Investor AB - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Investor AB (Investor), is an industrial holding company headquartered in Sweden. Investor is a small organization with 94 employees and no operating business (no manufacturing and no products or services). The direct environmental impact, including our greenhouse gas emissions, is therefore limited, but we actively strive to reduce our impact and carbon footprint.

The emissions from scope 1 consist of company cars and the scope 2 emissions include purchased electricity and heating for our offices and real estate in Stockholm, New York, Amsterdam and Palo Alto.

Scope 3 includes emissions from business travel, for example air, rail, hotel nights and taxi as well as from purchased IT equipment, food, printed material etc. The main and most important scope 3 emissions are the emissions from our portfolio companies where we report on both the equity approach and the total emissions from our portfolio companies. Investor's portfolio consists of 24 holdings. Our portfolio companies are generally found within Engineering, Technology, Healthcare and Financial Services. As an industrial holding company, we do not have the level of insight into all our portfolio companies that an operating company would have into its own operations.

Investor has committed to climate targets aligned with the Paris Agreement's aim of limiting global temperature rise to well below 2 degrees above pre-industrial levels, while trying to limit the temperature increase to 1.5 degrees. The climate targets are:

- Reduce absolute greenhouse gas (GHG) emissions from Investor AB's scope 1 and 2 by 50% by 2030 compared with 2016.
- Reduce absolute GHG emissions from portfolio companies by 50% by 2030 compared to 2016 (the portfolio companies' scope 1 and 2 emissions).
- Accelerate the portfolio companies' climate strategies beyond their scope 1 and 2 footprint, ensuring that all portfolio companies set relevant reduction targets related to their products, services or value chain (the portfolio companies' scope 3 emissions).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Netherlands
Sweden
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

SEK

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset owner)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The CEO has the overall responsibility for Investor's business strategy including climate-related issues. During 2020, the CEO took the decision to integrate climate in all listed companies' value creation plans and follow-up on each company's progress and strategies related to climate change in meetings with the chair and CEO of each company.
Board-level committee	The Audit and Risk Committee is responsible for assuring the efficiency in the internal control system and evaluating strategies and risk exposure. In 2020, the Audit and Risk committee took the decision to include the climate targets aligned with Paris Agreement (reduce our greenhouse gas emissions by 50% by 2030) in Investor's Sustainability Policy.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Setting performance objectives	Climate-related risks and opportunities to our investment activities The impact of our own operations on the climate The impact of our investing activities on the climate	Climate has been on the board agenda when setting sustainability targets. This included a presentation of the impact of our operations and our investing activities on the climate as well as our portfolio companies' climate related risks and opportunities. Head of Sustainability presented the analysis and the proposed targets and the Board approved climate targets that align with the Paris Agreement (reduce greenhouse gas emissions by 50% by 2030) for both Investor AB and the overall portfolio.
Scheduled – some meetings	Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities	Investor Enterprise Risk Map (the company-wide risk map) is presented yearly to the Board of Directors where an action plan is agreed upon. The presentation of the risk assessment is a scheduled agenda item. The comprehensive risk assessment is made annually to identify and evaluate existing and emerging risks to mitigate. This assessment encompasses all categories of risks and involves the Management Group, representatives from the whole organization, the control functions as well as input from the subsidiaries. This includes climate related risks to our business and our portfolio companies' businesses as well as how business activities by our portfolio companies contribute to climate change. The material risks are compiled in a company-wide risk map. Action plans are defined and implemented to minimize the probability and impact of material risks. The CEO and Management Group continuously follow up on the implementation of action plans and report back to the Board.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities The impact of our own operations on the climate The impact of our investing activities on the climate	Investor regularly follows up and monitors progress and performance against goals and objectives. Climate-related issues are monitored continuously for Investor AB and once a year a more comprehensive analysis is conducted on all portfolio companies. All 24 portfolio companies report their yearly sustainability performance, including greenhouse gas emissions, to Investor. The collection of information is both through a sustainability system and through follow-up dialogues/meetings with each company. Climate calculations and analyses are performed for Investor's portfolio companies in order to identify companies' fossil fuel dependency and negative trends for carbon emissions. The conclusions and progress are presented once a year by the Head of Sustainability and discussed by the Board. In addition to this presentation in 2020, the Head of Sustainability presented the summary of the dialogues with the CEO and Chair of each listed company to the Board, which included success factors of integrating climate into business strategies, and pain points regarding complexity of scope 3 emissions and lack of global standards.
Scheduled – some meetings	Reviewing and guiding risk management policies Overseeing major capital expenditures, acquisitions and divestitures	The impact of our own operations on the climate The impact of our investing activities on the climate	The Board of Directors decides on the Sustainability Policy, Governance, Risk and Compliance Policy and Finance Policy, all of which set the principles for how Investor should act. The policies are reviewed and approved on an annual basis and is on the yearly agenda. The Board of Directors is responsible for Investor's overall strategy, including the approach to integrate sustainability aspects as part of our value creation. In 2020, the Sustainability Policy was updated to also include the climate targets aligned with the Paris Agreement as well as inclusion criteria for new investments.
Sporadic - as important matters arise	Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Overseeing major capital expenditures, acquisitions and divestitures	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities The impact of our own operations on the climate The impact of our investing activities on the climate	When important sustainability matters arise, the Board will include it on the agenda. Examples of this could be if a sustainability related issue occurs within Investor's operations or within a portfolio company, or if the organization identifies prioritized sustainability issues and need to adjust or update guidelines, objectives, risk management or policies.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO has the overall responsibility for climate-related issues. The CEO is a member of the Board of Directors and he has the responsibility for the execution of Investor's business strategy, and hence also the responsibility for climate-related aspects. The CEO and the Management Group decide on the development and execution of the sustainability approach. Within the Management Group the Head of Sustainability is responsible for coordinating and driving the overall sustainability work.

Investor follows up and monitors progress at the portfolio level both through an annual self-assessment questionnaire as well as its direct dialogues and interactions with the portfolio companies, including supporting preparation of the value creation plans. The managerial responsibility for responsible investments lies within the investment organization. The Heads of Listed Companies and Patricia Industries are responsible for integrating sustainability into the investment and ownership strategies, including risk assessment, due diligence, continuous monitoring and follow-up. Investor's board representative together with the business teams engage with the companies at least yearly regarding sustainability including aspects of climate change.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target Behavior change related indicator Company performance against a climate-related sustainability index	CSO (Head of Sustainability is a part of the executive management group) receives: Monetary reward for developing sustainability approach and clarifying expectations as an owner. Recognition for improving the corporate reputation through different sustainability assessments. Recognition for educating employees in climate change and the climate analysis of the portfolio companies. Recognition for sustainability improvements and progress.
Environment/Sustainability manager	Monetary reward	Emissions reduction target Behavior change related indicator	Monetary reward for developing Investor's sustainability work and improving Investor's sustainability performance. Recognition for improving Investor's reputation through different sustainability assessments.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as an investment option for some plans offered	Defined contribution plans where each individual can choose ESG-schemes.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	This time horizon is similar to other time horizons in the organization used for financial and other purposes. Investor has 4 time horizons: 0-1 year 1-5 years 5-15 years 15 years + In the CDP response we have grouped our short-term horizon (0-1 year) with our short to medium horizon (1-5 years).
Medium-term	5	15	This time horizon is similar to other time horizons in the organization used for financial and other purposes.
Long-term	15		This time horizon is similar to other time horizons in the organization used for financial and other purposes. The long-term horizon is 15 years and above.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Substantive financial or strategic impact is defined as having a negative effect on value creation and return on invested capital, short term to long term. Most of our investments are in sectors with relatively low fossil dependency, such as pharmaceuticals and health care. Certain climate risks are local, e.g. weather-related, and would only have marginal effect on Investor AB's share value or return on investment. Other risks are not sector specific or local, such as carbon taxes or increased global temperature, and could affect profit margins and ultimately share value. Substantive financial or strategic impact broadly involve circumstances that would lead to increased costs, limit overall growth of shareholder value in the medium to long run and lower dividends in the short run. Investor categorizes all risks in four risk levels dependent on financial impact and likelihood:

