

Stockholm April 2019

Communication on Progress 2018

Ratos signed the UN Global Compact in 2013. As part of our commitment to this initiative, I am pleased to report on our activities and progress in our Communication on Progress for 2018 and to reconfirm our support for the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. This report covers the fiscal year 2018, and consists of this letter and an extract from our annual report 2018, including an index with page references to the GC principles (and GRI indicators). In the extract, we outline our approach to integrating the principles into our active ownership and give examples or actions and activities taken by us and our portfolio companies during the year to progress our work.

With this communication, we want to emphasize our ambition to continue to integrate the Global Compact principles into our business: into the strategy, culture and day-to-day operations of our company.

Best regards



Jonas Wiström
CEO
Ratos AB

SUSTAINABILITY AND RESPONSIBLE OWNERSHIP

— EXTRACTS FROM THE ANNUAL REPORT 2018 —



Contents

This is Ratos	1
The year in brief	2
Ratos as owner	3
CEO's comments	4
Sustainable value creation	6
We at Ratos	13
Companies overview	16
GRI Index	18
Ratos share data	20



RATOS

This is Ratos

Ratos, founded by the Söderberg family in 1866, is an active Nordic owner that invests in and develops companies. Ratos is a listed company that invests capital from its balance sheet and has a flexible ownership horizon in the companies. We act as we feel is best for each individual company.



Listed investment company



Founded by the Söderberg family



Flexible ownership horizon



Focus on companies headquartered in the Nordics.

Ratos's portfolio

Ratos's portfolio consists of 12 unlisted medium-sized Nordic companies. The companies operate independently but can be divided into six sectors based on the industries in which they operate.

The largest segments in terms of the companies' combined sales within each industry are Construction, Industrials and Consumer goods/Commerce. A detailed description of each company is presented on ► pages 28–39 in Ratos's Annual Report 2018.

Sales breakdown by segment

HEALTHCARE 2%



BUSINESS SERVICE 2%



TECHNOLOGY, MEDIA, TELECOM 14%



CONSTRUCTION 32%



INDUSTRIALS 28%



CONSUMER GOODS/COMMERCE 21%



Ratos's business model

ACQUISITIONS

A central acquisitions team at Ratos is responsible for evaluating and carrying out new acquisitions. It is not uncommon for companies and themes to be pursued over an extended period. Direct contact is established with the owners and management of interesting companies, which we sometimes monitor for several years.

In addition to the company meeting Ratos's investment criteria and there being clear potential for growth and profitability, we create the optimum capital structure in the acquired company to support the company's operational and transformative development.

DEVELOPMENT

Ratos's target as an owner is to create long-term value in our companies, focusing on improved profitability and sales growth, on an ongoing and transformative basis. Together with each company's executive management, we establish the companies' strategies, and we are clear in our demands and serve as facilitators to ensure they are implemented and produce the desired results.

As an active owner, we lend the innovativeness, experience, expertise, contacts and capital needed by the companies in which we invest.

DIVESTMENT

We retain our companies as long as we consider ourselves to be the best owner and as long as it generates shareholder value for Ratos.



The year in brief

Portfolio companies Gudrun Sjödén Group and Jøtul were divested in 2018, and by the end of 2018, Ratos's company portfolio consisted of 12 companies.

During the year, Ratos presented new financial targets and new investment criteria. Changes were made in Ratos's central organisation, adding new resources with valuable operational experience. We also reviewed our corporate governance and the composition of the boards of several of our portfolio companies.

In addition to these initiatives, important activities have been carried out in the portfolio companies.

Read more about this eventful year on ► pages 4–5 and about the performance of our company portfolio on ► pages 6–7 in Ratos's Annual Report 2018.



2 company
divestments

SEK **0.50** proposed
dividend

Earnings trend, SEKm

	2018	2017	2016	2015	2014
Profit/loss before tax	-69	658	-890	892	1,367
of which, Profit/share of profits from companies	604	679	295	664	392
of which, Capital gains portfolio companies	62	596	1,672	1,101	1,390
of which, Impairment portfolio companies	-600	-550	-1,895*	-565	-250
Earnings per share after dilution	-1.40	0.72	-1.79	1.29	3.22
Equity (attributable to owners of the parent)	8,701	9,660	11,283	12,882	14,027

* Attributable to owners of the parent.

A committed and active owner

Through our ownership, we drive those initiatives we deem will generate the most value for each individual company. Even though each company operates strategically, operationally and financially independent of each other, there are common denominators for our activities. Our development model rests on three cornerstones that define Ratos's ownership in terms of creating long-term value in our companies.



1. Ownership and governance

One of Ratos's foremost priorities as owner is to appoint the right CEO and executive management in each portfolio company. Each portfolio company's management has clear and complete operational mandate and responsibility. A close collaboration between the executive management and Ratos's owner executive is established through an agreed long-term plan, and defined value-creating initiatives are followed up regularly.

The CEO and executive management of the portfolio companies are offered incentives for value creation in the company in order to foster a sense of responsibility and a situation in which each company's CEO and management can benefit from the company's success.

A distinct and transparent structure for corporate governance is introduced in the companies in which we invest. In terms of the composition of the board, we apply what we feel will generate the most value for each company, which may mean that Ratos itself assumes the role of board chairman, or that the board chairman is recruited externally. The size of the board is also determined from company to company.

In addition to the board work that we perform in our companies, we work with teams made up of the CEO, board chairman and Ratos's owner executive that effectively prepare central issues and accelerate rapid decision-making and activities in each company.

2. Basic requisites for creating long-term value

Ratos applies a number of basic requirements, which we refer to as the Ratos Basics, and ensures compliance with these requirements within the companies. These are built on: Clear *profitability management* of the company and thereby a deep understanding of the company's profitability-based key figures.

Competitive benchmarking against their competitors in order to understand the company's sector-related results and what, from a results perspective, can be deemed "best in class".

Customer satisfaction and the ability to understand and promote the attractiveness of the company's offering from a long-term perspective.

Personnel development and incentives to attract, retain and develop personnel and managers. Ratos's companies are to put a premium on developing talent and working to create the best prerequisites for their employees.

3. Tool box

Ratos's organisation contains experience accumulated in such areas as strategy processes, business analysis, acquiring and divesting companies, financing, accounting, law, communication and purchasing/sourcing, which contributes to the companies' development. We have a number of industrial advisors associated with Ratos. They lend their expertise in operational development and transactions. We also provide functional contacts between portfolio companies to enhance the intercompany benefits of being part of a large group.

Focusing on existing holdings and new targets for the future

Having recently taken over as CEO, I wrote in my comments in the 2017 Annual Report, "A concerted effort that leverages our actual positions of strength will produce results in the long term." Thinking "long term" is not only about the time it takes to reverse a negative earnings trend at Ratos. Adopting a long-term approach is part of the very definition of Ratos's ownership strategy and thus is one of Ratos's actual positions of strength. We invest capital from our own balance sheet and can therefore own companies for as long as we consider ourselves to be the best owner. Long-term ownership was also the starting point for Ratos's new financial targets presented in June 2018. Under our three new financial targets:

- our former IRR target has been replaced by a target for annual EBITA growth in the company portfolio.
- a new indebtedness target was established that will be achieved through higher earnings in our companies, together with a long-term sustainable capital structure. This will free up distributable funds from the company portfolio that are required to provide a favourable share dividend in Ratos without the need to sell portfolio companies.
- the aforementioned will enable Ratos's share to outperform the index for Nasdaq Stockholm over time.

The basis for our work in 2018 has been:

- Focus on the development of our company portfolio
- Define criteria for our long-term holdings
- Define criteria for future investments

2018 was characterised by the intensive efforts executed in our company portfolio. There were no new investments outside our company portfolio. Our holdings in two companies, Jøtul and Gudrun Sjöden Group, were divested as they did not meet the criteria for our long-term ownership.

Performance of the company portfolio during the year

Work in Ratos's company portfolio has focused on ensuring Stability, Profitability and Growth in each company – and in that order. I am well aware that for some types of companies, in some markets during certain periods, growth can be prioritised over profitability. However, stability must always be our primary concern.

Achieving stability is something that often has a negative earnings impact in the short term. Activities such as replacing management, investing in new production equipment, and depreciation of machinery, equipment, systems and

processes are costly. As a long-term owner, one cannot avoid these costs as this type of measure in a turnaround situation is one prerequisite for long-term value creation.

