

Stockholm, 2019-04-03

COMMUNICATION ON PROGRESS

Statement by the CEO

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

A handwritten signature in blue ink, appearing to read 'Johan Forssell', is placed over a faint, light blue rectangular background.

Johan Forssell
President and Chief Executive Officer
Investor AB

Business model

Investor's purpose

We create value

What we do

Operating priorities

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

Listed Core Investments

69%
of total adjusted assets

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

Patricia Industries

26%
of total adjusted assets

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

EQT

5%
of total adjusted assets

EQT is a leading investment firm. We invest in its funds and have a 19 percent ownership in EQT AB.

1.
Grow net asset value

2.
Operate efficiently

3.
Pay a steadily rising dividend

Our core values

Create value

for people and society by building strong and sustainable businesses

How we do it



Strong and industrial network

Investor was founded by the Wallenberg family in 1916, and is an engaged owner of high-quality, global companies. We use our extensive professional network to identify and evaluate attractive business opportunities.



Strong financial flexibility

Our strong balance sheet and cash flow allow us to support our companies long-term, capture investment opportunities and pay a steadily rising dividend.



Highly-skilled employees

We focus on the long-term development of our employees and offer opportunities to continuously learn and build skills and knowledge. A strong corporate culture, which is open and adapts to changes in the outside world, is key if we are to be able to recruit and retain key competence.



Best-in-class boards

We are often the largest shareholder in our companies and exercise our influence through our representatives on the boards. We leverage our network to find the best board candidates for our companies and always work with the opportunities and challenges facing each individual company.

Value creation plans

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

The plans typically focus on:

- operational excellence,
- profitable growth,
- corporate health,
- industrial structure,
- innovation,
- talent management,
- sustainability, and
- capital structure.

We maintain a close and continuous dialog around value creation with our companies' boards and CEOs.

Created impact

IN 2018

4%

Total Shareholder Return

9.2

SEK bn.

Paid dividend

of which approx.

2.1

SEK bn.

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

Average TSR
past 10 years

16%

Care for
People

Contribute with
Heart and Mind

Challenge and
Improve

Objectives and outcome

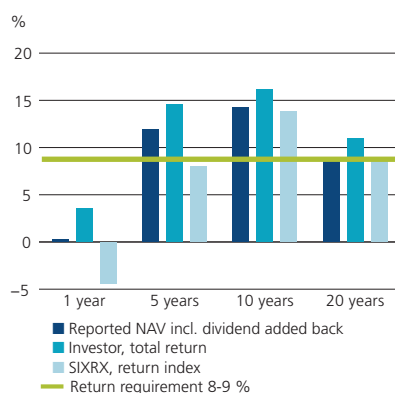
We are committed to generating an attractive long-term total return. Our long-term return requirement is the risk free interest rate plus an equity risk premium, in total 8-9 percent annually. Our operating priorities are to grow our net asset value, operate efficiently and pay a steadily rising dividend.

OBJECTIVE

OUTCOME

Grow our net asset value

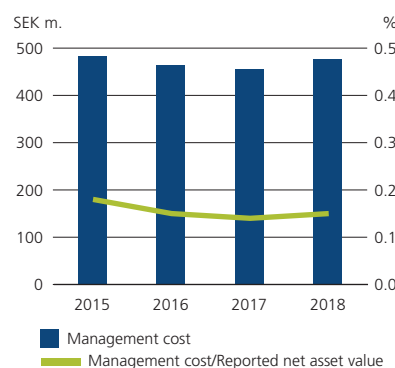
To achieve attractive net asset value growth, we own high-quality companies and are an engaged owner, supporting our companies to achieve profitable growth. We strive to allocate our capital wisely.



Our reported net asset value amounted to SEK 327.5 bn. at year-end 2018 (336.3), a change, with dividend added back, of 0 percent (15). The SIXRX total return index was -4 percent (9). The average annualized return on reported net asset value including dividends added back has been 14 percent over the past ten years and 9 percent over the past 20 years.

Operate efficiently

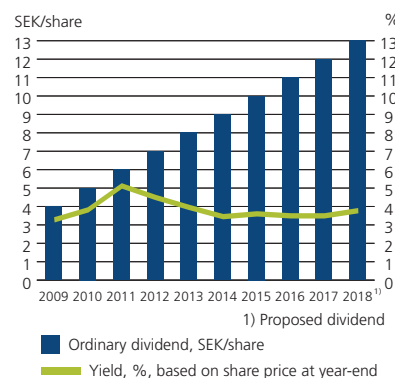
We maintain cost discipline to remain efficient and in order to maximize our operating cash flow. Our target, set in 2015, is that annual management costs should not exceed SEK 500 m. adjusted for wage inflation and currency effects.



Management costs amounted to SEK 478 m. (455), corresponding to approximately 0.15 percent of our reported net asset value (0.14).

Pay a steadily rising dividend

Our dividend policy is to distribute a large percentage of the dividends received from the listed core investments, as well as to make a distribution from other net assets corresponding to a yield in line with the equity market. The goal is to pay a steadily rising dividend.



The Board of Directors proposes a SEK 13.00 dividend per share (12.00), to be paid in two installments, SEK 9.00 per share in May, 2019, and SEK 4.00 per share in November, 2019. Based on this proposal, on average our dividend has increased by 10 percent annually over the past five years and 13 percent over the past ten years.

Sustainability is an integrated part of our ownership model, including specific priorities for our companies, i.e. the listed core investments, major wholly-owned subsidiaries, partner-owned investments and EQT. These priorities are related to anti-corruption, business ethics, human rights, environment and innovation, among others.