- Low

- Medium

- High

- Very high

We don’t share the figures for each category of risk externally. However, an example from our Annual Report (Note 3) regarding substantive financial impact related to share price risk, is if the market value of our Listed Companies was to decline by 10 percent due to insufficient performance regarding sustainability and climate change management, the impact on income and equity to Investor would be SEK –36.7bn, based on data for the year 2020. If the share value of our Listed Companies decreased by 10 percent due to climate aspects this would be considered to have a substantive financial impact on our business.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Risk assessment is conducted continuously in the day- to- day business at Investor. Yearly a more comprehensive risk assessment is performed that encompasses all categories of risks, the entire organization and all processes. During 2020, Investor focused extra on climate related risks. Downstream risks of our value chain relate to the risks for our investee companies, while upstream risks include other transition risks that provide value to our investments e.g. policy and legal. The time perspective for which risks are considered vary by portfolio company. As our portfolio is well-diversified, the assessment varies depending on industry and development stage. For some of our portfolio companies a time horizon of 30 years is used, and for some portfolio companies the time horizon is 15 years. Investor has a long-term perspective, looking at a horizon of at least 15 years, mostly an endless horizon, when analysing and monitoring its investment strategy. The more comprehensive risk assessment that is performed yearly includes a self-assessment component. The portfolio companies make their own risk assessments covering all categories of risks, the entire organization and all processes, and send the results to the Internal Control function at Investor. Climate risks are often included as sub-sections in many of their risk categories. Risks are identified and reported along with detailed risk description, likelihood, potential impact, and mitigation plans. All substantial risks are grouped in terms of likelihood and financial impact and are compiled in a company-wide risk map. Representatives from the Management Group, the investment organization, the support organization and the control functions assess the risks together. Conclusions drawn from the risk assessments are reported to the Board. Action plans are formed to mitigate and minimize the probability and impact of identified risks. Investor AB's Board of Directors decides on risk levels, mandates and limits for the parent company and its business areas, while the board of each portfolio company is responsible for its risk policies, adapted to managing risks within their respective operations. The management group decides how to manage climate-related risks and reduce emissions and environmental impact from Investor's own offices and real estate. The initiatives taken by the management group during 2020 includes improvements to digital meeting solutions to reduce the emissions from business travel as well as energy efficiency initiatives aimed to reduce energy consumption from offices. Portfolio: Investor assess the impacts from climate change and one example is the transition risks that include for example emerging regulations. Investor has responded to transition risks with adopted climate targets for Investor’s overall portfolio to mitigate the risks of portfolio companies impacted by rise in costs. Investor has set targets to drive the portfolio companies to reduce their emissions in line with the Paris Agreement. The strategy regarding climate for our overall portfolio and Investor AB is determined by our Board of Directors. Investor drives the climate strategy through our board representatives and make sure to follow up on our companies’ targets and measures to reduce their climate impact. Investor also monitors our companies' progress through dialogue and reporting. The portfolio companies that have implemented the TCFD (Task Force on Climate-related Financial Disclosure) reporting guidelines regarding physical or transitional risks and/or opportunities is included in the analysis and assessment of each portfolio company. This work is done by the business team and sustainability team at Investor, who provides input to the board representatives. As the climate related risks lies within our investments we also provide one example for how a portfolio company (ABB) assess the physical impacts from climate change, such as storm, flood, water supply, which when and where they occur could have a substantive financial impact on an individual manufacturing unit: - ABB reviews facilities annually or biennially, depending on the value of the asset. Incentive and penalty programs are in place to promote implementation of best practice and risk mitigation/avoidance recommendations. All ABB's facilities are required to develop, implement and test business continuity plans. Upstream risks related to climate change, such as extreme weather conditions, are business continuity risks that typically are part of the on- going dialogue that ABB has with its suppliers. Upstream climate change risks and opportunities are also considered and analyzed in their assessment of upstream scope 3 emissions, where they identify the climate impact of all relevant scope 3 categories. Down-stream risks and opportunities related to climate change include meeting the rising expectations that their customers have on products and services, e.g. how ABB can help them meet their climate-related challenges. Such risks and opportunities are captured in regular interaction with our customers, and in our stakeholder engagement process. In the same way as described, ABB's assessment of scope 3 emissions help them identify and act on significant downstream climate change risks and opportunities. ABB's Sustainability Function, in collaboration with their businesses, also engage with a wide range of stakeholders to identify key sustainability issues that are material to ABB.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Certain regulations and taxes already exist. In Sweden for instance we are affected by a national carbon tax. In EU and in other carbon trading areas where our portfolio companies operate such as Japan, Singapore and California there are emission thresholds which can't be exceeded without paying for extra carbon credits. Current climate-related regulations and taxes are part of our risk assessment process as described in C2.2 and always considered and included in strategic decisions and cost calculations both for present and potential operations. Since most of our holdings have a comparably low fossil dependency the effect of this risk is not material and is not affecting our share value and return on capital.
Emerging regulation	Relevant, always included	There is a risk that regulatory measures to reduce the use of fossil fuels could increase the price of energy in the medium and long term. For example, carbon taxes or other regulations could be introduced or enhanced in order to reduce the use of fossil energy. These types of emerging regulations would affect the cost structure of our portfolio companies and thereby affect share value and return on capital investment for Investor AB. Specifically, the cost structure would be impacted for example, by increasing costs of raw materials such as steel, copper and other energy-intensive materials.
Technology	Relevant, sometimes included	Technology is usually regarded as an opportunity for Investor and our portfolio companies as they aim to be at the forefront of technological developments. However, there is always a risk that a low carbon technology is introduced that our companies are not aware of, thereby creating a competitive disadvantage in the short term. This would in turn negatively impact the profitability of the portfolio company and long term the effect could be reduced share value for Investor AB.
Legal	Relevant, always included	An identified and important legal risk is connected with liability. One example is if Investor or its portfolio companies withheld climate related information that led to a court process. If the trust in Investor AB and its share is lost, it would have major implications for our business relationships and the share value of Investor AB. For the holdings it probably also includes fines which would reduce profits. The assessment of legal risks is done through the process described in C2.2. The way to mitigate this risk is to have high standards on business ethics and transparency.
Market	Relevant, always included	There is a risk that demand for our portfolio companies' products and services shifts to demand for other solutions with lower carbon emissions, thereby decreasing our share value and return of investment if the transition is not picked up and acted on quickly. This is both a market risk and an opportunity and is very relevant for Investor's portfolio companies. This market risk is already taken into account in the business strategies for each of our companies. The portfolio companies are following the technological developments and sales developments in their sectors, tracking potential shifts in demand for different products and services. The process described in C2.2 will further ascertain that the market risk is considered and monitored.
Reputation	Relevant, always included	Investor AB has high quality companies in its portfolio with a long-term investment horizon. Reputation for Investor and our ownership approach is crucial for our business success. A sudden catastrophe or incident, such as hazardous materials spills or leaks, could affect a portfolio company's reputation and demand, and indirectly Investor's reputation. The risk of changed investor perception of Investor AB's portfolio or our ability to build strong and sustainable businesses is of high relevance to us. A reputational risk could lead to changed investor preferences and in turn changed demand. Reputation could therefore be a risk that could negatively affect the share value and return on investment. Sudden catastrophes and incidents derived from climate-risks cannot be avoided. What can be done is to analyze, prepare for and adapt to possible outcomes, which is part of the risk management process described in C2.2.
Acute physical	Relevant, sometimes included	Acute physical risks could be caused by climate related extreme weather such as rain, floods, snow, storms, drought or heat waves. This could affect our portfolio companies' production or delivery capacity, as well as dependency on global supply chains. Typically such events cannot be forecasted, but within our portfolio companies' control is the ability to create stronger resilience in the supply and logistic chains so that alternatives are available. In the long run it is about avoiding certain geographical areas which are regularly hit by extreme weather and difficult to insure. This kind of risk is assessed by each portfolio company's Board and through the monitoring processes described under C2.2.
Chronic physical	Relevant, sometimes included	Chronic physical risks are relevant to Investor. It is difficult to foresee what the consequences will be long term on our portfolio companies. Different chronic physical risks could affect sectors differently. In the banking sector, for example, when looking at banks' investment and loan portfolio, chronic (and acute) physical risks could lead to destruction of property through flooding and heavy storms that may result in difficulties for borrowers to pay interest and amortize, which could affect the bank's profit. The potential negative impact on the portfolio companies' revenues would indirectly impact Investor's share value and return on investment. We are working on developing and refining our risk assessment process of acute and chronic physical risks and in particular understanding the consequences of not successfully keeping the global temperature to within 2°C.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	The process for identifying sustainability risks is integrated into our company-wide risk identification, assessment and management processes. Yearly a more comprehensive risk assessment where the portfolio companies make their own risk assessment is conducted. More details are provided in C2.2. Material sustainability risks, including climate-related risks, are also analyzed and mitigated within the daily operations. Investor has conducted an in-depth assessment of material topics. Our most significant sustainability issues are identified and prioritized via analyses, and ongoing dialogues and interviews with internal and external stakeholders. This work sets the sustainability strategy and includes management over sustainability related risks. Further processes of identifying and assessing climate-related risks include: • The Board of Investor AB annually assesses risks that could affect Investor AB's share value and short and long term return on investment. • Head of Sustainability is part of the Management Group, and regularly identifies climate-related issues, risks and opportunities, which are presented to the Management Group. Greenhouse gas assessments and analyses are done for Investor's portfolio companies in order to identify companies with high fossil fuel dependency and negative trends for carbon emissions. We analyse our portfolio of 24 companies' transition to a low-carbon economy and their strategy to mitigate risks and exploit opportunities. • Our analysts are considering future sustainability risks, including climate risks, for sectors and for individual portfolio companies as well as for future investments. • Each portfolio company's board assesses and monitor continuously all kind of risks. A number of our portfolio companies have started to implement the TCFD recommendations e.g. by conducting a climate-scenario analysis. Investor's sustainability department keeps updated regarding the companies' status and progress. Most of our investments are in sectors with relatively low fossil dependency, such as pharmaceuticals and health care. Certain climate risks are local, e.g. weather related, and would only have marginal effect on Investor AB's share value or return on investment. Other risks are not sector specific or local, such as carbon taxes or increased global temperature, and could affect profit margins and ultimately share value.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Investor AB is an industrial holding company and has no products or services.