A number of measures have been taken during the year, not least in the fourth quarter. Three companies – Diab, Kvdbil and Speed Group – initiated and carried out a change of CEO. Diab and HL Display streamlined their production systems. A more results-oriented organisation was established in several companies, including TFS, towards the end of the year. New chairmen have been appointed in three companies. Ratos currently holds chairman positions in two of its companies. Several other prioritised value-creating initiatives were carried out, the effects of which I expect as early as 2019.

In all, I feel that Aibel, airteam, Bisnode, Diab and HL Display have performed well during the year, though this is not yet evident in Diab's figures. LEDiL continues to deliver excellent profitability in its segment. In terms of Plantasjen and Speed Group, we still face major challenges. The trend in Plantasjen resulted in a lower valuation, which meant an impairment of our book value. However, this does not mean that we have lowered our ambition for profitability though it may take longer than planned to reverse the trend. Plantasjen also operates in a retail market that is currently being overhauled. The company has a strong brand in a growing market that focuses on customer experience. The fourth quarter's major project impairments in HENT are obviously very worrisome and the result of a thorough review of the project portfolio in a company that has experienced extremely rapid growth in recent years.

Changes in Ratos AB

In early 2018, changes were implemented to Ratos's investment organisation. We reduced the size of the organisation, changed the mix of skills and redistributed the roles. We relocated physically to ensure faster communication and decision-making. We also changed the incentive model in the short and long term to align it with the new financial targets and link these to the performance of the Ratos share.

At the end of 2018, two steps were taken in the development of Ratos and our corporate governance. The new organisation that took effect on 1 March 2019 has been further trimmed in order to streamline the way we work, which means that our companies have divided into three business areas.



- *Consumer & Technology:*
Bisnode, Kvdbil, Oase and Plantasjen
- *Construction & Services:*
Aibel, airteam, HENT and Speed Group
- *Industry:*
Diab, HL Display, LEDiL and TFS

The three business areas are responsible for ensuring that we have the right management in the companies and that prioritised value-creating initiatives are identified, prioritised and implemented under the portfolio company's management with help from the company's resources, which can occasionally be bolstered with competences from Ratos.

Two new functions have been added: Investments & Ownership Excellence and Talent Management.

Nothing is more important for our value creation than making sure that we have the right management in our companies. Being CEO of a Ratos company entails complete responsibility for the income statement and balance sheet within a defined capital structure. To ensure that we secure the best candidates, the CEO and other key individuals are invited to invest in the company in order to take part of the company's future value creation.

Sustainability

We are convinced that there is a strong connection between sustainability and long-term value creation. Our sustainability agenda is based on the UN Global

Compact's (UNGC) ten principles for responsible business. It is through the portfolio companies' operations that we have the greatest impact through our exercise of ownership. Through our corporate governance, we endeavour to ensure that the boards of our companies have an integrated sustainability agenda, to increase the share of climate-reporting companies and to ensure that the companies prioritise diversity and equal opportunities.

Commitment and capability

I have on numerous occasions emphasised that the remaking of Ratos will take time. A corporate director knows that there will always be events that were impossible to foresee. But I believe that we will be able to see, as early as 2019, some results of what has been achieved by the dedicated and talented employees in our portfolio companies and in Ratos AB. It all comes down to the commitment and ability of people.

Finally, I would like to thank all our loyal and patient shareholders who, via the Board of Directors, have entrusted me to lead Ratos in 2018. This is an important task and I am convinced that we will succeed by working together.

Jonas Wiström
CEO

Sustainable value creation



Ratos generates value by driving positive development in its companies. We are convinced that there is a strong connection between sustainability and long-term value creation. As a responsible investor and owner, it is Ratos's ambition to promote sustainable development and awareness related to sustainability issues in the company's own organisation as well as in the portfolio companies.

For Ratos, sustainable value creation means active and responsible ownership that includes sustainability issues. Our sustainability work is based on the UN Global Compact's (UNGC) ten principles for responsible business as well as the UN Principles for Responsible Investment (PRI). Since 2015, Ratos has been reporting in accordance with the Global Reporting Initiative (GRI) and this year's report follows the GRI Standards, Core application level (see ► page 18 for GRI index). As of 2015, Ratos submits its sustainability report to the Global Compact as its Communication on Progress (COP). Throughout the year, Ratos has explored how it can contribute to and develop in line with the UN's Sustainable Development Goals (SDGs) by identifying the most relevant SDGs for Ratos's operations.

Important events in 2018

- Update of Ratos's general sustainability goals divided into the investment process, corporate governance and the parent company
- Determination of how Ratos can contribute to the UN's SDGs
- To prevent discrimination and promote equal opportunities, Ratos's Code of Conduct has been updated and issues concerning victimisation have been included in Ratos's employee satisfaction survey
- Review of the portfolio companies' work on sustainability, compliance and risk initiatives (questionnaire)
- Quality assurance of the portfolio companies' sustainability reports and their concordance with the parent company's sustainability report
- Arrangement of Sustainability Day for the portfolio companies' sustainability managers
- Offering of a framework agreement to the portfolio companies for whistleblowing systems, climate reporting systems and protection against child sexual abuse material on computers (NetClean Proactive)

Significant sustainability aspects and our stakeholders

Ratos's most significant sustainability issues are identified through intelligence gathering, industry analysis, risk mapping and stakeholder dialogues. Combined, these analyses and dialogues form Ratos's materiality analysis. Based on the most significant aspects, Ratos defines goals and action plans to drive and develop the sustainability agenda and strengthen long-term value creation.

Stakeholder dialogues involve discussions between Ratos and the most important stakeholders during which they are asked to prioritise those aspects that Ratos deems are highly relevant for the operations and value creation.

Ratos's latest materiality analysis was carried out in 2016 and it was discussed among Ratos's management group in 2018. The materiality analysis was largely found to be relevant, with an elevated prioritisation of the aspects "equal opportunities and diversity" and "portfolio company climate impact". At Ratos, we are convinced that an active agenda addressing climate impact, equal opportunities and diversity leads to more innovation, profitability and stronger competitiveness.

Ratos's significant sustainability aspects that have the highest priority can be summarised as follows:

Top three significant aspects

- Ensure transparent and sound corporate governance and do business with good business ethics and proactive anti-corruption initiatives
- Drive corporate responsibility in the portfolio companies, focusing particularly on climate impact, equal opportunities and diversity
- Attract, develop and engage the parent company's employees through a healthy, equal-opportunities workplace with increased diversity

Our ambition during the next year is to review the materiality analysis as part of ensuring that it and our sustainability strategy are relevant.

Ratos's general targets

Based on the prioritisation of the most significant sustainability aspects, Ratos defines its general targets as a responsible investor, owner and parent company. The goals are then made tangible in action plans and follow-up activities.

In 2018, Ratos's management group updated Ratos's general targets, and added equal opportunities and diversity as targets for both its own organisation and the portfolio companies. Ratos's general targets for 2018 are presented in the table *General targets for Ratos as a responsible owner* on ► page 7.