OBJECTIVE	OUTCOME	OBJECTIVE	OUTCOME																								
Business ethics Acting responsibly and ethically is crucial for our companies to maintain high levels of credibility.	100% of our companies have a Code of Conduct.	Anti-corruption Investor does not tolerate bribery or corruption under any circumstances.	100% of our companies have an Anti-corruption policy and training in place.																								
Human rights Our companies are expected to comply with all applicable laws, regulations, adhere to the UN Global Compact, commit to the UN SDGs, and support the ILO conventions and the OECD guidelines for Multinational Enterprises.	83% of our companies have signed the UN Global Compact. 100% of our companies have a whistleblowing system in place to report violations. In 2018, we encouraged our companies to make the whistleblowing procedures available for external stakeholders.	Diversity Our companies are expected to encourage and promote diversity in their organizations.	The share of women in the companies' boards of directors amounts to 25 (25) percent. In the listed portfolio, the share is 35 percent. In the total portfolio, the average age is 53 (57) and there are 16 nationalities represented (18). The share of women in the companies' management groups amounts to 24 percent (25). The average age is 51 (51) and there are 22 nationalities represented (23).																								
		Gender distribution	<table border="1"> <caption>Gender distribution data (estimated from chart)</caption> <thead> <tr> <th>Group</th> <th>Year</th> <th>Women (%)</th> <th>Men (%)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Board of Directors</td> <td>2017</td> <td>35</td> <td>65</td> </tr> <tr> <td>2018</td> <td>25</td> <td>75</td> </tr> <tr> <td>2018</td> <td>25</td> <td>75</td> </tr> <tr> <td rowspan="3">Management Groups</td> <td>2017</td> <td>24</td> <td>76</td> </tr> <tr> <td>2018</td> <td>25</td> <td>75</td> </tr> <tr> <td>2018</td> <td>25</td> <td>75</td> </tr> </tbody> </table>	Group	Year	Women (%)	Men (%)	Board of Directors	2017	35	65	2018	25	75	2018	25	75	Management Groups	2017	24	76	2018	25	75	2018	25	75
Group	Year	Women (%)	Men (%)																								
Board of Directors	2017	35	65																								
	2018	25	75																								
	2018	25	75																								
Management Groups	2017	24	76																								
	2018	25	75																								
	2018	25	75																								
Environment Our companies are expected to pursue sustainable products, energy efficient processes, and to reduce their CO ₂ emissions over time. Our share of the companies' CO ₂ emissions: 449,170 tonnes (427,010).	Tonnes of carbon emissions in relation to sales, SEK m.¹⁾ <table border="1"> <caption>Carbon emissions data (estimated from chart)</caption> <thead> <tr> <th>Category</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Listed Core Investments</td> <td>2.8</td> <td>2.3</td> <td>2.8</td> </tr> <tr> <td>Patricia Industries</td> <td>3.0</td> <td>3.0</td> <td>2.8</td> </tr> <tr> <td>EQT</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table>	Category	2016	2017	2018	Listed Core Investments	2.8	2.3	2.8	Patricia Industries	3.0	3.0	2.8	EQT	0.0	0.0	0.0	Society Investor's indirect economic impact contributes to, for example, job creation and technological innovation in our companies.	SEK 9.2 bn. In 2018, our total paid dividend amounted to SEK 9.2 bn., whereof approx. SEK 2.1 bn. was distributed to the Wallenberg Foundations, whose purpose is to grant funding to scientific research in Sweden. Our corporate citizenship activities with various partners such as Young Enterprises and Business Challenge and support to universities amounted to SEK 10 m.								
Category	2016	2017	2018																								
Listed Core Investments	2.8	2.3	2.8																								
Patricia Industries	3.0	3.0	2.8																								
EQT	0.0	0.0	0.0																								
Labor With nearly 500,000 co-workers world-wide, it is crucial that our companies work with competence development, employee engagement and ensure a safe and healthy work environment.	96% of our companies measure employee satisfaction on a regular basis.	Innovation Investment in innovation is a key component in the development of sustainable and efficient products and services.	SEK m. spent on R&D in relation to sales¹⁾ <table border="1"> <caption>R&D spending data (estimated from chart)</caption> <thead> <tr> <th>Category</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>10</td> <td>10</td> </tr> <tr> <td>Listed Core Investments</td> <td>10</td> <td>10</td> </tr> <tr> <td>Patricia Industries</td> <td>3</td> <td>3</td> </tr> <tr> <td>EQT</td> <td>n.a.</td> <td>n.a.</td> </tr> </tbody> </table>	Category	2017	2018	Total	10	10	Listed Core Investments	10	10	Patricia Industries	3	3	EQT	n.a.	n.a.									
Category	2017	2018																									
Total	10	10																									
Listed Core Investments	10	10																									
Patricia Industries	3	3																									
EQT	n.a.	n.a.																									

1) The figures are based on direct and indirect emissions in scope 1 and 2, for the two latest available years as reported by our companies. Sobi's carbon emissions only include its Swedish operations.

1) Patricia Industries' data excludes Aleris, Grand Group, Sarnova, Vectura and Three Scandinavia, due to limited R&D.

Engaged ownership

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

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

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

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

“ We are long-term in vision, but relentlessly impatient about execution.

Investment philosophy

Our investment philosophy is “buy-to-build”, and to develop the companies over time, as long as we see further value creation potential. We actively support our companies in making attractive investments, and are willing to sacrifice short-term profitability for longer-term value creation. We firmly believe that to become or remain best-in-class, companies must have the ability to invest in research and development, regardless of pressure from the stock market or from other external forces. However, our long-term perspective is never an excuse for weak short-term performance.

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

Best-in-class boards

Investor is often the largest shareholder in our companies and we always work with the opportunities and challenges facing each individual company. We exercise our influence through our representation on the companies’ boards. We depend on the

boards to ensure the building of strong and healthy companies for the long-term, while at the same time creating the needed urgency around short-term performance.

We believe in boards of limited size, which still allows for sufficient breadth of capabilities while ensuring a high level of individual accountability and time commitment. Our experience is that a well-functioning board is diverse in terms of age, gender and background. The board should include individuals with relevant industrial, functional and geographic knowledge which is not too narrow or specific. Most importantly, the board should have the experience and competence necessary to support the company’s long-term ambitions. Investor expects the boards to engage in strategic issues in order to ensure investments in long-term attractive opportunities. We strive for strong alignment with the chairperson and regularly invite all chairpersons in our companies to a “Chairs’ Circle” to discuss key trends and share knowledge.

Value creation plans

Our ownership work is mainly carried out by our business teams consisting of our board representatives, investment managers and analysts. The business teams analyze the industries and



“Our investment philosophy is “buy-to-build”, and to develop our companies over time.

benchmark the companies’ performance versus their competitors. Based on the analysis, we develop and constantly refine value creation plans for each company. These plans identify strategic key value drivers that we want the companies to focus on, in order to maximize long-term value. The plans typically focus on operational excellence, profitable growth, capital structure, industrial structure, innovation, sustainability, talent management and corporate health.

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

Cash flow generation

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

Investment criteria

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

- engineering,
- healthcare,
- financial services and
- technology.

Attributes that we seek in our investments are:

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



We consider sustainability matters in all investing activities and have a structured ownership approach to sustainability.

Our sustainability work as an owner

As an engaged investor and owner of many companies of different sizes and development stages, Investor aims to be a good and reliable corporate citizen and contribute to sustainable development. It is in our role as an owner we have the most impact through the capital we provide, the active ownership role that we play and the employment, innovations, products and services delivered by our companies.

We have a structured ownership approach to sustainability based on our Sustainability Guidelines and company specific focus areas. As our portfolio is well-diversified, the company specific focus areas vary depending on industry, development stage, and the risks and opportunities that are relevant for each company. Examples of focus areas could be governance structure, supplier control, innovations, energy efficiency and diversity.

We meet the portfolio companies' Heads of Sustainability in Investor's Sustainability Network to share experiences and knowledge. Through the annual sustainability self-assessment questionnaire, we follow-up and monitor progress. Our analysts track the development continuously and the company specific focus areas are monitored through the same process and principles as for the value creation plans. If a serious sustainability related issue occurs in one of our companies, the business team is responsible for raising the matter and for monitoring the steps the company takes to address the issue.

Our sustainability work as a company

Investor continuously works to improve our social, environmental and economic impact. The Board decides on the sustainability approach and has adopted a Sustainability Policy. We support universally recognized human rights and assume long term accountability for ethical standards. We acknowledge that our commitment to financial performance also takes into account the broader economic, environmental and social impacts of our own operations and those of our portfolio companies. We are a signatory of the UN Global Compact and its ten principles and support the ILO conventions and the OECD guidelines for Multinational Enterprises. We are committed to the UN Sustainable Development Goals (SDG) and have identified contributions to

OUR OWNERSHIP SUSTAINABILITY GUIDELINES

The sustainability guidelines describe our basic expectations on our companies. We expect them to;

- act responsibly and ethically and in compliance with local and national legislation in each country of operation,
- continuously improve social, environmental and economic impact,
- support and invest in innovation,
- analyze risks, formulate policies and objectives, and to have adequate processes in place to manage and monitor sustainability risks,
- sign and adhere to the UN Global Compact and its ten principles, commit to UN SDGs and support the ILO conventions and the OECD guidelines for Multinational Enterprises,
- in an appropriate form, transparently report sustainability objectives, risks and progress,
- encourage and promote diversity in the organizations,
- have an active dialog with stakeholders such as suppliers and trading partners, and
- have a secure reporting channel for whistleblowing in place.

a number of them. Number 8, Decent Work and Economic Growth, is the most central one, as it focuses on how we can contribute to sustainable and long-term economic growth, while ensuring safe and fair working conditions. Investor is involved in a working group, SISD, together with other Swedish investors, with the aim of developing more efficient performance indicators and processes to measure development of the 17 SDGs. We strive to be transparent by having an active dialog with our stakeholders, as well as annually measure and report progress.