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio’s exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	Examples of processes of identifying and assessing climate-related risks include: • The Board of Investor AB annually assesses all risks that could affect Investor AB's share value and short and long term return on investment. • Head of Sustainability is part of the Executive Management Group, identifies climate-related issues, risks and opportunities, and present them to the Management Group. Greenhouse gas assessments and analyses are performed annually for Investor's portfolio companies in order to identify companies with high fossil dependency as well as an analysis of how our 24 portfolio companies transition to low-carbon economy, their strategies to mitigate risks and exploit climate-related opportunities. The tool used for tracking the transition and their progress against their targets is called Position Green, a sustainability management system. Another overarching tool used by Investor and the Sustainability Team is stakeholder involvement and dialogues with relevant stakeholders to understand climate-related risks and opportunities. • Our analysts are considering future sustainability risks and opportunities, including climate risks, for sectors and for individual portfolio companies as well as for future investments. • Each portfolio company's board of directors assesses and monitor continuously all kind of risks. A number of our portfolio companies have started to implement the TCFD recommendations regarding climate-related risks and opportunities, e.g. by conducting a climate-scenario analysis. Investor's sustainability department keeps updated regarding the companies' status and progress. Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the risk assessment. Financial Investments (representing 1% of total assets) is not included in the qualitative assessment for climate related risks and opportunities since they are not material due to their size. Financial Investments include small portfolio companies where the investment horizon has not yet been defined.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio’s exposure to water-related risks and opportunities?

	We assess the portfolio’s exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Majority of the portfolio	Water related risks and opportunities were a part of our recent materiality assessment where sustainability risks and opportunities were assessed. In this qualitative analysis, water-related risks and opportunities were not identified as material on an overall portfolio level. Resource efficiency was identified as material and Investor assessed the portfolio's approach to resource efficiency and if each portfolio company had targets and strategies in place. As our portfolio is well-diversified, the resource most relevant for each company varies depending on industry and is in some cases water. Investor collects information as to whether and how portfolio companies measure and monitor the water consumption. Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the risk assessment. Financial Investments (representing 1% of total assets) is not included in the qualitative assessment for climate related risks and opportunities since they are not material due to their size. Financial Investments include small portfolio companies where the investment horizon has not yet been defined.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Investor AB is an industrial holding company and has no products or services.

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio’s exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, we don't assess this	<Not Applicable>	Forest-related risks and opportunities were part of our recent materiality assessment where sustainability risks and opportunities were assessed. In this qualitative analysis, forest-related risks and opportunities were not identified as material on a portfolio overall level. Resource efficiency was identified material and Investor assess the portfolio's approach to resource efficiency and if each portfolio company has targets and strategies in place.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Investor AB is an industrial holding company and has no products or services.

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes, for some	Yes, for all 24 portfolio companies we request climate-related information yearly. This is done through a system called Position Green where each portfolio company reports climate information and data. We also have meetings with portfolio companies and gather their sustainability managers 3-4 times per year in a network to discuss risks and opportunities. Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the risk assessment. Financial Investments (representing 1% of total assets) is not included in the qualitative assessment for climate related risks and opportunities since they are not material due to their size. Financial Investments include small portfolio companies where the investment horizon has not yet been defined.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Investor AB is an industrial holding company and has no products or services.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Legal	Other, please specify (Increased pricing of GHG emissions)

Primary potential financial impact

Reduced profitability of investment portfolios

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

In order to implement the Paris Agreement, large reductions in emissions must take place, and it's likely that governments and international bodies such as the EU will introduce various regulatory measures, which will increase the price of GHG emissions to achieve each national commitment to the Paris Agreement. In the same way it is likely that EU's emissions trading scheme will result in higher prices on carbon credits as the available amount decreases and the level for having to purchase credits is more strictly set. Increased costs and reduced profitability could reduce the value of our 24 portfolio companies as well as the dividends paid by the portfolio companies. This could also affect the competitive strength of our portfolio companies unless they manage to reduce their emissions in absolute terms as well as relative to their relevant sector. It's unlikely that all Investor's portfolio companies would be affected by increased pricing of GHG emissions at the same time. It's more likely that a few larger manufacturing plants of some of our companies could be affected within a five-year horizon, depending on national policies. Although unlikely, in the estimation below we assume that all portfolio companies within Patricia Industries would be affected and calculated the financial impact of that scenario. We use the interval of a carbon cost of SEK 100 – 539 per ton CO2e. The higher cost is in line with the level needed to meet the Paris Agreement and is estimated in the International Monetary Fund report to be consistent with a 2 C warming target (https://www.imf.org/external/pubs/ft/fandd/2019/12/pdf/the-case-for-carbon-taxation-and-putting-a-price-on-pollution-parry.pdf)

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

14000000

Potential financial impact figure – maximum (currency)

74000000

Explanation of financial impact figure

In 2020, the scope 1 & 2 emissions from our companies in Patricia Industries were approx. 136 800 tonnes. If all companies were affected by a carbon cost of SEK 100-539 we estimate it would lead to a total cost for the companies of between 14 - 74 MSEK. This will have low financial impact on Investor. The estimated highest carbon cost has a 0.2 percentage point impact on Investor AB's consolidated EBIT margin. In 2020, the base margin was 21.6%. Highest carbon cost is estimated in the International Monetary Fund report to be consistent with a 2 C warming target: www.imf.org/external/pubs/ft/fandd/2019/12/pdf/the-case-for-carbon-taxation-and-putting-a-price-on-pollution-parry.pdf

Cost of response to risk

0

Description of response and explanation of cost calculation

The process of managing this risk is that the companies continue to reduce carbon emissions and adapt to a low carbon economy, e.g. by developing climate strategies, committing to reduce their emissions in line with Science-Based Targets, and by developing low-carbon products to meet customer demands for products with low emissions. Due to the diversity of sectors (telecommunications, manufacturing, pharmaceuticals, banking) and geographical presence it's unlikely that all of Investor's portfolio companies would be affected by increased price of GHG emissions at the same time. It's more likely that a few larger manufacturing plants of some of our companies could be affected within a five year horizon, depending on national policies. Within the portfolio, the Listed Companies have higher GHG emissions due to their size. However, many of them are already sustainability and climate leaders when it comes to decoupling carbon emissions and economic growth. One concrete example is that many of our Listed companies have set Science Based Targets. By the end of 2020, 57 percent of all our portfolio companies had aligned their climate strategies to the Paris Agreement and set measurable targets to decrease greenhouse gas emissions by 50 percent or more by 2030. Ambitious long-term targets and annual reductions in greenhouse gas emissions is one way of managing the risk of increased pricing of GHG emissions. The management methods used for Investor to assess and monitor risks have been described in detail in C2.2 and includes day-to-day risk assessments and annually, a more comprehensive risk assessment in the form of self-assessment. This risk assessment encompasses all categories of risks, the entire organization and all processes. During 2020, Investor put additional focus on sustainability related risks, e.g. climate change and resource efficiency. In addition, we monitor that the portfolio companies have targets to reduce their emissions and follow their yearly progress. We also follow the political discussions in all forums in which we participate, in order to understand and foresee early on any changes to climate change policy. Controlling this risk is part of the work of the boards, the management's task as well as of all other involved in risk management processes described in C2.2 and therefore there is no extra cost.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Reduced profitability of investment portfolios