GENERAL TARGETS FOR RATOS AS A RESPONSIBLE OWNER

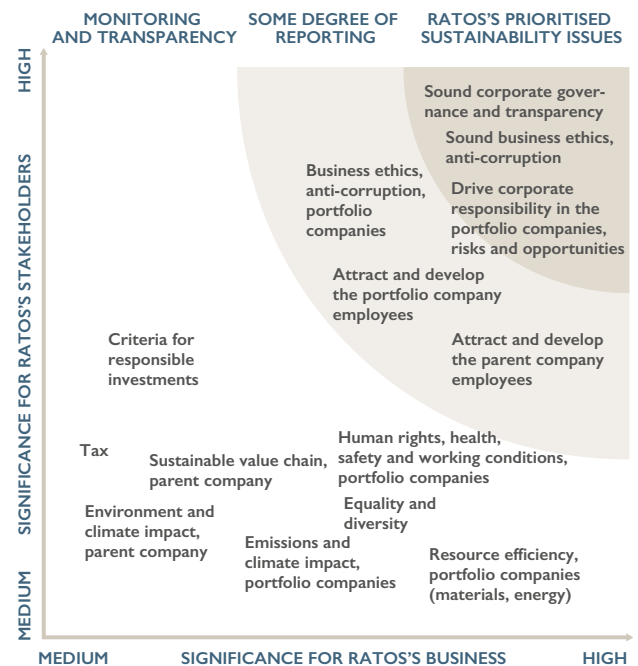
General targets	Status
Investment process	
<ul style="list-style-type: none"> ■ Investments are adapted in line with Ratos's exclusion criteria ■ Sustainability aspects are a part of a thorough acquisition analysis ■ Sustainability is an important and integrated part of future value creation 	<ul style="list-style-type: none"> ▶ No acquisitions of new portfolio companies made in 2018
Corporate governance	
<ul style="list-style-type: none"> ■ All company boards have defined sustainability goals and follow up on the initiatives at least once a year ■ Sustainability report in accordance with GRI (Ratos's majority-owned large companies) ■ Increase the share of climate-reporting companies ■ Ratos's companies must be attractive employers and aim for greater diversity and equal opportunities 	<ul style="list-style-type: none"> ▶ In all our companies, the board has presented and discussed the companies' sustainability agenda during the year ▶ Seven companies out of twelve prepare climate reports in line with GRI Standards, Core application level ▶ 42% of Ratos's companies prepare climate reports ▶ Ratos aims to ensure that all companies follow up and prioritise this
Ratos's parent company	
<ul style="list-style-type: none"> ■ Committed and motivated employees. A healthy workplace that promotes diversity and equal opportunities ■ Sustainability report in accordance with GRI ■ Climate reporting 	<ul style="list-style-type: none"> ▶ Ratos follows up and prioritises this ▶ Sustainability report in accordance with GRI Standards, Core application level since 2015 ▶ Climate reporting performed since 2016

Stakeholder dialogues

Stakeholders	Method of interaction ¹⁾
Employees at Ratos	<ul style="list-style-type: none"> ■ Interviews with representatives in connection with stakeholder dialogues in 2016 ■ Staff meetings, performance reviews ■ Structured discussion groups focusing on Ratos's values, corporate culture, processes and future development
Employees of Ratos's companies	<ul style="list-style-type: none"> ■ Interviews with representatives in connection with stakeholder dialogues in 2016 ■ Meetings within Ratos's annual functional forum (CEO, CFO, HR, Sustainability, etc.)
The companies' management groups and board members	<ul style="list-style-type: none"> ■ Interviews with representatives in connection with stakeholder dialogues in 2016 ■ Group-wide assessment of the work of the boards
Owners and investors	<ul style="list-style-type: none"> ■ Interviews with representatives in connection with stakeholder dialogues in 2016 ■ Participation in surveys from/or dialogues with organisations such as CDP, RobecoSAM, Vigeo and Sustainalytics ■ General meetings ■ Dialogues and individual meetings
Experts	<ul style="list-style-type: none"> ■ Interviews in connection with stakeholder dialogues in 2016 ■ Discussions as needed

¹⁾ A total of 17 were interviewed during stakeholder dialogues in 2016.

Materiality analysis (2016)*



* The "Attract and develop the right parent company employees" aspect is relevant within the organisation. The remaining aspects are relevant within and outside the organisation.



Ratos’s work related to the UN Sustainable Development Goals

Throughout the year, Ratos has examined how it can contribute to the UN Sustainable Development Goals (SDGs) as part of promoting sustainable development. The SDGs were adopted in 2015 by all United Nations Member States and are a call for action to end extreme poverty, reduce inequality, tackle climate change, and promote peace and justice in the world by 2030.

Based on Ratos’s highest prioritised significant aspects, we have identified the SDGs and targets where Ratos can make the greatest contribution and realise the greatest business opportunities. See the table below. As an aid in the identification process, we used *An Analysis of the Goals and Targets* compiled by GRI and the UN Global Compact, among other publications.

RATOS’S PRIORITISED SUSTAINABLE DEVELOPMENT GOALS AND TARGETS

Significant aspects – Top three	SDG	SDG target
Ensure transparent and sound corporate governance and do business with good business ethics and proactive anti-corruption initiatives	16	16.4 Combat organised crime and illicit financial and arms flows 16.5 Combat corruption and bribery
Drive corporate responsibility in the portfolio companies, focusing particularly on climate impact, equal opportunities and diversity	5 10 12 13	5.1 End all forms of discrimination against women and girls 5.5 Ensure women’s full participation in leadership at all levels of decision-making 10.3 Ensure equal opportunity for all and eliminate discrimination 12.2 Sustainable management and use of natural resources 12.6 Encourage companies to adopt sustainable practices and sustainability reporting 13.1 Strengthen resilience and adaptive capacity to climate-related disasters 13.3 Improve awareness and capacity to manage climate changes
Attract, develop and engage the parent company’s employees through a healthy, equal-opportunities workplace with increased diversity	5 10	5.1 End all forms of discrimination against women and girls 5.5 Ensure women’s full participation in leadership at all levels of decision-making 10.3 Ensure equal opportunity for all and eliminate discrimination

Ratos as a responsible investor and owner

Ratos's work as a responsible investor and owner has high priority since the direct impact in the parent company is slight in relation to the portfolio companies' impact. Sustainability is an integrated part of Ratos's investment process and of how we exercise our ownership role.

Ratos's work as a responsible investor and owner is based on a number of relevant policies and guidelines established by Ratos's Board of Directors, primarily comprising the Code of Conduct, the Policy for Sustainability and Responsible Investments, and the Environmental Policy (see Ratos's website). The policy framework is based on the UN Global Compact's ten principles for responsible business as well as the UN Principles for Responsible Investment (PRI). The Code of Conduct and the Policy for Sustainability and Responsible Investments was updated and adopted by Ratos's Board of Directors during the year.

Investment process

Sustainability aspects are a part of Ratos's thorough pre-acquisition analysis. As is evident in our Policy for Sustainability and Responsible Investments, the following exclusion criteria and policies are involved in our assessment of potential acquisitions:

Ratos's exclusion criteria

Ratos does not invest in companies that

- Operate in the arms industry
- Cause serious environmental damage
- Produce or are actively involved in the supply of pornography
- Produce tobacco products

Ratos's policies

As guidance in the assessment of new investments and in its work with existing companies, Ratos has policies for

- Breaches of international conventions
- How Ratos is to exercise climate consideration

Due diligence is performed during the investment process to assess Ratos's potential investment object's risks, potential and maturity within sustainability. The company's risks and activities in relation to key sustainability areas are investigated, which entails an identification of risks and potential in the company's operations or value chain connected to employees, respect for human rights, business ethics, and counteracting corruption. The analysis also includes reviewing the company's current and preventive initiatives in terms of identified risks.

A compiled due diligence is part of Ratos's final decision material ahead of the investment decision and constitutes a recommendation for the continued corporate governance. No portfolio company acquisitions were made in 2018.

Corporate governance

Ratos's CEO has the overall responsibility for the Group-wide strategy and sustainability initiatives as well as responsible investments. All company executives at Ratos

are responsible for ensuring that sustainability is included on the agenda of each portfolio company's management and board. The CEO and management of each portfolio company have operational responsibility for the company's sustainability efforts through direct delegation from Ratos's management.

Ratos invests in several industries and our portfolio companies are affected by many different sustainability-related risks and opportunities. Ratos therefore has common requirements for the portfolio companies. Ratos's expectations in terms of the company's sustainability efforts are based on relevant legislation, recognised international conventions, Ratos's Policy for Sustainability and Responsible Investments, the Environmental Policy and the Code of Conduct. An assessment of risks associated with violations of human rights and social conditions, labour laws, the environment, corruption and irregularities is conducted regularly as part of Ratos's annual risk mapping. All portfolio companies are expected to have a process for mapping and managing each company's major risks.

Share of our companies that have a code of conduct in line with Ratos's Code:

100%

Each portfolio company's board is ultimately responsible for ensuring the company complies with applicable sustainability laws, guidelines and policies. One of Ratos's goals through corporate governance is for all companies to have defined sustainability goals and follow up on the initiatives at least once a year. All companies send a status update on their sustainability efforts to Ratos's CEO annually. In 2018, we interacted with 100% of our portfolio companies on environmental, social and economic issues.

To facilitate the companies' efforts, Ratos offers framework agreements for whistleblowing systems, protection against child sexual abuse material on computers (NetClean Proactive) and climate reporting systems. Every year, Ratos also organises network meetings for various functions, during which the Sustainability Forum serves as a platform for sharing knowledge and experience within sustainable business development.