Investor ensures a good local tax reputation in consistence with tax laws and practices in the markets we operate in. We strive to take a commercial approach rather than a tax driven approach when operating our business.

Investor supports several organizations that contribute to the development of society and entrepreneurship, such as IVA, SNS, Forum för Välfärd, Chambers of Commerce, Business Challenge and Young Enterprise Sweden.

Our direct environmental impact is limited, but we take action to limit 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. At our main premises in Stockholm we only use green energy. For 2018,



our share of the portfolio companies' carbon emissions amounted to 449,170 tonnes (427,010). Investor's own emissions amounted to 688 tonnes (864).

As an employer, Investor focuses on providing an open and inclusive working environment where ethical behavior and respect for each individual is key. We invest in and ensure that our employees can develop over time. Through employee surveys we follow up on engagement and motivation.

Our Code of Conduct guides all employees in their day to day work based on our values as well as internal policies on e.g. Anti-Corruption and Whistleblowing. In 2018 our whistleblowing procedure was made available for external stakeholders. Investor received three reports, of which one was Human Resource-related and two related to situations in our companies. All reports have been processed and managed.

Stakeholder dialog and materiality assessment

Our most relevant stakeholders have been identified based on their interest and potential impact from and on Investor's investing activities. Our most material stakeholders are employees, portfolio companies, financial market participants, shareholders, partners, such as universities and business partners, and society, including authorities and NGOs.

Investor's most significant sustainability issues have been identified and prioritized via ongoing dialogs, group meetings, and interviews with our employees and external stakeholders. This includes meeting regularly with institutional investors to discuss what they see as our largest direct and indirect impact. We also meet our companies to raise and discuss significant sustainability topics.

Aspects that have been raised by stakeholders are the importance of business ethics and the importance of influencing the companies to create sustainable business models and work in a sustainable way. Our investors stress the importance of active governance of sustainability issues both as a company and as an owner in order to ensure Investor's long-term attractiveness as an investment. The society underlines the importance of transparency and a long-term perspective. Our employees highlight talent management, diversity and corporate culture.

OUR MAIN SUSTAINABILITY PRIORITIES

Financial strength and long-term return	Sustainable business with strong balance sheet and cash flow to create investment capacity and thus long-term value.
Business ethics	Ethical business conduct, prevention of unethical behavior, corruption and bribery is key to maintain trust.
Indirect economic influence	Investor's contribution through our ownership to employment, growth, innovation and development is key.
Influence the companies to create sustainable business models	As owners, we stress the importance of investments in customer benefit including energy and waste efficiency in usage of products and services, automated processes and in innovation in the portfolio companies in order to capture opportunities and reduce the overall negative impact.
Corporate governance	Corporate governance issues, such as board independence, diversity, competence and compensation, are handled in an adequate and transparent manner.
Engaged ownership	As owners, we have an active dialog with the portfolio companies regarding the management of sustainability issues and risks, such as the impact on the climate and environment, health, safety, bribery and corruption, as well as human rights in order to reduce negative impact and increase trust.

In 2018 we saw an increased focus on sustainability, innovation, cash flow generation and digitalization from our existing and potential investors. The results from the dialogs together with business intelligence and strategic priorities, have served as a base to further pinpoint our sustainability priorities and reporting.

Our sustainability reporting

Our sustainability work is disclosed in our Annual Report, on our website where our Sustainability Policy, Code of Conduct, guiding principle on tax and whistleblowing procedure are available and in the Communication of Progress to the UN Global Compact. We report according to Global Reporting Initiative (GRI) and report our carbon footprint to CDP.

The listed companies, a number of the wholly-owned subsidiaries within Patricia Industries, and EQT, publish their own sustainability reports. Our sustainability KPIs on page 7 include aggregated data per business area. The wholly-owned subsidiaries within Patricia Industries have sustainability sections on pages 22-30.

Direct economic value¹⁾, 2018

Investor aims to continuously generate sustainable, economic value and simultaneously have a positive impact on society and the environment, thus creating shared value.

312

SEK m.

Employees; salaries and social charges

301

SEK m.

Suppliers; payments

386

SEK m.

Society; taxes and fees²⁾

13.3

SEK bn.

Net investments

9.2

SEK bn.

Shareholders; paid dividend

1.0

SEK bn.

Paid interest

-3.6

SEK bn.

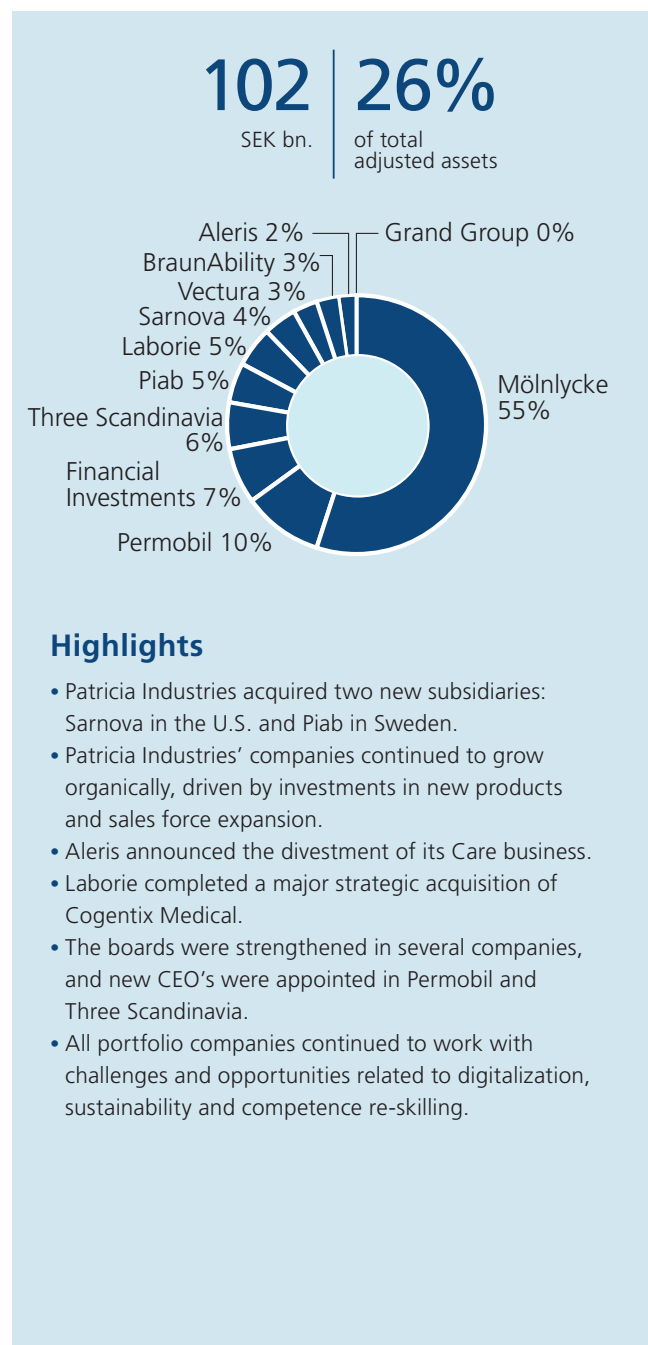
Change in adjusted NAV, including dividend paid

1) Excluding operating subsidiaries.

2) Including operating subsidiaries, paid taxes and fees amount to SEK 1,586 m.

Patricia Industries

Patricia Industries, representing 26 percent of our adjusted total assets as of year-end 2018, consists of our wholly-owned and partner-owned companies, as well as financial investments.