Climate risk type mapped to traditional financial services industry risk classification

Market risk

Company-specific description

Extreme climate-related weather events such as heat-waves, flooding, heavy rain or heavy snowfall, is likely to affect some of our portfolio companies in the short term. For Investor as an industrial holding company, with portfolio companies located across the world, it's unlikely that all the portfolio companies would be affected by an acute physical risk at the same time since their locations are spread geographically. Extreme weather can affect our portfolio companies' production, as they are dependent on complex and global supply and logistics chains. If the companies' suppliers are hit by extreme weather it might cause delays in delivery of raw material or key components for production which could stop production. If the portfolio companies' production facilities are affected by extreme weather, it could damage properties and stop the production. Extreme weather might cause disruptions in logistics and delay transportation of goods, and lead to financial consequences for customers if delivery times can't be met. There is a risk of increased costs, as a consequence of higher compliance costs or increased insurance premiums that could be likely for some of our portfolio companies. The way to compensate for the increased cost could be that the portfolio company, in the short term, increases prices to customers. This could result in lower demand and reduced revenue.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial effect for our portfolio companies will come through reduced revenue and increased costs, especially if they do not have the flexibility to move production, are reliant on too few suppliers or if they do not have sufficient insurance. If a portfolio company is suffering a severe consequence due to extreme weather, leading to production stop in one important site for a long time, it would lead to significant financial impact for that specific company in reduced revenues and possible financial costs due to damages. Therefore, this risk is relevant and is monitored and analysed by each company board. For Investor AB, however, the impact would be limited as it is very unlikely that such weather events would affect many of our portfolio companies at the same time, as their operations are geographically spread out.

Cost of response to risk
0

Description of response and explanation of cost calculation
Investor's risk management follows the processes described in detail at question C2.2 and includes day-to-day risk assessments and an annual more comprehensive risk assessment in the form of self-assessment. This risk assessment encompasses all categories of risks, the entire organization and all processes. During 2019, Investor focused extra on sustainability related risks, e.g, climate change and resource-efficiency and set a long-term target to reduce GHG emissions in line with the Paris Agreement. The board of each portfolio company is responsible for considering, mitigating and adapting to geographic location risks, including the insurances. Adaptation has to do with identifying inherent risk prone geographical areas, setting up resilient supply systems, and having systems in place to deal with the immediate effects of weather-related events. Controlling this risk is part of the work of the boards, the management's tasks as well as of all other involved in risk management processes described in C2.2 and therefore there is no extra cost.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Technology	Substitution of existing products and services with lower emissions options

Primary potential financial impact
Reduced profitability of investment portfolios

Climate risk type mapped to traditional financial services industry risk classification
Market risk

Company-specific description
In order to become independent of fossil energy, many of our holdings are already at the forefront and several of our listed companies have committed to Science Based Targets. Changing technology to develop low carbon products, and to make it possible for their customers to reduce their climate impact, will increase capital investments and costs for changing product designs, making production methods carbon efficient and products easy to recycle and dismantle. Investor AB's goal is to invest in companies and develop our portfolio companies to be best-in-class and industry leaders, which includes being sustainability leaders. Electrolux, Astra Zeneca and Ericsson are examples of companies that are sustainability leaders in their sectors respectively. Therefore, it is important that our companies have financial resources to work to reduce carbon emissions and to become energy efficient along their value chains. It is the task of the Board to make sure that each company has strategies, goals, plans and actions that move them in that direction. For Investor AB, the risk is low that several companies do not manage to make technology transitions, which would impair asset value, and subsequently dividends received, thereby impacting Investor negatively. It is unlikely that this event occurring for a subset of our portfolio would have a strong effect as our holdings are spread over many sectors and technologies. Many of our portfolio companies operate in sectors where the carbon impact is very low to begin with, e.g. healthcare and finance. The largest financial impact would be if several of our major portfolio companies simultaneously faced a shift in technology and that they were not prepared for it.

Time horizon
Short-term

Likelihood
Unlikely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
For Investor as an industrial holding company, with 24 major portfolio companies in several different industries, it is very difficult to estimate the direct financial impact. The risk of inadequate or unsuccessful investment in new technologies could for one company lead to reduced demand for products and services. If this is the main product or service category for that specific company, it could lead to significant financial impact for that specific company in reduced revenues. For Investor AB, however, the impact would be limited as it is very unlikely that it would affect many of our portfolio companies at the same time.

Cost of response to risk
0

Description of response and explanation of cost calculation
Risk management is part of Investor's tools for governance and control. This risk is managed by Investor's board of directors, management and investment organization, as well as by the board of each portfolio company. Since the leading investment strategy for Investor is to own companies which are leaders in their industries, we continuously focus on their performance, their technology position and R&D strategy and on new innovative products. Business strategies are developed and material risks analyzed at least once a year by each Board of Directors. Investor encourages all portfolio companies to invest in innovation. We annually monitor how much the companies invest in research and development. In 2020, R&D expenses in our companies totalled SEK 122bn.

Comment

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Technology	Unsuccessful investment in new technologies

Primary potential financial impact
Reduced profitability of investment portfolios

Climate risk type mapped to traditional financial services industry risk classification
Market risk

Company-specific description
This risk has overlap with Risk 3, a scenario in which existing products and services are rejected in favor of those with lower climate impact, because inadequate investment in innovation and technology in this area relative to competitors could lead to such a scenario. The risk is that our portfolio companies do not invest sufficiently in environmentally-friendly technology or move to production processes and products with low carbon impact. This becomes a competitive disadvantage if our portfolio companies' direct competitors innovate in this area, thereby taking market share. If this happens, the companies concerned could experience lower sales volumes and prices, resulting in lower profit. It could also cause reputation and goodwill to be negatively affected. Companies could also be similarly impacted should they continue to provide fossil-fuel related products and solutions for e.g. oil and gas production, and not divest in time. The magnitude of the risk is moderated by the fact that our portfolio companies are distributed over many sectors and that each company typically has different products based on a variety of technical solutions.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
For each portfolio company, the risk could have direct impact in terms of lower profits. However, for Investor as an industrial holding company with 24 major holdings, the magnitude of the risk is moderated by the fact that our holdings are distributed over many sectors and that each holding has different products based on a variety of technical solutions. It is very difficult to estimate the financial impact. At year-end 2020, the value of our Listed companies amounted to SEK 367 bn., and our total adjusted assets amounted to SEK 566 bn. A 10% change in the value of our total assets would correspond to a change of approx. SEK 57 bn. There could also be financial impact through lower dividends from our holdings, which could impact our own dividend payout capacity. In 2020, the dividends received from our Listed companies was SEK 7.3 bn. The magnitude of impact is low as many of our companies are sustainability leaders when it comes to decoupling carbon emissions and economic growth.

Cost of response to risk
0

Description of response and explanation of cost calculation
Risk management is part of Investor's tools for governance and control. This risk is managed by Investor's board of directors, management and investment organization, as well as by the board of each holding. Since the leading investment strategy for Investor is to own companies who are leaders in their industries, we continuously focus on

their performance, their technology position and R&D strategy and on new innovative products. Business strategies are developed and material risks analyzed at least once a year by each Board of directors. Controlling this risk is part of the work of the boards, the management's tasks as well as of all other involved in risk management processes described in C2.2 and therefore there is no extra cost.

Comment

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Other, please specify (Damage to reputation and ability to attract talent and capital)

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Investor has communicated ambitious and measurable targets related to climate change, with an aim to decrease Scope 1 and Scope 2 emissions by 50% by 2030, in line with the Paris Agreement. The target is set both for the overall portfolio (source of main impact) but also for Investor AB. When Investor communicated the ambitious targets externally, there was media coverage and stakeholder engagement. There is a risk that Investor's reputation could be damaged if Investor doesn't deliver on the climate targets and make desired progress. A good reputation for Investor and our ownership approach is crucial for our business success. A reputational risk could lead to changed investor preferences and in turn changed demand. Ultimately, this would affect the share value and return on investment. Damage to our reputation could also affect our ability to attract talent.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The reputational damage is difficult to estimate, and we are unable to disclose an impact figure.