As part of the work to further develop the companies' sustainability reporting in line with the Swedish Annual Accounts Act, Ratos introduced a requirement in 2017 with respect to sustainability reporting in accordance with the Global Reporting Initiative (GRI) for all large majority-owned companies. In 2018, seven out of 12 companies in Ratos's portfolio prepared climate reports in line with GRI Standards, Core application level.

Sustainability in Ratos's portfolio companies

A summary of the companies' sustainability efforts is presented below. See ► pages 28–39 in Ratos's Annual Report 2018 for comments on each company's significant sustainability issues.

Responsibility for environmental and climate impact

All of Ratos's companies are to identify their respective environmental impact and implement an Environmental Policy/Environmental Plan. The companies' sustainability reports contain a compilation of energy consumption (kWh), relative energy consumption, waste management and water consumption. Measurement and follow-up of greenhouse gas emissions is a key tool for reducing climate impact. One of Ratos's general goals is to increase the share of climate-reporting companies, and framework agreements for climate reporting systems are offered to all portfolio companies to facilitate their work. 42% of the companies owned by Ratos on 31 December 2018 report their CO₂ in accordance with the Greenhouse Gas (GHG) Protocol.

A number of Ratos's companies have risks relating to environmental and climate issues, for example, through adjustments to a climate-neutral economy, having operations in areas with a rising frequency of extreme weather (such as flooding) or having operations aimed at customers in the field of fossil fuel extraction.

Share of companies that have CO₂ reporting:

42%

* Environmental Policy or ISO 14001-certified production units.

Share of companies that have systematic environmental processes: *

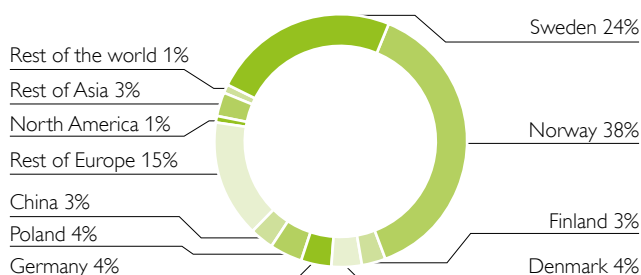
67%

Assuming responsibility for employees in our companies

The Ratos Group has 12,300 employees who all contribute to the implementation of Ratos's development plans in each company. Competent and committed employees in good health are a prerequisite for the implementation of Ratos's ownership agenda and sustainable value creation. Most (92%) of the employees work in the Nordic countries and the rest of Europe, while 6% are employed in Asia, primarily China. Several of Ratos's companies have operations that put employees at a greater risk of personal injury. Other risks relevant to Ratos's companies comprise psychosocial health and the risk of discriminatory behaviour. Certain companies have risks related to future talent supply and high employee turnover. Based on identified risks, the companies implement relevant guidelines and processes, and pursue a systematic and preventive work environment agenda.

A healthy, safe work environment, talent development as well as equal opportunities and diversity are prioritised issues for Ratos. The companies are to implement a code of conduct in line with Ratos's Code of Conduct, which stipulates that recognised international conventions, human rights and employee rights and conditions must be respected. The annual sustainability reports contain, for example, information on the share of women in senior positions and the implementation of whistleblowing systems.

Group employees per geographic area 2018



Share of women in senior positions in subsidiaries:

(based on the average number of employees in the Group in 2018)

39%

Social responsibility and respect for human rights

Social responsibility comprises several areas, including making demands on and monitoring sub-contractors in such areas as respect for human rights, absence of forced labour and reasonable working conditions. Several of Ratos's companies have suppliers and partners in other countries where there is an elevated risk of violations of human rights or employee rights, which is why these issues are prioritised areas in the companies' supply chains. Other risks related to Ratos's companies include violation of integrity offences and lack of quality and safety in products or services that can result in accidents or personal injury.

Respect for recognised international conventions, human rights and employee rights and conditions must be stipulated in the companies' own codes of conduct, and in the work and demands relating to suppliers and other parties in the value chain.

Sound business ethics and proactive anti-corruption efforts

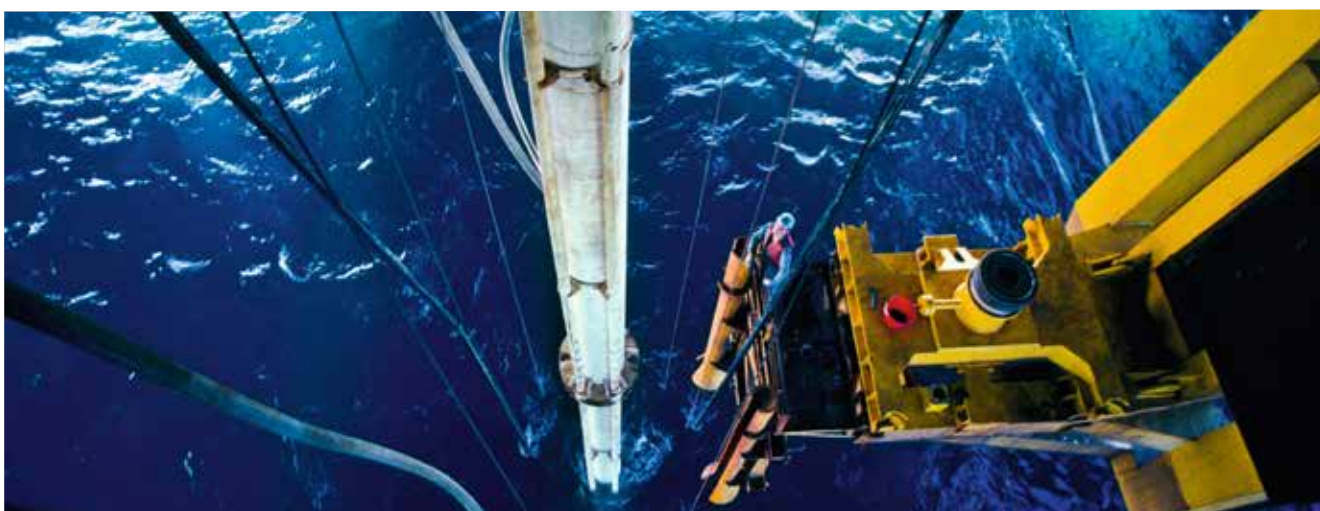
The code of conduct that Ratos's companies implement contains written business ethics and anti-corruption instructions. Ratos's instructions governing sustainability, compliance and risk contain principles for the companies' work on anti-corruption and the development of anti-corruption programmes. All companies are to perform

corruption risk analyses as part of their comprehensive risk mapping and management, and establish preventive routines and processes that are risk-specific. Preventive work includes guidelines for employees, training programmes for persons in positions of risk, and imposing demands and following up on business partners. During the year, all (100%) of Ratos's portfolio companies were analysed for corruption risks. Six (50%) of Ratos's companies are considered to have an elevated risk of corruption, such as bribery, solely based on their presence in geographic markets with an elevated risk (according to Transparency International) or through operations in

exposed industries. As of 2016, Ratos's general rule is that all companies are to have implemented a whistleblowing system to guarantee anonymity and full integrity. On 31 December 2018, 100% of the companies that Ratos owns had implemented such a system.

Share of companies
that have whistleblowing
systems:

100%



Diab reduces CO₂ footprint and separates growth from CO₂



Diab's composite material is used for applications in the wind power, transport, marine and aviation industries. The lightweight, strong core composite materials are used to manufacture low-energy vehicles, boats, airplanes and, above all, effective wind turbine blades.

Diab has resolved to reduce the company's CO₂ footprint and to do so at the pace required by climate science – by measuring itself against science-based targets. The organisation sciencebasedtargets.org examines whether a company's proposed CO₂ emission reduction plan is aligned with how much a certain segment needs to reduce its CO₂ emissions into the atmosphere in order to limit global warming to less than 2 degrees Celsius. The company's plans to realise the targets were approved in September 2018 after Diab's science-based targets had been reviewed.

Highly tangible and explicit, the plan builds on three areas: to improve the utilisation of raw materials, streamline the utilisation of natural gas and electricity and, based on local conditions, switch to renewable sources if possible, without extra costs.

To this end, Diab has swapped the Swedish organisation's natural gas for biofuel (wood chips), resulting in cost-savings and a radical reduction of its CO₂ footprint, which corresponds to around 5 percent for the entire Diab Group. This was possible through an agreement with the power company Adven AB, thereby making Diab's Laholm-based production plant 100% fossil free in 2019. Hot water and heat will be generated by biofuel instead of fossil natural gas, a measure expected to reduce the company's carbon footprint by 6,000 tonnes of carbon dioxide annually.