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

With full responsibility for managing the ownership, Patricia Industries operates from offices in Stockholm, New York and Palo Alto, and has a separate investment mandate and a specially appointed Board of Directors.

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

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

Capital allocation

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

Performance 2018

For the major subsidiaries, pro forma organic sales growth amounted to 5 percent in constant currency, while pro forma EBITA grew by 8 percent. Distributions to Patricia Industries totaled SEK 5.6 bn. Mölnlycke, Permobil, BraunAbility and Three Scandinavia all made distributions.

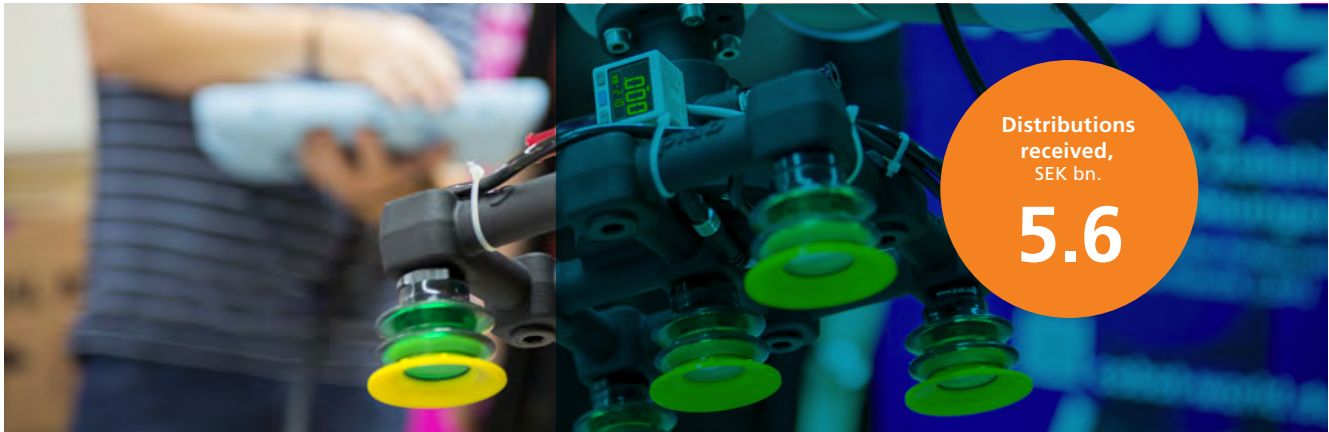
Within Financial Investments, seven companies were divested for a total SEK 0.8 bn., further strengthening the capacity to invest in existing and new subsidiaries.

Investments during the year

Net investments amounted to SEK 10.1 bn., mainly in the new wholly-owned subsidiaries Piab and Sarnova.

Going forward

We will focus on continued profitable growth in the existing companies and finding new subsidiaries in the Nordics and in North America.



PATRICIA INDUSTRIES

a part of Investor AB

Company Board members from Patricia Industries

Aleris	Christian Cederholm
BraunAbility	Noah Walley
Grand Group	Hanna Eiderbrant
Laborie	Yuriy Prilutskiy
Mölnlycke	Gunnar Brock (Chair), Christer Eriksson
Permobil	Christian Cederholm
Piab	Christer Eriksson
Sarnova	Yuriy Prilutskiy
Three Scandinavia	Christian Cederholm, Lennart Johansson
Vectura	Thomas Kidane, Lennart Johansson

Overview¹⁾

Ownership

Wholly-owned subsidiaries, partner-owned companies

Adjusted net asset value (ex. cash), SEK bn. **102**

Ownership perspective

Long-term, buy-to-build strategy

Adjusted value change, % **1**

Board representation

Boards comprise of independent directors and directors from Patricia Industries

Total distribution received, SEK bn. **5.6**

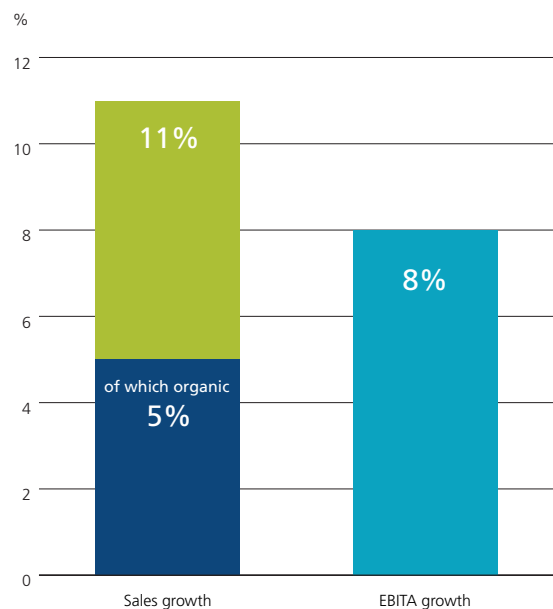
Valuation methodology

Acquisition method, equity method, other relevant methods, and estimated market values

Net invested, SEK bn. **10.1**

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

Performance 2018, major subsidiaries





SEK 56 bn.

Estimated value of holding

14%

of total adjusted assets

99%

Total exposure

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

Organic sales growth, constant currency

3%

Important events 2018

- Organic sales growth amounted to 3 percent in constant currency, with Wound Care growing faster than Surgical. Growth was mainly driven by emerging markets. The U.S. and Europe continued to grow.
- The EBITA margin was 26 percent. Profitability was impacted by increased sales and marketing costs to support recent product launches and non-cash costs related to a write-down of distribution real estate in Belgium.
- The roll-out of the Mepilex[®] Border Flex continued, with product launches in the U.S. and in parts of Europe.
- Mölnlycke distributed EUR 350 m. to Patricia Industries, reflecting the company's strong balance sheet.
- Mölnlycke acquired SastoMed, a German company offering products for acceleration of healing and treatment of chronic wounds. This acquisition strengthens Mölnlycke's offering within both active and passive wound healing. In early 2019, Mölnlycke also acquired M&J Airlaid, a manufacturer of a key component in Mölnlycke's best-selling wound care dressings.

Important sustainability areas and related risks

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

Sustainability priorities 2018

- Assessment and update of compliance program, addressing subjects such as business ethics, anti-corruption and anti-competition law issues.
- Continued efforts to reduce the climate impact mainly through increased efficiency in supply chain logistics. The increase in CO₂ emissions was mainly due to the full effect of insourced production to a new factory in 2018.
- Continued efforts and trainings to implement Total Safety Leadership in the manufacturing Leadership teams. Other initiatives have been coordinated to increase the presence, understanding and engagement of the Leadership team in the operational safety work.

Key figures, EUR m.	2018	2017
Net sales	1,452	1,443
EBITDA	418	400
EBITDA, %	29	28
EBITA	372	355
EBITA, %	26	25
Operating cash flow	374	326
Net debt	1,193	1,084
Number of employees	7,895	7,570

Key sustainability performance indicators	2018	2017
Carbon emissions, tonnes (Scope 1 and 2)	106,739	95,057
Emission reduction (Tonnes CO ₂ /tonnes finished product)	0.41	0.38
Employees trained on Code of Conduct, %	97	93
Number of accidents per million working hours (LTA)	2.1	2.5

www.molnlycke.com

Chair: Gunnar Brock
CEO: Richard Twomey

OUR VIEW

- Mölnlycke continues to offer attractive long-term profitable growth opportunities through its focus on delivering innovative, evidence-based quality products within wound management, pressure injury prevention and surgical solutions. Its asset-light business model and strong cash flow generation enable reinvestments in growth and capital distribution to Patricia Industries.
- It is important that Mölnlycke continues to focus on profitable growth through continued innovation and product launches, expansion in emerging markets and complementary acquisitions in both existing and new geographies.