Cost of response to risk
33000

Description of response and explanation of cost calculation
We are actively implementing initiatives to reduce our carbon emissions, both for Investor AB and the portfolio companies, to ensure we can reduce our emissions in line with the Paris Agreement. Regular and transparent communication, e.g. on our website and in our annual report, is also a way of managing our stakeholders' expectations. At Investor AB we source all our electricity at the head office from renewable sources. Vectura, our portfolio company that we rent our head office from, has a yearly target to reduce energy consumption and water consumption by 3 percent. During the last three years they have implemented a number of energy reduction initiatives, e.g. installed motion lighting, solar panels and charging posts for electric vehicles. At our offices in the US and the Netherlands we are currently evaluating if we can change to a renewable electricity agreement or buy renewable energy certificates to further reduce our emissions from energy. The climate targets for Investor's overall portfolio is to drive our portfolio companies to reduce their emissions in line with the Paris Agreement. We will drive this through our board representatives by engagement and make sure to follow up on our companies' targets and measures to reduce their climate impact. Investor also monitors and follows our companies progress through dialogue and reporting. Investor follows up and monitors progress at the portfolio level both through an annual self-assessment questionnaire as well as its own analysis and dialogues with the companies' sustainability departments. The portfolio companies' progress, e.g. Scope 1 and Scope 2 emissions, is presented to the Board annually. Investor also has an active dialogue with the Head of Sustainability in each portfolio company through Investor's Sustainability Network. The cost of response is difficult to estimate, as the costs associated with our work in the area of sustainability in general, and climate change in particular, is part of our day-to-day work at the Boards, in the Management Group and at the Sustainability Department at Investor. One specific initiative we are currently evaluating, as part of decreasing the greenhouse gas emissions at Investor AB, is to purchase renewable energy or renewable energy certificates for our offices in the US and the Netherlands. Based on the premium price for renewable energy, we estimate that the cost is 0- 33 000 SEK annually.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Other, please specify (If our holdings manage to reduce emissions and dependency on fossil fuel, and as a result aggregated emissions for Investor AB goes down at the same time as total sales revenues and profits go up, it will have a positive effect on share value.)

Company-specific description
Investor AB's investment strategy is based on an understanding of and conviction that sustainability strategies are fundamental for the long-term growth of our asset value. To a large extent, our holdings have low carbon impact in relation to their respective industries, and many of them are sustainability leaders, such as Atlas Copco, Electrolux, ABB and Husqvarna. In addition, these companies have since many years developed products demanded by customers who require low carbon solutions. Our listed companies are, from year to year, reducing their climate impact, both in absolute terms and in relation to revenues, i.e. decoupling (lower carbon impact and higher revenues and economic results). One positive impact on Investor and a climate related business opportunity is that our share could become a more attractive investment alternative for pensions funds, insurance companies and other investors who seek investment opportunities with low carbon impact in order to reduce their own overall climate risk exposure. As more and more investment capital is directed towards low carbon shares we expect that this will have a general positive effect on shares with low carbon and Investor is positioned to be such an alternative.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
18400000

Potential financial impact figure – maximum (currency)
36700000

Explanation of financial impact figure
The financial impact is, as always, very difficult to estimate. However, if the market value of our Listed Companies increased by 5-10 % due directly to our holdings' ability to maintain strong long-term profitable growth as a result of meeting the changing demands of customers, we estimate that the impact on income and equity would be 18.4-36.7 bn SEK (based on 2020 figures). This is an estimation based on an example from our Annual Report (Note 3) regarding substantive financial impact related to share price risk.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
In order to realize this opportunity, Investor AB's portfolio companies need to continue to reduce their carbon emissions and communicate their sustainability efforts to fund managers and other investors in the investment universe. Those of our holdings that operate sustainably will offer the best products and services and recruit the best employees, thereby remaining highly competitive. This should result in strong long-term profitable growth, which will benefit both the companies themselves and Investor as an owner. At Investor AB, we communicate our holdings' performance and progress in the area of sustainability in general and climate change in particular. On our website we communicate our work in the area of Climate & Resource Efficiency and our holdings progress related to greenhouse gas emissions and targets. Investor AB also engages with several partners in the value chain on the topic of sustainable investments. We strive to be transparent by having an active dialog with our stakeholders, as well as annually measure and report progress. The cost of response is difficult to estimate, as the costs associated with Investor AB's work in the area of sustainability in general, and climate change in particular, is part of our day-to-day work. For our holdings, there is neither any extra cost as this is already included in various presentation material and in the work that is done to reduce risks and enhance opportunities by boards, managements, business developers and communication officers.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description

For many of Investor AB's holdings, development of low carbon products is part of the companies' business strategy, and at the same time reduce their own carbon impact. As the demand for low carbon products increases, we see an increased opportunity for our portfolio companies to develop new products and services through R&D and innovation, which will meet customers' demand. This is exemplified by the following companies in our portfolio: • ABB, which is developing technology for wind turbines and for charging electric vehicles. • Epiroc (following the spin-off from Atlas Copco) developing low energy drilling equipment. • Braunability's latest launch of wheelchair accessibility configuration relates to a hybrid vehicle line. • Husqvarna's development of low carbon emitting chain saws and electrically charged robot lawn movers. • Electrolux who was one of the first companies to develop refrigerants that replace freon (SFCs) and which is leading the development of low energy freezers/refrigerators as well as its development of technology for using recycled plastic and designing products that are easily dismantled and recyclable. • Wärtsilä, which develops products in the marine sector (ship engines etc) that allow customers to operate with a minimum of carbon impact and its focus on solar, biofuel and hydro solutions. • SEB which is recognized as a pioneer in the Green Bond market through a close collaboration with The World Bank in 2007/2008 in the creation of the first World Bank Green Bond.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