"When we evaluated our climate impact, it became clear that a large part of our carbon footprint could be linked to energy use in our factories. With the new energy solution in Laholm, we are taking a big step forward in our effort to deliver products for a future sustainable society," says Per Hökfelt, EVP Sustainability & EHSQ at Diab.

The energy conversion is not only climate friendly but also cost effective since wood chips cost less per kilowatt hour than natural gas.



Ratos as a responsible parent company

Being a responsible parent company requires, above all, that we ensure transparent and sound corporate governance, that we do business with good business ethics, that we work proactively with anti-corruption initiatives and that we attract, develop and engage our employees. Ratos's policies, including the Code of Conduct, guidelines for share transactions, and processes for ethics and regulatory compliance are the foundation for this.

When they are hired, Ratos's General Counsel presents Ratos's Code of Conduct, Work Environment Policy, Employee Manual, Environmental Policy and other related policies to the new employees. Through Ratos's external whistleblowing systems, which guarantee anonymity for the whistleblower, deviations from the policies and other irregularities are followed up. Both Ratos's employees and external stakeholders can use the channel to report any incident of corruption or other irregularities in contravention with Ratos's Code of Conduct. During the year, Ratos also installed a system to protect against child sexual abuse material on all of Ratos's computers (NetClean Proactive). Ratos had no reported violations of the Code of Conduct, including no reported cases of discrimination in 2018. Nor has Ratos been fined or received any other sanctions due to violations of laws or regulations. No whistleblowing reports were filed during the year.

Ratos's purchases include services and products for its office operations in Stockholm and consultancy services in conjunction with acquisition and sales processes as well as development procedures. These suppliers operate primarily in the Nordic countries.

Two sustainability aspects that rose in priority in Ratos's parent company in 2018 are climate impact and equal opportunities and diversity. In addition to supporting the portfolio companies in these issues, it is particularly important for Ratos to serve as a good role model. For information about our work on equal opportunities and diversity, see [page 15](#).

Climate impact

Ratos's environmental agenda is based on the precautionary principle and is governed by our Environmental Policy and related environmental plan. The CEO is responsible for continuously monitoring these efforts. Ratos's main environmental impact stems from business travel and mainly comprises emissions from air travel. As part of following up the effect of the policy and initiatives, Ratos annually reports its climate impact in accordance with the GHG Protocol. Measuring and following up greenhouse gas emissions creates awareness about Ratos's impact and an understanding of effective measures, thereby generating opportunities to further reduce Ratos's climate impact. Ratos is actively examining ways to optimise business travel through, for example, video conference systems and guidelines when choosing means of transport. Climate compensation has been paid for all air travel since 2014. Energy consumption is also an issue that we are studying in order to minimise our climate impact. As of 2016, Ratos only uses electricity with the "good environmental choice" label. Ratos has saved 148,704 kWh since 2016, which corresponds to a reduction in CO₂ of around 37% per year. Ratos's total emissions for the parent company amounted to 155 tonnes CO₂e for 2018, after climate compensation.

Total emissions, tonnes of CO ₂ e/yr	2018	2017	2016
Business trips (Scope 3)	135	232	254
of which, air travel	124	216	230
Head office, building (Scope 2) ¹⁾	16	16	20
of which, electricity consumption (Scope 2)	2.7	3	3
Other ²⁾ (incl. annual report calculated from a general LCA perspective)	4	6	2
Total before climate compensation	155	255	276
Total after climate compensation	0	0	46

¹⁾ Electricity and heat consumption.

²⁾ District heating, paper and printed materials, electricity consumption.

We at Ratos

People make the difference

In all business operations, value is created by people. Attracting, developing and retaining skilled employees and talent is imperative to Ratos and to our companies' ability to realise long-term success. Therefore, a major priority for us is that we and our companies are attractive employers.

The Ratos Group has about 12,300 employees worldwide who work for one of the 12 companies that make up Ratos's company portfolio or in Ratos's own organisation. Ratos's parent company has 24 employees. In addition, eight Industrial Advisors are associated with the Ratos's operations. Ratos's CEO and management group are responsible for the employees' work situation and talent development.

Focus on the right skills

The organisation is staffed with people who have extensive experience in operational development and strategic analysis, people who often have a background as management consultants or from operative roles. They are continuously involved in investment processes and lead the work in the portfolio companies together with each company's board and management. Each portfolio company has a team that normally consists of two Ratos employees, one of whom is company executive, with one or more as a member of the company's board.

Ratos's organisation also includes people with expertise in communication, legal matters, financing and accounting who support the company teams and companies in matters related to each area.

Every year, Ratos conducts a number of initiatives to provide information, boost awareness and share best practices between Ratos's portfolio companies, including Network Days, a Chairman Forum, CEO Summit, CFO Summit, CR Forum and HR Forum. In 2019, Ratos will launch an Executive Management Program aimed

at focusing more on talent development in our portfolio companies, strengthening corporate cohesion and improving the transfer of knowledge between the companies. Each portfolio company will be represented by up to two candidates and the program will run for one year.

Network with Nordic business experience

Our Industrial Advisors assist Ratos and our portfolio companies in matters concerning operational development and transactions and may serve as board members or the chairman of our companies. Our network is made up of highly qualified individuals who have long-standing business experience from all the Nordic countries. They act as Ratos's representatives and lend their general expertise, knowledge of the local business community, sector-specific insights, experience and contacts.

The Ratos spirit

Ratos's actions are based on our core values – entrepreneurial, committed and responsible. Through good business ethics, we ensure that those with whom we do business will be able to trust us, want to choose us and return to us. These values define how we work and interact with each other and our stakeholders.

Employer branding

As a part of our efforts to find and attract future employees, but also to strengthen Ratos's brand, we offer students a six-month internship at Ratos.

The analysts who are offered internships work in

Ratos's values



Entrepreneurial since we encourage original approaches, curiosity and harness opportunities, conduct business and build companies.



Committed and dedicated in our businesses, companies and the people who lead and work at Ratos and its companies.



Responsible since we have high demands on business ethics and weigh in the consequences of the decisions we are involved in for people and the environment.



the investment organisation but may also be assigned tasks from other departments. In 2018, we offered a total of three internships at Ratos.

In addition, we actively participate in training programs, lectures and seminars held mainly at the Stockholm School of Economics with which we have a close cooperation.

Involved in community development

Ratos’s community involvement is founded in our over 150-year history where long-term responsibility is a natural part of our operations. Through an established cooperation with Inkludera Invest, which takes social innovations to market through strong social entrepreneurs, and the Stockholm School of Economics, we focus our community involvement on organisations close to our business and from which we gain a mutual exchange.

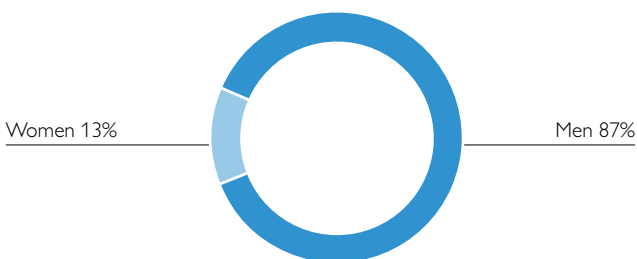
A responsible, committed and entrepreneurial workplace

Ratos must be an attractive employer that attracts, develops and retains talented and innovative thinkers to be successful in the long term. To this end, Ratos takes an active and systematic approach to our employees’ work environment and talent development.

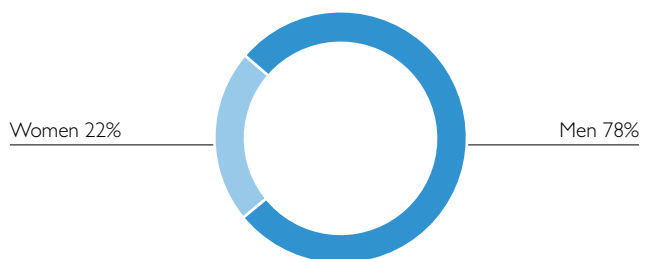
As stipulated in Ratos’s Work Environment Policy, recently adopted by the management group in 2018, Ratos’s systematic work environment agenda involves examining, implementing and following up operations in such a way as to prevent ill health and work-related accidents, and to achieve a satisfactory work environment. This extends to all physical, psychological and social conditions of significance in the work environment. Ratos’s CEO is ultimately responsible for the work environment. The day-to-day work environment agenda is carried out by the work environment team comprising, among others, Ratos’s Finance Manager and General Counsel in collaboration with employers and employees. The work environment is a standing item for discussion during Ratos’s monthly management group meetings. Ratos distributes an employee satisfaction survey every year. In 2018, Ratos updated the employee satisfaction survey with questions regarding the employees’ psychosocial work environment, discrimination and harassment. The updated version of the employee satisfaction survey will be distributed during 2019.