SEK 10 bn.

Estimated value of holding

3%

of total adjusted assets

96%

Total exposure

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

Organic sales growth, constant currency

1%

Important events 2018

- Organic sales growth amounted to 1 percent in constant currency, with no major difference between business areas and regions.
- The EBITA margin amounted to 15 percent. Profitability improved significantly during the latter part of the year driven by initiatives to reduce costs.
- Permobil launched Permobil Connect, a digital solution helping powered wheelchair users to follow their health regime, and provides remote monitoring functionality.
- Permobil acquired a minority stake in Bellpal, a start-up providing service to predict and alert falls among wheelchair users and other groups with greater risk of fall-related injuries.
- Bengt Thorsson was appointed new CEO, effective September 2018.
- Permobil distributed SEK 600 m. to its owners, of which SEK 581 m. to Patricia Industries.

Important sustainability areas and related risks

- The most material aspects include creating quality of life for customers, reducing cost for the welfare system, ensure product safety, counteract bribery and corruption and develop skills of employees.
- The principles are primarily addressed in the core values, Code of Conduct, Anti-Corruption Policy and Supplier Code of Conduct.

Sustainability priorities 2018

- Launch of Tilite Pilot, pediatric manual wheelchair: designed to grow with the child and provide greater independence.
- Development of Permobil Connect: offers more efficient service and less disruption to end-users.
- Finalized new Code of Conduct for suppliers; signed by Permobil's strategic suppliers.

Key figures, SEK m.	2018	2017
Net sales	4,162	3,649
EBITDA	780	692
EBITDA, %	19	19
EBITA	634	558
EBITA, %	15	15
Operating cash flow	649	605
Net debt	3,088	2,141
Number of employees	1,565	1,620
Key sustainability performance indicators	2018	2017
Carbon emissions, tonnes (Scope 1 and 2)	10,252	9,261
Delivered medical products, units	574,000	540,000
Injury Rate, TCIR	3.0	n.a.
R&D intensity (R&D/sales), %	3.8	3.2

www.permobil.com

Chair: Martin Lundstedt

CEO: Bengt Thorsson

OUR VIEW

- As a globally leading provider of advanced mobility solutions, Permobil's ambition to increase life quality for its users through innovation has generated successful results historically. Its strong portfolio of brands, competitive product offering, innovation capabilities and leading market positions, form a strong base for providing accessibility for more users globally, thereby capturing additional growth.
- Focus remains on driving organic growth, complemented by add-on acquisitions to strengthen the product portfolio and sales capabilities in existing and new geographies.



SEK 6 bn.

Estimated value of holding

1%

of total adjusted assets

96%

Total exposure

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

Organic sales growth, constant currency

9%

Important events 2018

- Organic sales growth amounted to 9 percent in constant currency, with all regions contributing to growth.
- The EBITA margin remained unchanged at 27 percent.
- Several new product lines were introduced, including grippers and End-of-arm-tooling for collaborative robots, with positive market reception.
- The integration of recently acquired SAS Automation and Feba Automation, continued.
- CEO Anders Lindqvist will be leaving Piab during the second quarter 2019 and a process to appoint a successor is ongoing.
- Ronnie Leten was appointed as new Chairperson, effective February 2019.

Important sustainability areas and related risks

- The most important aspects include profitable growth through continuous development of innovative and energy efficient products, committed employees, sound business ethics and counteracting corruption.
- The principles are primarily addressed in the Anti-Corruption Policy, Quality Management System and Code of Conduct.

Sustainability priorities 2018

- Continued development of Industry 4.0 products (piSMART) that are more energy efficient than previous products and of ergonomic lifting solutions that give the user increased safety and improved working environment.
- Completed implementation of Code of Conduct signed by employees.
- Implemented a Code of Conduct for suppliers.
- Initiative to produce an Employee Handbook has been initiated, to be completed during 2019.

Key figures ¹⁾ , SEK m.	2018	2017
Net sales	1,255	1,028
EBITDA	354	289
EBITDA, %	28	28
EBITA	338	275
EBITA, %	27	27
Operating cash flow	216	245
Net debt	1,064	1,525
Number of employees	465	425

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

Key sustainability performance indicators	2018	2017
Carbon emissions, tonnes (Scope 1 and 2)	1,075	n.a
Energy efficiency (piSMART pumps sold/total pumps sold), %	18	n.a
Employees signed off on Code of Conduct, %	64	n.a
R&D intensity (R&D/sales), %	4.4	n.a

www.piab.com

Chair: Ronnie Leten (effective February 2019)

CEO: Anders Lindqvist (will leave during the second quarter 2019)

OUR VIEW

- Piab has significant organic growth potential driven by the global automation trend within manufacturing and logistics as well as inorganic opportunities to increase market access and expand the product offering.
- The near-term priority is to drive continued growth by further leveraging the company's strong product portfolio, innovation capabilities and geographical expansion opportunities, while maintaining an agile cost structure.



SEK 5 bn.

Estimated value of holding

1%

of total adjusted assets

98%

Total exposure

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

Organic sales growth, constant currency

7%

Important events 2018

- Organic sales growth amounted to 7 percent in constant currency, mainly driven by strong performance in the urology business.
- The EBITA margin amounted to 11 percent, negatively impacted by significant costs relating to the acquisition of Cogentix Medical and the restructuring of Laborie's European business. During the second half of the year, the margin amounted to 25 percent.
- During the second quarter 2018, Laborie acquired Cogentix Medical for USD 215 m. (enterprise value). The acquisition significantly strengthens Laborie's product offering within urology diagnostics and therapeutics.

Important sustainability areas and related risks

- The most material aspects include compliant commercial business practices, enhanced information systems security and data privacy and strengthening programs to reduce negative impact on the environment.
- The principles are addressed in the Compliance Policy, Code of Conduct and Quality System procedures.

Sustainability priorities 2018

- Delivered a new urodynamics platform, which improves the ability to reduce supply risk and enables compliance to technical and data standards.
- Enhanced the compliance program, leveraging a formal committee which is reshaping commercial compliance, sustainability and risk management programs.
- Increased the integration of sustainability activities into the business processes. These initiatives have focused on labor conditions, environmental protection and enhanced data protection.

Key figures, USD m.	2018	2017
Net sales	181	134
EBITDA	22	29
EBITDA, %	12	22
EBITA	19	26
EBITA, %	11	19
Operating cash flow	-20	23
Net debt	278	57
Number of employees	580	470

Key sustainability performance indicators	2018	2017
Carbon emissions, tonnes (Scope 1 and 2)	478	460
Employees trained on Code of Conduct, %	98	96
R&D intensity (R&D/sales), %	4.0	4.0

www.laborie.com

Chair: Bo Jesper Hansen
CEO: Michael Frazette

OUR VIEW

- As the global leader in advanced urodynamic testing, the gold standard for diagnosing the underlying causes of complex urinary incontinence, Laborie is poised to continue its organic growth on the back of multiple long-term drivers such as an aging population and higher awareness of pelvic floor disorders.
- Near-term, the priorities for Laborie are to drive continued growth and product innovation in its core urology business, advance the internal R&D pipeline, complete the restructuring of its European business and integrate the acquired company Cogentix. Laborie will also continue to evaluate additional add-on acquisitions within urology as well as other clinical markets.



SEK 4 bn.

Estimated value of holding

1%

of total adjusted assets

86%

Total exposure

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

Organic sales growth, constant currency

7%

Important events 2018

- Organic sales growth amounted to 7 percent in constant currency.
- Profit growth exceeded sales growth.
- Sarnova continued to invest in additional sales resources, new products, warehouse optimization and online enhancements.
- Sarnova continued to expand its offering of Curaplex private label products and pre-assembled custom kits, with several new product launches.

