investor is a member of the UN Global Compact and follows its ten principles, which include the precautionary principle.

Investor has used the Science-based Target Setting Tool and the absolute contraction approach to identify the percentage of reduction needed to be in line with the Paris Agreement.

To meet its own 2030 net-zero targets Investor AB has set a climate roadmap with interim targets to break down progress into achievable shorter-term goals. For example, from a current position of 64 percent renewable energy the target is to reduce consumption by 3 percent yearly going forward, reaching at least 80 percent renewable energy by 2025. At that stage, the intention would be to also have a low-emission policy in place for company cars. The next milestone would be to reach 90 percent renewable energy and use a zero-emission vehicle fleet, which puts us in a strong position to reach 100 percent renewable energy. Additional measures taken to reach our target have included moving to a "train first" travel policy over air travel when relevant, promoting use of digital meeting technologies and promoting use

of electric vehicle taxis or those running on renewable fuels. Other non-travel related proposals include increase of vegetarian food offerings to employees and extending life and usage of purchased IT equipment.

The energy consumption at our head office represents more than 65 percent of Investor's total consumption. In 2021, the total energy consumption in our offices amounted to 1,157 MWh compared to 1,102 MWh in 2020. In 2021, the scope 1 and 2 emissions for Investor AB equaled 77 tonnes, a reduction of 35 percent compared to 2016. The reduction compared to 2016 is mainly due to energy efficiency in offices and continued remote working due to covid-19 pandemic.

The emissions from scope 1 consist of company cars and the scope 2 emissions include purchased electricity and district heating for our offices in Stockholm, New York, and Amsterdam. Emissions from business travel are low this year due to continued impact from covid-19 on working practices.

GHG emissions, tonnes CO _{2e}	2021	2020	2019	2018	2016 base year
Scope 1	11	16	18	18	22
Scope 2 market based method (Scope 2 location based method)	66 (81)	72 (91)	86 (98)	90 (103)	96 (112)
Investor's scope 1 and 2¹⁾	77	88	103	108	118

Scope 3 emissions, tonnes CO _{2e}	2021	2020	2019	2018	2016 base year
Equity share of portfolio emissions ²⁾	254,100	280,800	325,900	345,900	351,000
Emissions from business travel ³⁾	40	65	530	600	610
Other scope 3 emissions ⁴⁾	50	50	140	160	170
Investor's scope 3	254,190	280,915	326,570	346,660	351,780

1) Total scope 1 and 2 emissions are calculated based on market based method.

2) Equity share includes the emissions from our portfolio companies' scope 1 and 2 emissions equal to the owned share of the companies. The figures for emissions have been restated compared to Annual Report 2020 due to updated data from portfolio companies. Please note that the portfolio target is set on the total level.

3) Emissions from business travel include for example air, rail, hotel nights and taxi.

4) Emissions from other activities include emissions from for example purchased IT equipment.

Emissions are reported in accordance with the Greenhouse Gas Protocol. Emissions are expressed in CO_{2e}, carbon dioxide equivalents, which means all relevant greenhouse gases are included. Definitions are presented on page 127.

Portfolio companies' greenhouse gas emissions

As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy. It is Investor's ambition to reduce the portfolio's carbon footprint by encouraging companies to reduce their carbon emissions in line with the Paris Agreement. Investor aims to strengthen the portfolio's resilience and has committed to reduce absolute GHG emissions from portfolio companies by 70 percent between 2016 and 2030.

The target includes the portfolio companies' total scope 1 and 2 emissions and is set for the overall portfolio (not an equity approach). Investor has set targets on the total level in order to contribute to an actual reduction of carbon emissions. The baseline is 2016 as this is the first year we measured its companies' emissions and is aligned with the Agenda 2030. The emissions from portfolio companies' exclude Financial Investments and EQT funds.

GHG emissions, tonnes CO _{2e} ¹⁾	2021	2020	2019	2018	2016 base year
Listed Companies	1,133,500	1,345,900	1,786,300	2,043,200	2,360,300
Patricia Industries	126,700	124,100	131,900	127,000	114,200
EQT AB	300	300	400	400	200
Portfolio companies' emissions	1,260,500	1,471,300	1,918,600	2,170,600	2,474,700

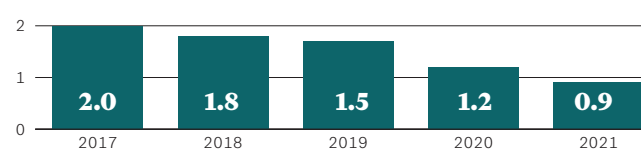
1) Emissions from our portfolio companies' total scope 1 and 2 emissions. The figures for emissions have been restated compared to Annual Report 2020 due to updated data from portfolio companies.

In 2021, greenhouse gas emissions from our overall portfolio decreased by 49 percent compared to 2016. Investor works through its 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. In addition we encourage the integration of climate in our companies' value creation plans. In the yearly sustainability questionnaire Investor tracked that 88 percent of our companies had targets to reduce its scope 1 and 2 emissions (78).

By the end of 2021, 33 percent of our portfolio companies have committed to Science Based Targets (22) and more broadly, 83 percent had aligned their climate strategies to the Paris Agreement and set measurable targets to decrease greenhouse gas emissions by 50 percent or more by 2030 (57). By the end of 2021, the portfolio companies that represent more than 97 percent of the total emissions from the portfolio had set reduction targets that were aligned with the Paris Agreement.