During periods of high workloads, Ratos’s employees can be exposed to negative stress that may lead to stress-related illnesses. A key element for Ratos in fostering an attractive, sound workplace involves working

Distribution, investment organisation 2018



Distribution, the companies’ boards 2018
(excluding Ratos employees and employee representatives)



proactively against stress-related illnesses. Ratos encourages health-promoting activities, for example, by offering fitness subsidies, medical and health insurance, and preventive health exams. Ratos also endeavours to provide a good work-life balance. For example, employees have the option to structure their working hours to achieve a work-family life balance along with additional possibilities to work from home. Ratos encourages parental leave for both men and women, and actively works to make the return to work after parental leave smooth and straightforward. In 2018, of those on parental leave, men were on leave for an average of 2.2 months and women for 1.4 months.

Sick leave is generally low and in 2018 was: **0.14%**

Based on individual and collective needs, Ratos offers its employees regular talent development and leadership programs. The need for these programs is determined

through formal performance reviews. In 2018, performance reviews were held with 24 (100%) Ratos employees.

Equal opportunities and diversity

Ratos is convinced that equal opportunities and diversity are – beyond legal and democratic perspectives – key to strengthening Ratos’s profitability and competitiveness. A central part of creating an attractive workplace is to safeguard equal opportunities and diversity in all areas of Ratos’s operations, both operationally and within the governing and management body. Efforts addressing equal opportunities and diversity are based primarily on the guidelines in Ratos’s Diversity Policy for the Board of Directors (see Ratos’s Corporate Governance Report ▶ page 49 in Ratos’s Annual Report 2018) and our updated Code of Conduct. For example, Ratos endeavours to recruit solely on the grounds of merits and skills, and to ensure equal pay for equal work. Ratos also analyses and transparently reports key figures related to equal opportunities and diversity. Another important part of our equal opportunity and diversity efforts involves inclusion and fostering a work environment that allows everyone the chance to realise their full potential. This is something we endeavour to achieve through our performance reviews.

Employees, type and function at Ratos’s head office as of 31 December 2018

Number and proportion based on the type of employment in relation to gender. The information below has been obtained from Ratos’s salary system.

	Women	%	Men	%	<30 years	30–50 years	>50 years
Permanent employment ¹⁾	10	42%	14	58%	3	12	9
Management group	1	17%	5	83%		3	3
Investment organisation ²⁾	1	13%	7	87%	1	7	
Business support ³⁾	8	80%	2	20%	2	4	4
Total	10		14				
Ratos’s Board of Directors	2	33%	4	67%			6
Boards in the companies, excluding Ratos’s investment organisation	9	22%	32	78%			
Employees who have resigned	4		6			10	
New employees	3		4		1	3	3

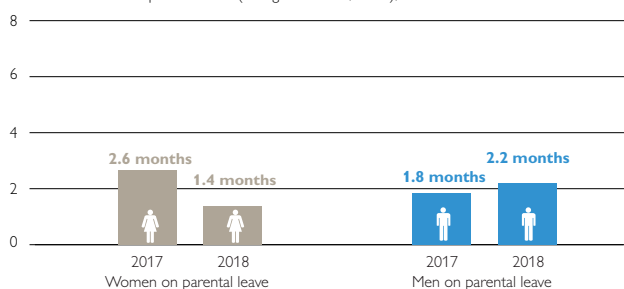
¹⁾ All full-time employees but one. During the year, Ratos had three interns with a fixed-term contract of around six months.

²⁾ At the start of 2019, three people resigned.

³⁾ At the start of 2019, one person resigned.

Average parental leave 2018

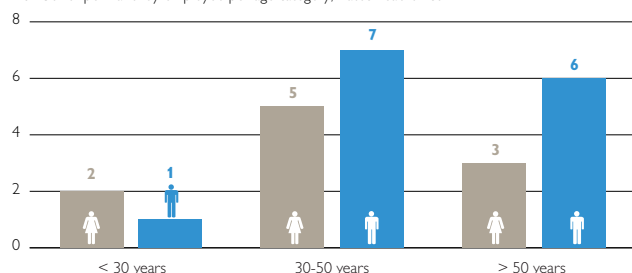
Number of months of parental leave (rolling 12 months, mean), Ratos head office



100% of Ratos’s employees were entitled to parental leave in 2018. Ratos does not hire employees who are not employed for a considerable part of the company’s operations.

Age distribution 2018

Number of permanently employed per age category, Ratos head office



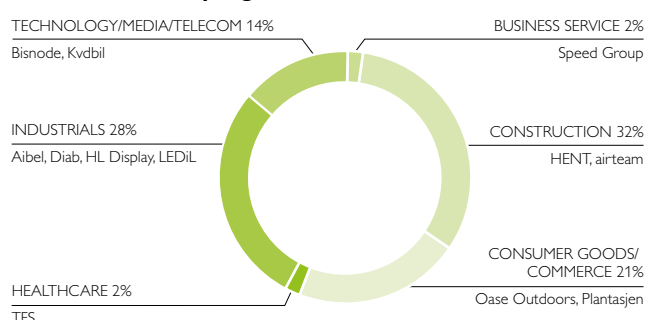
Companies overview

Ratos's company portfolio is made up of 12 companies that together employ some 12,300 employees with combined sales of approximately SEK 32 billion and EBITA of approximately SEK 1.4 billion on an annual basis, not adjusted for Ratos's holding. The companies are active in different sectors, and operate strategically, operationally and financially independent of each other. Information about the companies' operations, market position, financial key figures and growth potential can be found on ► pages 28–39 in Ratos's Annual Report 2018.

Development of the company portfolio

For full-year 2018, sales in the company portfolio increased 6%, while EBITA declined 23% from SEK 1,038m to SEK 804m, pro forma and adjusted for Ratos's holdings.

Sales breakdown by segment



Summary of Ratos's companies

SEKm	Net sales in the portfolio		EBITA in the portfolio		Cash flow from operations in the portfolio ^{A)}	Interest-bearing net debt in the portfolio	Ratos's holding
	2018	2017	2018	2017	31 Dec 2018	31 Dec 2018	31 Dec 2018
Aibel	2,695	2,992	183	102	-31	861	32
airteam	638	570	62	54	49	58	70
Bisnode	2,583	2,484	329	277	265	963	70
Diab	1,437	1,382	-149	1	-65	855	96
HENT	6,124	5,300	113	190	78	-519	73
HL Display	1,531	1,424	94	42	95	441	99
Kvdbil	332	346	8	30	16	37	100
LEDiL	290	256	72	70	63	199	66
Oase Outdoors	330	321	28	42	4	214	78
Plantasjen	4,184	3,963	76	217	-75	2,406	99
Speed Group	517	359	-9	17	-36	49	70
TFS	504	529	-4	-4	-12	43	60
Total adjusted for Ratos's holding	21,165	19,927	804	1,038	349	5,606	
Change	6%		-23%				

All figures in the above table are based on Ratos's holdings. In order to facilitate comparisons between years and provide a comparable structure, where appropriate some holdings are reported pro forma.