Important sustainability areas and related risks

- The most material aspects include profitable growth, customer satisfaction, engaged employees, maintaining a diverse workforce and the ethical conduct of employees.
- The principles are primarily addressed in the Employee Handbook, Code of Ethics and general corporate policies.

Sustainability priorities 2018

- Conducted a customer satisfaction survey.
- Conducted an annual employee engagement survey with emphasis on greater employee participation.
- Improved diversity within the workforce by focusing on female leadership opportunities and engaging in more diverse recruiting efforts.
- Education of employees as to what constitutes ethical conduct.

Key figures ¹⁾ , USD m.	2018	2017
Net sales	597	555
EBITDA	69	61
EBITDA, %	12	11
EBITA, adjusted	64	57
EBITA, adjusted, %	11	10
Operating cash flow	49	29
Net debt	307	328
Number of employees	620	605

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

Key sustainability performance indicators	2018	2017
Carbon emissions, tonnes (Scope 1 and 2)	2,270	n.a
Customer satisfaction, NPS	47	39
Employee Engagement, % versus Benchmark (+/-)	76, +5	76, +5
Employees trained on Code of Ethics, %	98	0
Workforce comprised of females, %	44	41

www.sarnova.com

Chair: Matthew D Walter

CEO: Jeff Prestel

OUR VIEW

- As the leading specialty distributor of medical products for the emergency preparedness and respiratory markets in the U.S., Sarnova has attractive long-term profitable growth potential.
- Near-term, focus is on commercial execution within the Emergency Preparedness and Acute Care businesses, expansion of product and service capabilities such as private label and custom kitting, inventory management, and investments in warehouse and distribution capacity.



SEK 3 bn.

Estimated value of holding

1%

of total adjusted assets

100%

Total exposure

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

Sales growth

12%

Important events 2018

- Sales growth amounted to 12 percent, driven by rental income from several newly opened facilities and the opening of the fully-leased Royal Office (next to the Grand Hôtel) in Stockholm.
- The construction of several new elderly care facilities was initiated during the year, including Sundbyberg, Helsingborg, Sigtuna, Knivsta and Tyresö.
- Vectura was awarded a land allocation by the city of Stockholm for the development of an office building with a life-science profile in Hagastaden. The building is expected to be completed in 2024.
- The market value of Vectura's real estate amounted to SEK 5,911 m. as of December 31, 2018 (5,040).

Important sustainability areas and related risks

- The most important aspects include the development of sustainable buildings, energy efficiency, usage of renewable energy, ensuring that partners and suppliers behave ethically along with customer and employee satisfaction.
- The principles are primarily addressed in the Code of Conduct and the Sustainability Policy.

Sustainability priorities 2018

- Efforts to increase share of renewable energy by further implementation of solar panels and geothermal energy solutions.
- First development of a passive house with ultra-low energy usage launched to reduce environmental footprint.

Key figures, SEK m.	2018	2017
Net sales	233	208
EBITDA	142	134
EBITDA, %	61	65
EBITA, adjusted	58	48
EBITA, adjusted, %	25	23
Operating cash flow	-298	-194
Net debt	2,166	1,809
Number of employees	22	17

Key sustainability performance indicators	2018	2017
Carbon emissions, tonnes (Scope 1 and 2)	58	67
Employee satisfaction, NPS	51	38
Energy usage, kWh/sq. m	150	159 ¹⁾
Renewable energy, %	65	63
Suppliers signed off on Code of Conduct, %	69	63

1) Restated compared to annual report 2017, due to developed calculation method.

www.vecturafastigheter.se

Chair: Mats Wäpling (effective February 2019)

CEO: Susanne Ekblom

OUR VIEW

- Vectura remains focused on creating value by developing and efficiently managing real estate in the community service, office and hotel segments.
- Near-term, priorities for Vectura include the execution on its strong pipeline of development projects and the continued sourcing of additional opportunities for long-term growth.



SEK 3 bn.

Estimated value of holding

1%

of total adjusted assets

95%

Total exposure

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

Organic sales growth, constant currency

15%

Important events 2018

- Organic sales growth amounted to 15 percent in constant currency, with good growth in all business areas.
- The EBITA margin remained essentially flat at 6 percent, negatively impacted by continued investments in supply chain optimization initiatives and a charge related to a voluntary product recall.
- During the year, BraunAbility completed the acquisition of the remaining 52.5 percent of AutoAdapt, a leading developer and manufacturer of automotive mobility products, based in Sweden.
- The work to improve quality, productivity and safety metrics in production continued.
- In conjunction with a debt refinancing, BraunAbility distributed USD 145 m. to its owners, of which USD 138 m. to Patricia Industries.

Important sustainability areas and related risks

- The most material aspects include profitable growth, innovation, product quality and safety, customer satisfaction, being an employer of choice and anti-corruption.
- These principles are primarily addressed in the Code of Conduct, Employee Handbook, Quality Policy and company vision and values.

Sustainability priorities 2018

- Expanded mobility solutions for customers living with mobility challenges through the addition of automotive seating products and restraints.
- Implemented a Code of Conduct to suppliers that make up 90 percent of the annual supplier spend budget (59 suppliers).
- Expanded the corporate compliance program to U.S. subsidiaries.
- The absolute CO₂ emissions increased due to increased overall production. Electrical usage per unit produced decreased.

Key figures, USD m.	2018	2017
Net sales	646	531
EBITDA	45	36
EBITDA, %	7	7
EBITA	40	29
EBITA, %	6	6
Operating cash flow	55	27
Net debt	195	58
Number of employees	1,685	1,310

Key sustainability performance indicators	2018	2017
Carbon emissions, tonnes (Scope 1 and 2)	6,275	4,949
Customer Satisfaction, NPS	75	78
First-Time Pass Rate (Quality), %	92	89
Injury Rate, TCIR	1.1	1.9
Suppliers signed off on Code of Conduct, no.	59	0

www.braunability.com

Chair: Nick Gutwein
CEO: Staci Kroon

OUR VIEW

- As the market leader in automotive mobility products for people with disabilities, BraunAbility has significant organic growth potential as its core wheelchair accessible vehicle market is underpenetrated and benefits from sustainable demographic growth drivers.
- There are multiple opportunities to grow the business through acquisitions, product portfolio expansion and entry into new geographies. In addition, there is substantial potential to further improve manufacturing efficiency.



SEK 2 bn.

Estimated value of holding

<1%

of total adjusted assets

100%

Total exposure

Aleris is a private healthcare provider for the Scandinavian market. The ambition is to be a first rate long-term partner to the public healthcare systems.

Organic sales growth, constant currency

1%

Important events 2018

- Organic sales growth (pro forma) amounted to 1 percent in constant currency.
- Profitability declined due to restructuring costs, significant provisions for unprofitable contracts and continued investments in the digital platform Doktor24.
- As part of the ongoing work to improve performance within Healthcare, Aleris decided to focus its offering in Stockholm through the closure and consolidation of certain units, including the divestiture of most primary care units.
- In October, Aleris signed an agreement to divest its Care business. The transaction was completed on January 21, 2019. Following the divestiture, Aleris is a pure healthcare service provider in Sweden, Norway and Denmark.

Important sustainability areas and related risks

- The most important sustainability areas are patient safety and quality, consideration for employees and profitable growth based on sound business ethics.
- The principles are addressed in the Quality Policy, Human Resources handbooks, Code of Conduct and ethical guidelines, as well as general policy documents.

Sustainability priorities 2018

- The education initiative to strengthen the customer experience has continued and this approach has now been implemented in the daily work.
- A strategy based on local ownership has contributed to increased involvement in the operations and to enhanced employee engagement.