For Investor as an industrial holding company with 24 major holdings in several different industries, the financial impact is difficult to estimate. However, as our holdings develop products with lower carbon emissions and reduce carbon emission in production, they become increasingly competitive and efficient, which should benefit Investor over time through value appreciation and growing dividends. However, we are unable to provide any quantitative data on the financial impact of this opportunity.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Part of Investor AB's strategy is to make sure that, as an owner, we drive the importance of sustainability, including climate-related issues and carbon emissions, in the board discussions in our various portfolio companies. We are convinced that those companies that are at the forefront of sustainability, including climate-change, focusing on innovating energy-efficient products and services, will outperform competition over time. Focus on profitability, including climate change, is never an obstacle for long-term profitable growth, but rather a prerequisite. For Investor AB there is no extra cost to realize this opportunity, as this strategy is and has always been part of our ownership work as a long-term focused industrial holding company.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Energy efficient production in order to lower emissions and production costs has a positive side effect of increasing profitability. Many of our companies are actively investing in new technology, optimising transportation and investing in energy efficiency in buildings and manufacturing facilities to reduce energy consumption and lower emissions of greenhouse gases. These initiatives are communicated by the companies in their sustainability reports and in their annual CDP Climate reporting. For the companies that also means competitive strengths. For Investor AB it means the possibility of higher dividends and a positive effect on share value.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Energy efficiency results in lower cost for production and lower carbon impact. The transition to low carbon production usually combines energy efficiency with increased use of renewable energy. Often renewable energy has a premium cost, but this cost is offset by increased productivity and lower energy consumption per product unit produced. The net result is lower cost and increased profitability for the companies in the short term and for Investor AB the effect is higher return on investments, for example through higher dividends in a medium-term perspective. It's difficult to calculate the financial impact and we have therefore filled in a zero.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Efficient production methods are key to developing profitable companies, and one element is energy efficiency. This is managed by Investor's board of directors and investment organization, as well as by the board of each holding. Since the leading investment strategy for Investor is to own companies which are leaders in their industries, we continuously focus on their performance. We make sure that experience in production management is represented in each company's board. The strategy is realized by the board of each company where also Investor AB has a representative. In addition, each company board has access to Investor's network of industry production expertise, both external and from other companies in the group, to achieve resource efficiency, slim and energy efficient production processes. This is an important way of realizing opportunities and limiting risks. To realize this opportunity does not involve any additional cost for Investor.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	Yes	Yes, the low-carbon transition plan is included in the Annual Report which is a resolution item on the AGM. In addition, an important topic in the 'President's address' in the AGM agenda is the low-carbon transition plan and progress.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Combination of many scenarios and models)	In 2020, Investor AB used a qualitative method to conduct a high-level analysis of our resilience in a high-emission scenario and a low-emission scenario in line with the Paris Agreement. The scenario process helped us understand the current performance and gave a clear path forward what is required to stay well below 2DS boundaries. It was concluded that the climate strategy needed to be accelerated to meet the new required emissions reduction targets. Investor has a long-term investment horizon with an industrial focus on building competitive companies, leading in their respective industries over time. Given Investor's long-term investment horizon (over 15 years) it is crucial to take climate aspects into account in investment decisions. Climate risks and opportunities exist both in the short- and long-term perspective. In the shorter term, the transition to a low carbon society also means investment opportunities, e.g. companies with products and services that contribute to the transition to a low-carbon economy. Concurrently, there is a risk that our portfolio companies do not transform quickly enough to meet the demands for lower carbon emission solutions, impacting the long-term value of Investor's portfolio. Investor drives and encourages the portfolio companies to use scenarios to assess their resilience and inform their business strategy and financial planning. This will in turn enable Investor to better understand the risks and opportunities on our business, strategy and financial planning. Examples from our portfolio: Astra Zeneca applied RCP4.5 and RCP8.5 in their climate-related scenario analysis. The scenarios were applied to all operation sites, R&D and other strategic sites and looked into current state, 2030 (medium term) and 2050 (long term). The time horizon was set to visualize how climate related hazards differentiate under each scenario. The outcome was combined with criticality per site (revenue based) to develop a priority list of sites to be analyzed at a deeper level. Specific climate-impacted risk assessments will be conducted at the prioritized sites to better understand their exposure to chronic physical risks like extreme heat, water stress and sea level increase. The chronic physical risks are relevant due to the company's specialized manufacturing. The complex and specialized processes require skilled technicians and highly controlled environments. As a result, if a particular location should be affected by chronic physical impacts then it would be difficult to transfer operations to a new facility and any transfer would require regulatory oversight and approval. Astra Zeneca took part in the original technical working group that led to the establishment of the SBT Initiative and were one of the first four FTSE350 companies to have its SBT targets verified. In order to achieve this it used the Sectoral Decarbonisation Approach which uses RCP 2.6 as the base data. Electrolux has used the IEA ETP 2DS to set the target of cutting CO2 emissions by almost 60% by 2050 (compared with 2013), followed by continued decline after 2050 until carbon neutrality is reached. The result from the SBT climate scenario analysis gave Electrolux a clear path forward what is required to stay well below 2DS boundaries. Husqvarna has analyzed its future climate change impact of products and services. They used IPCC RCP 2.6 and RCP 8.5 scenario to assess average mean temperature increase and precipitation change impact on areas where the manufactured products have mainly been used (e.g. forest, grass, parks). The assessment was region specific (e.g. Northern Europe, US East, US West) with focus on regions which generate the largest revenues and regions with future potential market growth. To assess impact the company used short-term (2016-2035), mid-term (2046-2065) and long-term (2081-2100) time horizons.
RCP 4.5 RCP 8.5	Astra Zeneca applied RCP4.5 and RCP8.5. The scenarios were applied to all (55) sites in operations, R&D and other strategic sites and looked into current state (short term), 2030 (medium term) and 2050 (long term). The time horizon was set to visualize how climate related hazards differentiate under each scenario. The selection was also benchmarked against pharma peers and shareholders expectations. The outcome of the screening was combined with criticality per site (revenue based) to develop a priority list of sites to be analyzed at a deeper level based on available local data. Specific climate-impacted risk assessments will be conducted at the prioritized sites to better understand their exposure to chronic physical risks like extreme heat, water stress and sea level increase. The chronic physical risks are relevant for AstraZeneca due to specialized manufacturing. For instance, the complex and specialized (and patented) processes require skilled technicians and highly controlled environments. As a result, if a particular location were affected by chronic physical impacts then it would be difficult to transfer operations to a new facility and any transfer would require regulatory oversight and approval. Astra Zeneca took part in the original technical working group that led to the establishment of the Science Based Targets initiative. Astra Zeneca committed to set a SBT Q3 2015 and were one of the first four FTSE350 companies to have those targets verified. In order to achieve this it used the Sectoral Decarbonisation Approach (SDA) which uses RCP 2.6 as the base data.
2DS	Electrolux has used the IEA ETP 2DS to set the target of cutting CO2 emissions by almost 60% by 2050 (compared with 2013), followed by continued decline after 2050 until carbon neutrality is reached. The result from SBT climate scenario analysis gave Electrolux a clear path forward what is required to stay well below 2DS boundaries. Electrolux climate strategy prior to the 2DS analysis was compared with the new emissions reductions scenario. As a result the business objectives and strategy needed to be updated and it was concluded that the climate strategy needed to be accelerated to meet the new required emissions reduction targets.
RCP 2.6 RCP 8.5	Husqvarna has analyzed future climate change impact of the products and services. They used IPCC RCP 2.6 and RCP 8.5 scenario to assess average mean temperature increase and precipitation change impact on areas where mainly the manufactured products have been used (e.g. forest, grass, parks). The assessment was region specific (e.g. Northern Europe, US East, US West) with focus on regions which generate the largest revenues and regions with future potential market growth. To assess impact the company used short-term (2016-2035), mid-term (2046-2065) and long-term (2081-2100) time horizons.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Investor's strategy is to invest in market-leading companies with high exposure to attractive long-term trends. Climate-related risks and opportunities are influencing our strategy in several areas related to our investments. Through board representation, dialogue and reporting Investor influences and engages its portfolio companies for example related to the management of risks and opportunities. In the area of products and services, climate-related risks and opportunities are influencing our strategy since the demand for products and services offered by our portfolio companies will shift to demand for low carbon products (medium-term). This shift could affect our share value and return on investment if our portfolio companies are unable to meet the new market demands. For all companies, mitigating risks by developing low carbon products and moving towards product lines with less emissions is part of the companies' business strategies. Investor drives this through board representatives in each company. Investor has specialized Business Teams that analyse and track each company. The performance and prioritizes are summarized in value creation plan that is presented and discussed with the board representatives. Examples that demonstrate how our portfolio companies have mitigated and adapted their products to climate change: - ABB supplies technology for wind turbines and for charging electric vehicles. In 2020, ABB's eco-efficiency portfolio represented 58% of its revenue. - Epiroc offers electric products and products with low energy, and electric drilling equipment with battery technology to reduce diesel emission in mines. - Husqvarna has developed technology for using recycled plastic and designing products that are easily dismantled and recyclable. The company's resource efficiency products accounted for 32% of gross profit for consumer products. - Wärtsilä develops products in the marine sector and focus on allowing customers to operate with a minimum of carbon impact and its products for solar, biofuel and hydro solutions. On a general level, adaptation to climate change is not influencing as much as mitigation today but is expected to increase in the medium-term where some of our companies might have defined certain geographical areas as high risk areas, and for instance relocated factories due to extreme weather conditions etc.
Supply chain and/or value chain	Yes	Climate-related risks and opportunities are influencing our strategy in several areas related to our investments. Through board representation, dialogue and reporting Investor influences and engages its portfolio companies related to management of climate-related risks and opportunities. Given Investor's long-term investment horizon (15 years and above) it is crucial to consider climate-related risks and opportunities related to investment decisions. Investor has inclusion criteria when investing in new portfolio companies. Investments in new portfolio companies can be made in companies in the following sectors: health care, industrials, technology, business services, infrastructure and real estate. Prior to investing in a new company, Investor conducts a due diligence exercise that also includes climate. Climate risks and opportunities exist both in the short- and long-term perspective. In the shorter term, the transition to a low carbon society also means investment opportunities, e.g. companies with products and services that contribute to the transition to a low-carbon economy. Concurrently, there is a risk that our portfolio companies do not transform quickly enough to meet the demands for lower carbon emission solutions, impacting the long-term value of Investor's portfolio. We are placing more emphasis on analyzing our existing portfolio companies' climate related risks and opportunities compared to previous years and we are confident that this will increase going forward. The most substantial strategic decision recently was the Boards' decision to set measurable targets for both Investor AB and our overall portfolio. The targets are aligned with the Paris Agreement and reach towards 2030 (medium-term). The target, both for Investor and our portfolio companies, is to reduce Scope 1 and Scope 2 CO2e emissions by 50% by 2030. Investor drives climate aspects through board representation and creates value creation plans for each portfolio company to achieve these ambitious targets. Investor monitors and tracks the portfolio companies' climate strategies and progress both with regard to adaptation and mitigation. The mitigation is included in the target to drive our portfolio companies to reduce emissions. Adaption is primarily done by ensuring production and logistic solutions are resilient considering risks of extreme weather events.
Investment in R&D	Yes	Climate-related risks and opportunities are influencing our strategy in several areas related to our investments. With the business goal to grow our portfolio companies in the long-term (15 years and above), research and development (R&D) is strategically vital to secure competitive strength and profitability. Since the investment strategy for Investor is to own companies which are leaders in their industries, we continuously focus on their performance, their technology position and R&D strategy to develop new innovative products that can meet new market demands due to climate change mitigation and adaptation. Technology is regarded as an opportunity for our portfolio companies as they are on the frontline of technological development. The main opportunity relates to being consumers' preferred choice by leveraging new technology to take the lead in developing products and services with a low climate impact. However, there is always a risk that our companies do not adopt quickly enough. If technological innovations or methods are not identified, if they do not comply with new legislation of energy efficiency or if the market demand shifts to new energy-efficient solutions, it could lead to reduced demand. If it affects the key product or service category for a specific company, it could lead to significant financial impact for that specific company in the form of reduced revenues. Investor encourages all portfolio companies to invest in innovation and monitor the companies' investments in R&D. In 2020, R&D expenses in our companies totalled SEK 122bn. Examples from our holdings: AstraZeneca launched their strategy to eliminate emissions by 2025 and be carbon negative across the entire value chain by 2030. The $1bn program include the launch of next-generation respiratory inhalers (with near-zero GWP propellants) and a wide range of energy initiatives to reduce climate impact to zero. In 2019 and 2020 BraunAbility dedicated R&D towards engineering capabilities that would enable the company to fit out their first line of hybrid vehicle for wheelchair accessibility in 2021. Husqvarna invested SEK 1,711m in R&D in 2020, a large share of this in new product innovation connected to energy efficiency and low-carbon solutions. The result of the groups' R&D affects indirectly Investor AB's share value and attractiveness on the investor market.
Operations	Yes	Through board representation, dialogue and reporting Investor influences and engages its portfolio companies for example related to management of risks and opportunities. Climate-related risks and opportunities has influenced our portfolio companies' operations in short to medium-term. As an example, five of our portfolio companies: ABB, AstraZeneca, Electrolux, Ericsson and Husqvarna have SBT reduction targets covering emissions from their operation. The companies with SBT will reduce emissions in line with the level of decarbonisation required to keep global temperature increase well below 2 degrees. This will mean that the competitive strength of the companies has increased compared to companies without ambitious targets. In 2020, Astra Zeneca launched their Ambition Zero Carbon, committing to become zero carbon by 2025 across operations (sites and fleet). Electrolux also has the SBT to reduce the absolute scope 1 and 2 emissions by 80% between 2015 and 2025. In 2019, Electrolux announced its commitment to become climate neutral with zero carbon emissions from operations by 2030. In 2019, Ericsson also set a Carbon Neutral target for their operations by 2030. Husqvarna Group has SBT targets consistent with reductions required to keep warming to 1.5°C. In 2020, ABB launched target to achieve carbon neutrality in its own operations by 2030. SEB raised the ambition to 100% reduction by 2045. In 2020, Sobi has set the target to achieve net zero emissions from sites and ground fleet by 2030. Both climate risks and opportunities can impact operations and one important part of the companies' competitive edge is to focus on efficiency to reduce costs. Efforts to reduce energy consumption and carbon emissions are followed up yearly. Electrolux has a target to improve energy efficiency at its manufacturing sites and warehouses by 20% by 2020 (baseline 2015). By the end of 2020, ISO 50001 was implemented at 60% of Electrolux sites around the world, and the remaining sites are in the process of certification. By the end of 2020, ABB had more than 120 energy efficiency projects underway at ABB sites around the world that are projected to deliver more than 24 GWh of annual savings. ABB is for example installing on-site photovoltaic power plants on more of its facilities. ABB's production of solar power for its own use increased by 36 percent in 2020.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Investor is an industrial holding company, with a portfolio of 24 companies operating in different sectors and geographical regions. As an investor we are, from a financial planning point of view, dependent on our portfolio companies' performance and their ability to adapt to and mitigate climate-related risks and opportunities. The climate-related risks and opportunities therefore influence our financial planning in the medium to long-term (5 years and above). Because we have a long-term time horizon, future-proofing our portfolio companies' revenue streams is important. We support our companies to make the appropriate R&D and business development decisions eg. through supporting a bank refinancing at the company, or by making a capital injection if necessary. We also devote time to ensure board composition at our portfolio companies is appropriate to support that journey. This might take the form of encouraging bringing on board-level experience with autonomous and electric vehicles for a company like Braunability. Investor's asset value and share value are directly connected to its portfolio companies and the financial results they create. The financial risks and opportunities that affect our portfolio companies' asset values will therefore also impact Investor AB's asset value. The magnitude of the impact is considered medium. If climate-related risks were to significantly impact the overall risk profile of our portfolio companies, this could potentially impact the risk profile of Investor AB, which could potentially impact Investor AB's funding costs and access to capital. The magnitude of the impact is considered low.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, climate-related issues are integrated into our general policy framework that relates to our financing activities