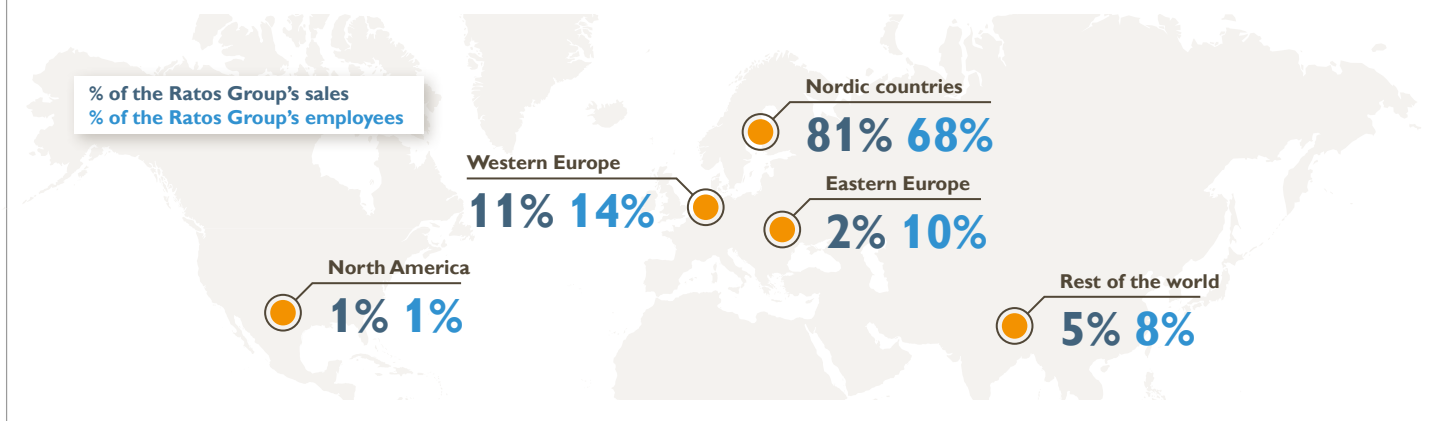
^{A)} Cash flow from operations, excluding paid tax and interest, but including investments and divestments of intangible assets and property, plant and equipment, respectively.

^{B)} Excluding Ratos employees and employee representatives.

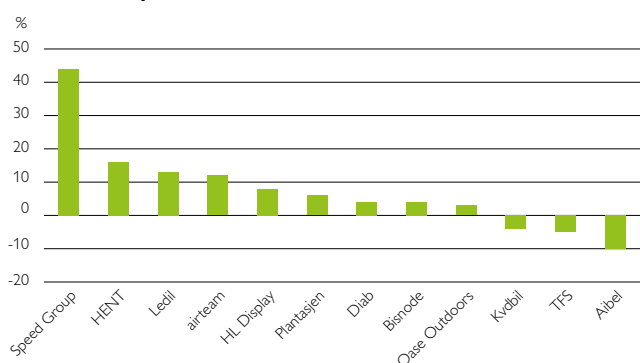
^{C)} Systematic environmental processes refers to the Environmental Policy or ISO 14001-certified production units.

^{D)} CO₂ indicators for each company can be found on pages 28–39 in Ratos's Annual Report 2018.

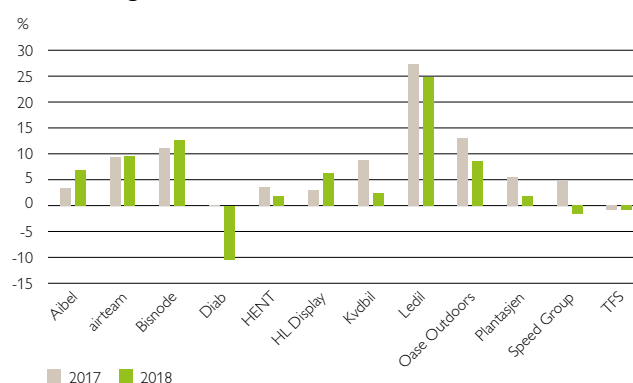
Sales breakdown and employees by geographic market



Sales development



EBITA margin



Sustainability indicators

	Average number of employees	Share of women on the Board ^{B)}	Systematic environmental processes ^{C)}	CO ₂ reporting ^{D)}	Code of conduct in line with Ratos's	Whistle-blowing system	Sustainability Report in accordance with GRI Standards, Core application level
Aibel	3,405	0%	Yes	No	Yes	Yes	Yes
airteam	230	25%	No	No	Yes	Yes	No
Bisnode	2,045	0%	Yes	Yes	Yes	Yes	Yes
Diab	1,294	0%	Yes	Yes	Yes	Yes	Yes
HENT	940	33%	Yes	Yes	Yes	Yes	No
HL Display	1,023	100%	Yes	No	Yes	Yes	Yes
Kvdbil	193	0%	Yes	Yes	Yes	Yes	No
LEDiL	122	20%	Yes	No	Yes	Yes	No
Oase Outdoors	88	33%	No	No	Yes	Yes	No
Plantasjen	1,178	67%	No	Yes	Yes	Yes	Yes
Speed Group	1,171	0%	Yes	No	Yes	Yes	Yes
TFS	660	33%	No	No	Yes	Yes	Yes

Total adjusted for Ratos's holding

12,349

Financial performance in accordance with IFRS

The Ratos Group's net sales for 2018 amounted to SEK 23,125m (23,059) and operating profit totalled SEK 320m (1,081). To facilitate a comparison between periods and enable follow-up of the ongoing performance of Ratos's company portfolio, the companies overview includes certain financial information that is not defined in accordance with IFRS.

For a reconciliation of the alternative performance measures used in this report with the most directly reconcilable IFRS measures, refer to www.ratos.se.

The companies' customers and end users

The portfolio companies' customers include global companies in the industrial sector operating in the oil and gas, aerospace, wind power industries as well as LED lighting. The companies' customers also include construction contractors operating in the construction and ventilation segments, companies that gather decision-supporting data as well as companies that offer warehouse and logistics services. In the Healthcare sector, assignments are carried out on commission from the pharmaceutical and medical device industries. The end users of the companies' products also include consumers through the sale of plants, camping and outdoor equipment, and brokerage of second-hand vehicles and products for in-store brand promotion.

GRI Index

Ratos's sustainability reporting refers to the 2018 calendar year. The figures presented are from 1 January 2018 until 31 December 2018 unless otherwise specified. This report has been prepared in accordance with the GRI Standards: Core option. This is Ratos's fourth sustainability report according to GRI and Ratos intends to report annually.

In line with Ratos's signing of the UN Global Compact (UNGC), Ratos submits a Communication on Progress (COP) every year that presents its work with UNGC's ten principles. COP information can be found in Ratos's 2018 Annual Report. The reporting of Ratos's significant aspects and topic-specific disclosures are largely limited to Ratos's

Compliance ● Fully ● Partial

GRI STANDARDS INDEX WITH FINANCIAL SERVICES SECTOR DISCLOSURE

Standard & Title	Page in Ratos's Annual Report 2018	Comments	UNGC principles	Compliance
GRI 102: GENERAL DISCLOSURES 2016				
Organisational profile				
102-1	Name of the organisation	3, 128		●
102-2	Activities, brands, products and services	3, 26-27		●
102-3	Location of headquarters	128		●
102-4	Location of operations	1		●
102-5	Ownership and legal form	42-45		●
102-6	Markets served	1, 3, 16-17, 26-27		●
102-7	Scale of the organisation	16, 19, 26-27, 58-66		●
102-8	Information on employees and other workers	21		●
		Only encompasses Ratos's headquarters.		
102-9	Supply chain	18		●
102-10	Significant changes to the organisation and its supply chain	1, 6-7, 42-45		●
102-11	Precautionary Principle or approach	18	7	●
102-12	External initiatives	12		●
102-13	Membership of associations	12		●
		The Confederation of Swedish Enterprise, the Swedish Venture Capital Association and Swedish Leadership for Sustainable Development		
Strategy				
102-14	Statement from senior decision-maker	4-5		●
Ethics and integrity				
102-16	Values, principles, standards, and norms of behaviour	10, 12, 14-21		●
Guidance				
102-18	Governance structure	15, 47-55		●
Stakeholder engagement				
102-40	List of stakeholder groups	13		●
102-41	Collective bargaining agreements	124	Ratos has not entered into any collective agreements.	3 ●
102-42	Identifying and selecting stakeholders	12		●
102-43	Approach to stakeholder engagement	12, 13		●
102-44	Key topics and concerns raised	13	Omissions: Not possible to report results divided into each stakeholder group due to inadequate data collection by third-party provider	●
Reporting practice				
102-45	Entities included in the consolidated financial statements	-		●
102-46	Defining report content and topic Boundaries	12, 13, 124		●
102-47	List of material topics	12, 13		●
102-48	Restatements of information	124	No changes.	●
102-49	Changes in reporting	12		●
102-50	Reporting period	-		●
102-51	Date of most recent report	124	28 March 2018	●
102-52	Reporting cycle	-		●
102-53	Contact point for questions regarding the report	124	Jonas Wiström, CEO, +46 8 700 17 00, Helene Gustafsson, Head of IR and Press, +46 8 700 17 00	●
102-54	Claims of reporting in accordance with the GRI Standards	-	Core Level	●
102-55	GRI content index	124-125		●
102-56	External assurance	-	Not examined by third party	●

parent company. The guidance on the aspects and indicators 205-1 and FS10 encompass both the parent company and holdings.