Key figures, SEK m. (pro forma, excluding Aleris Care)	2018	2017
Net sales	5,778	5,542
EBITDA	154	350
EBITDA, %	3	6
EBITA	-62	128
EBITA, %	-1	2
Net debt	344	n/a
Number of employees	3,360	3,410

Key sustainability performance indicators ¹⁾	2018	2017
Absentee rate, %	5.1	7.3
Carbon emissions, tonnes (Scope 1 and 2)	15,154	16,304
Hours spent on strengthening customer experience	6,250	12,500
Patient satisfaction, %	90	96

1) Including Aleris Healthcare and Aleris Care.

website: www.aleris.se

Chair: Rickard Gustafson

CEO: Alexander Wennergren Helm

OUR VIEW

- Following the divestment of its Care operations, Aleris is a dedicated healthcare provider with leading positions in public and private markets in Sweden, Norway and Denmark. Its offering includes specialist care, radiology and digital healthcare (including Doktor24).
- Near- to medium-term, focus is on developing and refining the offering, both organically and through selective acquisitions. In parts of specialist care Sweden, management continues to drive operational initiatives to sustainably improve performance in line with the defined strategy.



SEK 0.3 bn.

Estimated value of holding

<1%

of total adjusted assets

100%

Total exposure

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

Sales growth

-7%

Important events 2018

- Reported sales growth amounted to -7 percent, negatively impacted by a closure of rooms during the facade renovation and by a change in the accounting for commissions.
- The EBITA margin declined compared to last year, partly due to higher depreciation levels following the investments in Vinterträdgården and room renovations.
- The Grand Group closed the acquisition of a Stockholm-based boutique hotel which reopened under the new name The Sparrow Hotel in early 2019.

Important sustainability areas and related risks

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

Sustainability priorities 2018

- Significant investment into a new security system to improve the safety and security at Grand Hôtel.
- Service training for all employees was held during the year to enhance customer experience and increase employee professional development.
- First full year with use of only wind-powered electricity.
- The increase in absolute CO₂ emissions was mainly driven by increased use of district heating during cold weather.
- Continued efforts to reduce food waste and increase the purchasing of ecological and locally produced goods.

Key figures, SEK m.	2018	2017
Net sales	603	646
EBITDA	34	55
EBITDA, %	6	9
EBITA	-5	24
EBITA, %	-1	4
Operating cash flow	-42	-52
Net debt	4	-42
Number of employees	380	355

Key sustainability performance indicators	2018	2017
Absentee rate, %	4.5	4.0
Carbon emissions, tonnes (Scope 1 and 2)	421	389
Customer satisfaction, NPS	66	72
Recycled biowaste, tonnes	90	165

OUR VIEW

- The Grand Group continues to develop its concept and customer offering, while focus on cost-efficiency and flexibility remains key to handle changes in demand.
- Near-term, focus is on the re-opening of the recently acquired Stockholm hotel operations under the name The Sparrow Hotel.

www.grandhotel.se, www.lydmar.com www.thesparrowhotel.se

Chair: Peter Wallenberg Jr.

CEO: Pia Djupmark

Partner-owned and Financial Investments



SEK 6 bn.
Estimated value of holding

1%
of total adjusted assets

40%/40%
of capital/ of votes

Three Scandinavia provides mobile voice and broadband services in Sweden and Denmark.

Service revenue growth

-2%

Important events 2018

- The subscription base amounted to 3,407,000, an increase of 110,000, mainly driven by strong momentum for the Hallon and Oister brands.
- Service revenue declined by 2 percent.
- The reported EBITDA margin was 18 percent. Adjusting for charges related to tax rulings the EBITDA margin was 31 percent, partly supported by the implementation of IFRS 15.
- Cash flow generation was strong. During 2018, Three Scandinavia distributed SEK 204 m. to Patricia Industries.
- Morten Christiansen was appointed new CEO, effective June 2018.

Key figures, SEK m.	2018	2017
Net sales	10,728	11,444
<i>Sweden, SEK m.</i>	7,004	7,723
<i>Denmark, DKK m.</i>	2,707	2,865
EBITDA	1,899	2,639
<i>Sweden, SEK m.</i>	1,025	2,280
<i>Denmark, DKK m.</i>	634	292
EBITDA, %	18	23
<i>Sweden</i>	15	30
<i>Denmark</i>	23	10
Net debt	3,253	4,101
Subscribers	3,407,000	3,297,000
<i>Sweden</i>	2,036,000	1,986,000
<i>Denmark</i>	1,371,000	1,311,000
Number of employees	1,975	2,070

OUR VIEW

- Since its launch, Three Scandinavia has grown by offering its customers competitive deals and by being first to market with new, innovative services. The company always strives to put its customers first, and high customer satisfaction is critical in order to continue to take market share.
- Investments in a high-quality network, including spectrum, remain a prerequisite for a sustainable customer proposition.

www.tre.se

Chair: Canning Fok
CEO: Morten Christiansen

Financial Investments

SEK 7 bn.

Estimated value of holding

2%

of total adjusted assets

Financial Investments consists of investments in which the investment horizon has not yet been defined. Our objective is to maximize the value and use realized proceeds for investments in existing and new subsidiaries. However, some holdings could become long-term investments.

Important events 2018

- Investments amounted to SEK 266 m. Divestments and distributions amounted to SEK 765 m.
- Seven holdings were fully exited.

As of December 31, 2018, European, U.S. and Asian holdings represented 22, 53 and 25 percent of the total value of the Financial Investments. 28 percent of the value of the Financial Investments is represented by investments in publicly listed companies.

The five largest investments represented 47 percent of the total value of the Financial Investments.

Our people

Our highly skilled employees and board representatives are at the center of our business model. It is only with their commitment and mindset that we can create long-term value. We strive to create a sustainable and attractive workplace that is truly purpose driven and where our people feel that they, based on our core values, can contribute and develop.



Our culture guides our actions

We work continuously to enhance our corporate culture. We believe a strong culture, which is open and adapts to the changes in the outside world, is important if we are to successfully achieve our goals and be able to recruit and retain key competences.

Our core values; Care for People, Contribute with Heart and Mind, Challenge and Improve and Create Value guide our behaviors and actions. The core values were re-launched and calibrated during the year and are well-known throughout the organization. In 2018, Investor held a group-wide employee conference with the focus on global trends, our operating priorities and our purpose and core values. Following the conference all employees contributed in workshops designing the values and linked behaviors.

We ran our regular employee engagement survey and came out with strong results versus the external benchmark on

all indices including Engagement, Leadership, Team efficiency and Psychosocial work environment. Our strongest scores are linked to Values and Pride. 100 percent of our employees stated that they are familiar with our values and 97 percent declared that they act according to them and that they are proud of working at Investor. Areas to work on are individual feedback and follow-up.

Competence development

The primary focus for competence development and up-skilling of our employees is on the job training. We also offer different opportunities to continuously learn and develop both in the short- and long-term perspective. These include external trainings, such as leadership and mentoring programs but also job rotations to portfolio companies. We regularly organize internal activities to encourage a learning organization and promote collaboration and sharing of knowledge. Such activities could be theme meetings,

focus-group discussions and conferences. We run performance and development discussions with the overall objective to foster an environment where people can continuously grow and develop throughout a career and reach their full potential. Individual goals are reviewed throughout the year including two formal check-ins.