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Sustainable/Responsible Investment Policy	All of the portfolio	Our Sustainability Policy embeds climate and is publicly available on our web. The policy describes the roles and responsibilities for fulfilling Investor's objectives as a responsible owner and company. As a long-term owner, Investor's main goal is to drive and develop our portfolio companies to be best-in-class. All portfolio companies are covered by the Sustainability Policy (100% of total assets). The policy includes the climate metrics regarding investments, and general description of the inclusion criteria and how the investment process embeds climate in the due diligence process. The internal processes are not publicly available. Link to Policy: https://www.investorab.com/media/1ftbskqc/sustainability-policy-2021-02-01.pdf
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	Not applicable - Investor AB is an industrial holding company with no products or services.

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Not applicable, because we don't have externally managed assets

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2016

Covered emissions in base year (metric tons CO2e)
118

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
59

Covered emissions in reporting year (metric tons CO2e)
88

% of target achieved [auto-calculated]
50.8474576271186

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)
Investor has set climate targets in line with the Paris Agreement and has used a Science-based Target Setting Tool. The absolute contraction approach was used to find the percentage of reduction needed to be in line with the Paris Agreement of limiting warming to well below 2°C and aiming for 1.5°C. As we are a small organization, we have limited resources to conduct the process of SBTi, but we have followed their method and principles in our analysis and goal formulation. Investor is in the process of formally committing to the Exponential Roadmap and Race to Zero. Investor uses financial year actuals (no average figures). The target covers our emissions in scope 1 and 2 from company cars and purchased electricity and heating.

Target reference number
Abs 2

Year target was set
2019

Target coverage
Other, please specify (Portfolio companies' total scope 1 and 2 emissions (market based))

Scope(s) (or Scope 3 category)
Scope 3: Investments

Base year
2016

Covered emissions in base year (metric tons CO2e)
2481500

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
1240750

Covered emissions in reporting year (metric tons CO2e)
1482500

% of target achieved [auto-calculated]
80.5158170461414

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)
Investor used the Science-based Target Setting Tool and the absolute contraction approach to identify the percentage of reduction needed to be in line with the Paris Agreement. For our scope 3 emissions (related to our investments) we are proud to have gone beyond the SBTi method, whose approach is to take as sufficient a scope 3 emissions reduction target that stands for a high proportion. It is in our role as an owner (investments) where Investor has the most impact, and Investor has set the same reduction speed for this target as for our scope 1 and 2 emission target. Investor uses financial year actuals (no average figures) and collects GHG emissions data directly from our portfolio companies. The overall portfolio target is to reduce portfolio companies' scope 1 and 2 emissions by 50 percent by 2030 compared to 2016. This is an absolute reduction target for the overall portfolio (not an equity approach). The reason for setting the target on the total level is to drive all our portfolio companies to reduce their emissions and not be able to divest in companies with higher emissions. The baseline year is 2016 to align our strategy period with Agenda 2030 and the Global

Sustainability Goals. In 2020, greenhouse gas emissions from our overall portfolio decreased by 40 percent compared to 2016. We have internal milestones for this long-term target and it's not linear due to the need for innovation and technological development. As we have no operating control over the companies, we are driving this at the board level. In the yearly sustainability questionnaire Investor tracked that 78 percent of our companies had targets to reduce scope 1 and 2 emissions. By the end of 2020, 57 percent of our portfolio companies had aligned their climate strategies to the Paris Agreement and set measurable targets to decrease greenhouse gas emissions by 50 percent or more by 2030. We expect more companies to commit to ambitious climate targets within the next five years. Investor has also set a second portfolio target to ensure that all of our companies have relevant reduction targets for scope 3 emissions (reported under C4.2).

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2019

Target coverage
Other, please specify (Investments)

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (Metric: Proportion of companies with relevant scope 3 reduction targets)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2016

Figure or percentage in base year
0

Target year
2030

Figure or percentage in target year
100

Figure or percentage in reporting year
43

% of target achieved [auto-calculated]
43

Target status in reporting year
Underway

Is this target part of an emissions target?
This is an additional target to our absolute reduction targets above and is part of our climate strategy and long-term targets.

Is this target part of an overarching initiative?
Other, please specify (Inspired by 1.5 Business Playbook to ensure our portfolio companies integrate climate in their business strategies.)