All calculations of energy and carbon emissions are comparisons between the financial years 2016 and 2018, with 2016 as base year for environmental data. Information is obtained from third-party suppliers,

unless specified otherwise. All calculations regarding the environment are based on the GHG Protocol. Calculations that concern employees are based on GRI's models and all data is reported using the metric system. All HR data is calculated per employee.

Compliance ● Fully ● Partial

MATERIAL TOPICS, GUIDANCE AND TOPIC-SPECIFIC DISCLOSURES

Standard	Title	Page in Ratos's Annual Report 2018	Comments	UNGC principles	Compliance
GRI 200 ECONOMIC STANDARD SERIES					
GRI 103: Management Approach 2016	103-1 – 103-3 Management Approach	12-18		10	●
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	17		10	●
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	18		10	●
GRI 300 ECONOMIC STANDARD SERIES					
GRI 103: Management Approach 2016	103-1 – 103-3 Management Approach	12-16, 18		8-9	●
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	18, 125		8	●
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	18, 125		8	●
GRI 400 SOCIAL STANDARD SERIES					
GRI 103: Management Approach 2016	103-1 – 103-3 Management Approach	12-16, 18-21		1-6	●
GRI 401: Employment 2016	401-3 Parental leave	21	Omissions: Retention rates not reported due to limitations in the current system.	6	●
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	19-21		6	●
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	21		6	●
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	21		6	●
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	18		6	●
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	18		1-6, 10	●
GRI G4 SECTOR DISCLOSURES					
GRI Financial Services	FS6 Percentage of portfolio divided into region, size and sector	3, 16-17, 26-27		1-9	●
GRI Financial Services	FS10 Share of the portfolio companies that the organisation has interacted with on environmental or social issues	15-17, 19		1-9	●

Shareholder information

Annual General Meeting 8 May 2019

The Annual General Meeting of Ratos AB (publ) will be held at 2:00 p.m. CET on Wednesday, 8 May 2019 at Skandiascenen at Cirkus, Djurgårdsslätten 43-45, Stockholm.

Participation

To be entitled to participate in the business of the Meeting, shareholders must

- be recorded in the register of shareholders maintained by Euroclear Sweden AB on Thursday, 2 May 2019,
- notify the company of their intention to attend no later than Thursday, 2 May 2019.

Notification

Out of consideration for the environment and to become more efficient through the use of digital services, Ratos has this year chosen to not issue invitations to the Annual General Meeting by mail.

Notification of participation may be made

- via www.ratos.se
- via phone +46 8 518 015 50 weekdays between 9:00 a.m. and 4:00 p.m.
- in writing to the following address: Computershare AB, "Ratos årsstämma 2019", Box 610, SE-182 16 Danderyd.

When notifying participation please state name, personal/corporate registration number, postal address, daytime telephone number and the number of assistants, if relevant.

Nominee registered shares

In order to be entitled to participate in the Meeting and exercise their voting rights, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names. Such registration must be effected at Euroclear Sweden AB no later than Thursday, 2 May 2019. Shareholders are requested to inform their nominees in good time prior to this date.

Dividend and record date

The Board proposes an ordinary dividend for the 2018 financial year of SEK 0.50 (2.00) per Class A and Class B share. The record date for the right to receive dividends is proposed as 10 May 2019 and dividends are expected to be paid from Euroclear Sweden on 15 May 2019.

Calendar

8 May	2019 Annual General Meeting
8 May	Interim Report, January–March 2019
16 Aug	Interim Report, January–June 2019
5 Nov	Interim Report, January–September 2019

Reports can be accessed on Ratos's website directly after publication and are issued in Swedish and English. The Annual Report is sent by post to shareholders who have so requested.

Publications can be ordered at www.ratos.se or by

post: Ratos AB
Box 1661
SE-111 96 Stockholm

e-mail: info@ratos.se

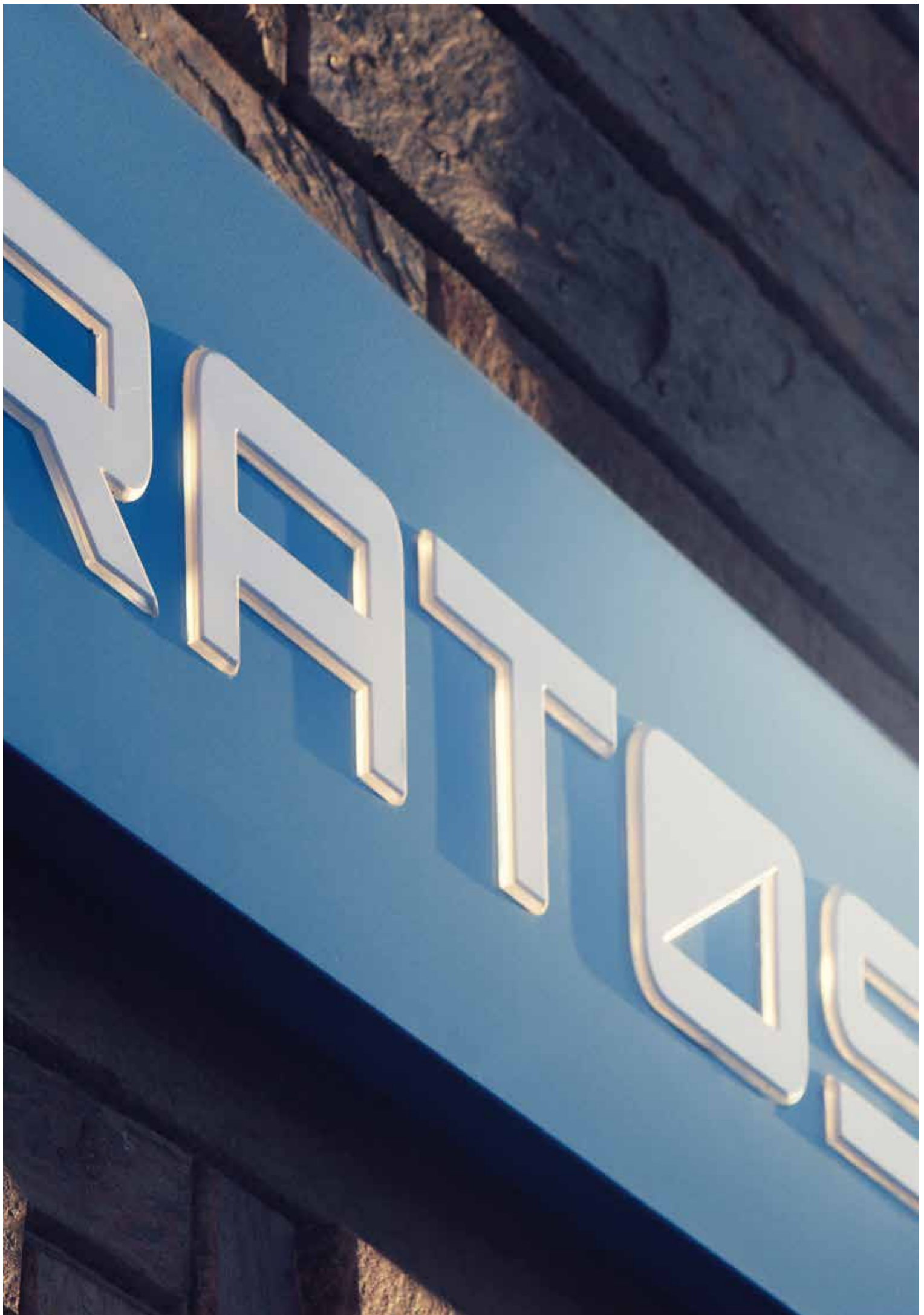


Shareholder contact

Helene Gustafsson
Head of IR and Press
Tel: +46 8 700 17 00
e-mail: info@ratos.se

Contact details Board and Nomination Committee

Ratos AB
Box 1661
SE-111 96 Stockholm
e-mail: info@ratos.se



RATOS

Drottninggatan 2 Box 1661 SE-111 96 Stockholm
Tel +46 8 700 17 00 www.ratos.se Reg. no. 556008-3585