Diversity and inclusion

Investor is a small organization where each individual has the opportunity to impact the overall development. We believe that diversity and inclusion, making use of the total talent base available, build stronger and more dynamic teams. Our organization is well diversified in terms of age, gender and expertise. We conduct an annual salary survey to ensure that we offer market-based and equal compensation. Our ambition is to

CORE VALUES			
<i>Care for People</i>	<i>Contribute with Heart and Mind</i>	<i>Challenge and Improve</i>	<i>Create Value</i>
Building great businesses requires talented and motivated people. Our collaborative, respectful and transparent working environment is an important part of our culture and sets us apart.	Our success is driven by the talent, expertise and passion of our employees. Everyone's contribution is expected and appreciated. When we act as a positive force we make real impact.	We firmly believe that there is always room for improvement. It is crucial in our daily work, but also as an engaged owner. We constantly challenge ourselves and our companies to be innovative and find ways to work smarter.	We strive to create value in everything we do, ultimately generating returns for our shareholders and benefitting people and society. Creating value is the guiding principle for our priorities, decisions and actions.



continue to have at least one male and one female candidate in the final process for every recruitment.

We have a zero tolerance policy against all forms of harassment and discrimination and, in 2018, our whistle-blowing procedure was made available for external stakeholders.

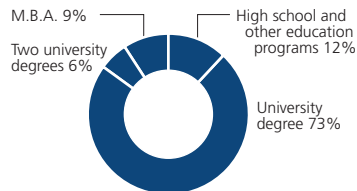
Employer branding

As part of attracting future employees and strengthening our employer brand, we offer talented students internships at our different departments. During 2018, eight interns worked at Investor. We also host student presentations and meet with students at selected university fairs on a regular basis.

Our philosophy on remuneration – in short

- Total remuneration should be competitive in order to attract the right person to the right place at the right time.
- A substantial part of the total remuneration should be variable.
- The remuneration should be linked to long-term shareholder returns. We encourage our employees to invest in Investor shares.
- The remuneration principles should be transparent.
- The remuneration should adhere to the “grandparent principle”, i.e. all changes in the employee’s remuneration are to be approved by the supervisor of the manager proposing the change.

Employees by education¹⁾



1) Excluding the operating subsidiaries. Data collected from HR and remuneration systems.

Age distribution¹⁾



FACTS & FIGURES¹⁾ DECEMBER 31, 2018

Number of employees	92 (91)
<i>of which temporary employees</i>	0 (0)
Average age, years	43 (43)
Invested in education per employee	approximately SEK 9,700 (10,300)
Female employees, %	50 (51)
Women in senior management positions, %	40 (29)
Women in the Extended Management Group, %	50 (38)
Personnel turnover, %	8 (7)
Average time on parental leave, number of weeks ²⁾	Women: 15 (12), Men: 9 (10)
Average sick leave ²⁾ , % of total time	2 (1)

1) Excluding the operating subsidiaries. Data collected from HR and remuneration systems.
2) Excluding Patricia Industries North America.

Collective bargaining agreement

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

DISTRIBUTION BY OFFICE, 2018

No. of employees Stockholm office	78
No. of employees New York office	11
No. of employees Palo Alto office	2
No. of employees Amsterdam office	1

About the Sustainability report

This is Investor's tenth Sustainability report. The report has been prepared in accordance with GRI Standards: Core option as well as the provisions in the Swedish Annual Accounts Act and covers the calendar year 2018. Investor publishes a Sustainability report together with our Annual report and the most recent report was released in March of 2018. As this is Investor's first GRI report some new mandatory contextual information has been added which was not included in the previous report but aside from this there have been no material changes in reporting practices, scope or boundaries. The report does not contain any significant restatements of information compared to previous years and our business model and supply chain remain unchanged in all material aspects compared to 2017.

Investor's material sustainability topics have been identified after dialogs with stakeholders and are listed on page 13 as well as in the GRI Index. As our impact on society and the environ-

ment largely occurs not through our own operations, but rather through the holdings in our portfolio, the reporting scope for specific material topics is both the industrial holding company itself as well as Listed Core Investments, Patricia Industries and EQT as described in notes P7 to the financial statements. The scope for the general disclosures is the Industrial holding company (excluding subsidiaries and associated companies) unless stated otherwise. This as the governance of the wholly-owned subsidiaries is our largest impact. The report content has not been verified by an external third party, but PwC has performed a GRI compliance check to ensure proper application of the GRI Standards.

Any questions or comments regarding the sustainability report can be directed to Viveka Hirdman-Ryrberg, Head of Corporate Communication and Sustainability, viveka.hirdman-ryrberg@investorab.com.

GRI Content Index

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

GENERAL DISCLOSURES	Page	Omission/Comment
102-1 Name of the organization	Inside cover page	
102-2 Activities, brands, products, and services	1, 10-11, 14-32	
102-3 Location of headquarters	Back of cover	
102-4 Location of operations	Back of cover	
102-5 Ownership and legal form	36-37, 39	
102-6 Markets served	Inside cover page, 11	
102-7 Scale of the organization	8-9, 36-37, 52-53	
102-8 Information on employees and other workers	36-37	
102-9 Supply chain		As an industrial holding company, our supply chain is neither extensive nor complex. Investor's primary suppliers are office, soft- and hardware providers, consultancies, travel agents etc. Investor's own analysis shows limited sustainability related risks in our supply chain. Suppliers are primarily active in the Nordic countries and there have been no major changes of suppliers in 2018.
102-10 Significant changes to the organization and its supply chain		No changes to the organization or supply chain have occurred.
102-11 Precautionary Principle or approach		The precautionary principle is adhered to with respect to assessments and management of sustainability risks in the portfolio companies and new investments. Investor has signed the UN Global Compact, whose environmental risks cover the precautionary principle.
102-12 External initiatives	12-13	
102-13 Membership of associations	12-13	
102-14 Statement from senior decision-maker	2-3	
102-16 Values, principles, standards, and norms of behavior	12-13, 36	
102-18 Governance structure	38-43	
102-40 List of stakeholder groups	13	
102-41 Collective bargaining agreements	37	
102-42 Identifying and selecting stakeholders	13	
102-43 Approach to stakeholder engagement	13	
102-44 Key topics and concerns raised	13	
102-45 Entities included in the consolidated financial statements	103	

GENERAL DISCLOSURES		Page	Omission/Comment
102-46	Defining report content and topic boundaries	114	
102-47	List of material topics	13	
102-48	Restatements of information	114	
102-49	Changes in reporting	114	
102-50	Reporting period	114	
102-51	Date of most recent report	114	
102-52	Reporting cycle	114	Our sustainability report is published annually.
102-53	Contact point for questions regarding the report	114, 117	
102-54	Claims of reporting in accordance with the GRI Standards	114	
102-55	GRI Content Index	114-115	
102-56	External assurance	114	

GRI Standard	Disclosure	Page	Omission/Comment
MATERIAL TOPICS			
Financial strength and long term return			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-13
	103-2	The management approach and its components	4-6, 10-11, 44-45
	103-3	Evaluation of the management approach	2-3, 6, 8-9
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	13, 52-53
Indirect economic influence			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-13
	103-2	The management approach and its components	10-13
	103-3	Evaluation of the management approach	7, 12-13
GRI 203: Indirect economic impacts	203-2	Significant indirect economic impacts	7
	203-A	R&D intensity in portfolio companies	7 Own indicator
Business ethics			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-13
	103-2	The management approach and its components	10-13
	103-3	Evaluation of the management approach	7, 12-13
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	13 No incidents linked to corruption were reported during 2018.
	205-A	Proportion of portfolio companies with anti-corruption policies in place	7 Own indicator
Active ownership/Indirect influence on sustainability issues			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-13
	103-2	The management approach and its components	10-15, 20-21
	103-3	Evaluation of the management approach	7, 12-13
G4: Active ownership	G4-FS10	Interactions with portfolio companies on environmental or social issues	7, 12-13, 20-30
Equality and diversity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	12-13
	103-2	The management approach and its components	36-37, 40
	103-3	Evaluation of the management approach	7, 36-37
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	7, 37, 43, 46-49