The reduction of emissions is both in absolute terms and in relation to revenues, i.e. decoupling (lower carbon impact and higher revenues and economic results). The diagram shows the emissions from the total portfolio in relations to the revenue from all the portfolio companies.

Emissions in relation to revenue, tonnes of CO_{2e} / SEK m.



Portfolio companies' indirect greenhouse gas emissions

Investor has set an additional portfolio target to ensure that all of our companies have relevant reduction targets for their scope 3 emissions. The portfolio companies' scope 3 emissions are material. It is challenging to set an overall reduction target due to the complexity of the different business models and industries, Investor has therefore set this target to ensure that our companies integrate climate in their business strategies where it is most relevant to them and ensuring that emissions upstream and downstream in the value chain are taken into consideration.

In 2021, 75 percent of our companies measured scope 3 emissions and 63 percent had reduction targets related to their products, services or value chain (the portfolio companies' scope 3 emissions). This is an increase compared to 2020 when 43 percent of the companies had reduction targets for scope 3 emissions. In 2021, 63 percent of our companies had targets regarding resource efficiency (57).

Portfolio companies' indirect emissions	2021	2020
Share of our companies that measured scope 3 emissions	75%	74%
Share of our companies that have reduction target for scope 3	63%	43%
Share of our companies that have resource efficiency targets	63%	57%

Reporting in accordance with EU Taxonomy Regulation

During the year the EU taxonomy regulation (EU 2020/852) entered into force. The taxonomy is a harmonized classification and criteria for sustainable economic activities. This will help investors and businesses to identify which investments contribute to a low-carbon, resilient and resource-efficient economy.

Disclosure obligations differ for non-financial companies and for financial market participants. As an industrial holding company, Investor AB has chosen to follow the taxonomy reporting requirements for financial institutions who for financial years ended 2021, should report the proportion of assets associated with economical activities that are defined as eligible in the taxonomy regulation related to EU environmental objectives for climate change mitigation and adaptation.

Key Performance Indicators	Exposure to taxonomy eligible economic activities	Exposure to non-taxonomy eligible economic activities ¹⁾
Turnover-based (%)	12	88
Capital expenditure-based (%)	12	88
1) of which exposure to non-NRFD companies (%)		22
1) of which exposure to central governments, central banks and supranational issuers or derivatives (%)		0

Data sources and limitations

Each company's individual eligibility is based on its own total turnover and capital expenditure figures (denominator) relative to its taxonomy-eligible activities (numerator). To calculate the overall eligibility of the portfolio we have applied weighted aggregation. Company weightings are based on the December 31, 2021 total Net Asset Value based on Adjusted Values, as detailed on page 36. EQT, AstraZeneca and the companies making up Investor's portfolio of financial investments are not in scope with respect to the Non-Financial Reporting Directive (NFRD) and have been excluded from the weighted aggregation.

Company data was collected from our companies as part of the annual sustainability self-assessment questionnaire. Actual information was provided by the listed companies and further detail is publicly available in the companies' own sustainability reports. The wholly owned companies each performed their own screening exercise and further description of relevant economic activities is described below, since this information is not publicly disclosed elsewhere.

Description of taxonomy-eligible economic activities

Eligibility criteria cover a range of sectors. Each wholly owned company identified its relevant sector and economic activities. The most relevant sectors for the portfolio companies are Manufacturing, Transport, Information and Communication, and Construction and Real Estate. For example, Permobil's products include a range of manual wheelchairs, which are classified as Personal Mobility Devices with a propulsion that comes from the physical activity of the user. On the other hand, Vectura is in the Construction and Real Estate industry and has mapped its three activities against the screening criteria: construction of new buildings, renovation of existing buildings, and acquisition and ownership of buildings. The remaining wholly owned companies have limited or no taxonomy-eligible activities. For example several companies manufacture medical and dental instruments and supplies which does not fall within the screening criteria for climate change mitigation or adaptation.

Alignment with sustainability strategy

The weighting of eligible activities is low relative to the overall activities of our portfolio companies. In this first year of implementation there is limited insight into the evolution of taxonomy-aligned economic activities over time, but this will follow in future, where the portfolio companies may increase their taxonomy eligible business activities and where additional insight into data-related elements becomes available. We may therefore over time use insights drawn from taxonomy disclosures to inform our overall sustainability strategy, of which climate is one aspect. Read more on page 14-15 to learn more about our efforts and targets around sustainability as a strategic priority, including the Sustainability Guidelines set out on page 14.

TCFD Index

Investor supports the Task Force on Climate-related Financial Disclosures (TCFD) and has implemented its recommendations to better understand the actual and potential impacts of climate-related risks and opportunities on our business, strategy and financial planning. Read more about Investor's sustainability approach and progress in the separate TCFD Report or the complete CDP answers on our webpage.

Principle	Disclosure	Page/Reference
Governance	Board oversight	121 TCFD Report
	Management approach	121 TCFD Report
Strategy	Actual and potential impacts	121 TCFD Report
	Risks and opportunities	121 TCFD Report
Risk management	Risk analysis and assessment	42, 121 TCFD Report
	Risk management	42, 121 TCFD Report
Metrics and targets	Targets	121-122 TCFD Report
	Outcomes	121-122 TCFD Report