Please explain (including target coverage)
Investor has set an additional portfolio target to ensure that all of our companies have relevant reduction targets for their scope 3 emissions. The portfolio companies' scope 3 emissions are material. It is challenging to set an overall reduction target due to the complexity of the different business models and industries. Investor has therefore set this target to ensure that our companies integrate climate in their business strategies where it is most relevant to them and ensuring that emissions upstream and downstream in the value chain are taken into consideration. In 2020, 74 percent of our companies measured scope 3 emissions and 43 percent had reduction targets related to their products, services or value chain (the portfolio companies' scope 3 emissions). This is an increase compared to 2019 when 36 percent of the companies had reduction targets for scope 3 emissions.

Target reference number
Oth 2

Year target was set
2019

Target coverage
Site/facility

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	MWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
1291

Target year
2020

Figure or percentage in target year
3

Figure or percentage in reporting year
1102

% of target achieved [auto-calculated]
14.6739130434783

Target status in reporting year
Achieved

Is this target part of an emissions target?
Yes, energy efficiency target in Investor's head office contributes to Abs 1 above even though the office already has high proportion of renewable energy.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
Reducing energy consumption with three percent yearly at our head office. During the last three years Vectura, our portfolio company, from whom we rent our head office, has implemented a number of energy reduction initiatives, e.g. installed motion lighting, solar panels and charging posts for electric vehicles. Coverage: 65%, the energy consumption at our head office represents 65 percent of Investor's total energy consumption. The target is to reduce consumption with three percent yearly.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1

Target year for achieving net zero
2035

Is this a science-based target?
No, but we are reporting another target that is science-based

Please explain (including target coverage)
100% for Investor AB's scope 1 and 2 emissions. The target is a commitment connected to Exponential Roadmap and Race to Zero campaign and will be communicated externally in September 2021.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	6	13459
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
7

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
160000

Investment required (unit currency – as specified in C0.4)
470000

Payback period
1-3 years

Estimated lifetime of the initiative
16-20 years

Comment
Heating pump of 80kW that generates both heating and cooling, reducing the need for cooling during 4-6 months of the year at Investor's head office in Stockholm. The need for purchased heating decreased by approximately 30% in 2020 and the estimated annual CO2e savings is estimated for the office space that Investor rents (approx. 55% of the building where the heating pump is installed). The estimation is based on an annual saving of 30% in energy consumption, applying the emission factor from our district heating supplier in 2020.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement

Estimated annual CO2e savings (metric tonnes CO2e)
2

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
3-5 years

Comment
Changing petrol car to diesel with much lower fuel consumption without any cost associated with it.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
80

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
200000

Investment required (unit currency – as specified in C0.4)
1000000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
Emission reduction initiatives within our own organisation at head office are important, but not as material as influencing our portfolio companies to reduce their GHG emissions. Our general strategy is to influence our holdings to make sure that they take actions in line with good business development including emission reduction initiatives when relevant. We have therefore reported a selection of our holdings' emission reduction initiatives. Husqvarna is one of Investor's listed companies and is a leading outdoor products company with strong brands, high end-customer focus and an innovative culture. Husqvarna has installed ventilation system in several Husqvarna Group facilities that have estimated annual savings of approximately 80 tonnes of CO2 emissions per year.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
3000

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
410000

Investment required (unit currency – as specified in C0.4)
990000

Payback period
1-3 years

Estimated lifetime of the initiative
11-15 years

Comment
Emission reduction initiatives within our own organisation at head office are important, but not as material as influencing our portfolio companies to reduce their GHG emissions (portfolio companies' scope 1 and 2 emissions are emissions within Investor AB's scope 3). Our general strategy is to influence our holdings to make sure that they take actions in line with good business development which includes emission reduction initiatives when relevant. We have therefore reported a selection of our holdings' emission reduction initiatives. Electrolux is one of Investor's listed companies and is a leading global appliance company with a strong brand portfolio, an asset-light business model, and a strong focus on sustainability and innovative customer experiences. Due to implementation of approximately 10 lighting projects 3000 tonnes CO2 has been reduced in 2020.

Initiative category & Initiative type

Low-carbon energy consumption	Wind

Estimated annual CO2e savings (metric tonnes CO2e)
6450

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
414500

Payback period
No payback

Estimated lifetime of the initiative
<1 year

Comment
Emission reduction initiatives within our own organisation at head office are important, but not as material as influencing our portfolio companies to reduce their GHG emissions (portfolio companies' scope 1 and 2 emissions are emissions within Investor AB's scope 3). Our general strategy is to influence our holdings to make sure that

they take actions in line with good business development and that includes emission reduction initiatives when relevant. We have therefore reported a selection of our holdings' emission reduction initiatives. Astra Zeneca is one of Investor's listed companies and is a global biopharmaceutical company focused on delivering innovative treatments in three therapeutic areas: Oncology, Cardiovascular, Renal and Metabolism (CVRM), and Respiratory. This initiative is part of Astra Zeneca's continued progress to its RE100 commitment to use 100% renewable power globally by 2025, with an interim milestone of 100% in US and Europe by 2020.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
3920

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
8608867

Investment required (unit currency – as specified in C0.4)
44872999

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
Emission reduction initiatives within our own organisation at head office are important, but not as material as influencing our portfolio companies to reduce their GHG emissions (portfolio companies' scope 1 and 2 emissions are emissions within Investor AB's scope 3). Our general strategy is to influence our holdings to make sure that they take actions in line with good business development and that includes emission reduction initiatives when relevant. We have therefore reported a selection of our holdings' emission reduction initiatives. ABB is one of Investor's listed companies and is well positioned in the electrification and automation industries with leading product portfolios, broad geographic presence and strong market positions. CO2e savings have been achieved through 47 HVAC projects, which include automation and optimization of heating & cooling systems, replacing of boilers and air conditioners etc.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Vectura, our portfolio company, is responsible for management of our properties including head office. They have a technical manager who is responsible for implementing energy and emission reduction projects related to its properties.
Employee engagement	For operations at our head office we encourage our employees to consider reducing their environmental impacts, e.g. related to travel and use of resources.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2016

Base year end
December 31 2016

Base year emissions (metric tons CO2e)
22

Comment
The Scope 1 emissions include emissions from company-owned/long-leased vehicles.

Scope 2 (location-based)

Base year start
January 1 2016

Base year end
December 31 2016

Base year emissions (metric tons CO2e)
112

Comment
The Scope 2 emissions include purchased energy for the head office in Sweden, and the two small offices in USA and one in Amsterdam.

Scope 2 (market-based)

Base year start
January 1 2016

Base year end
December 31 2016

Base year emissions (metric tons CO2e)
96

Comment
The Scope 2 emissions include purchased energy for the head office in Sweden, and the two small offices in USA and one Amsterdam.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
16

Start date
January 1 2020

End date
December 31 2020

Comment
Investor AB has no operation/manufacturing. The emissions from scope 1 is company-owned/long-leased cars.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
18

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
18

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
22

Start date
January 1 2017

End date
December 31 2017

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
91

Scope 2, market-based (if applicable)
72

Start date
January 1 2020

End date
December 31 2020

Comment
The reported scope 2 emissions include purchased electricity and district heating for our offices. Just to give an overview of the size of the offices, the number of employees in each office in the end of 2020: Stockholm 79 employees New York 12 employees Amsterdam 2 employees Palo Alto 1 employee Total 94 employees at the end of 2020.

Past year 1

Scope 2, location-based
98

Scope 2, market-based (if applicable)
86

Start date
January 1 2019

End date
December 31 2019

Comment
The figures for emissions have been restated due to availability of actual energy figures for the office in New York.

Past year 2

Scope 2, location-based
103

Scope 2, market-based (if applicable)
90

Start date
January 1 2018

End date
December 31 2018

Comment
The figures for emissions have been restated due to availability of actual energy figures for the office in New York.

Past year 3

Scope 2, location-based
101

Scope 2, market-based (if applicable)
87

Start date
January 1 2017

End date
December 31 2017

Comment
The figures for emissions have been restated due to availability of actual energy figures for the office in New York.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Heating in offices in US and Amsterdam (15 employees in total)

Relevance of Scope 1 emissions from this source
No emissions from this source

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
For our offices in the US and Amsterdam we have been unable to obtain reliable data on heating, and this activity is therefore excluded in our disclosure. However, we judge that heating from these offices (with only 15 employees in total) is not material.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5.1

Emissions calculation methodology
The emissions from purchased goods and services include catering food, copy paper, printed materials and water consumption. Food in our restaurant normally represent the largest emissions. In 2020, due to corona the restaurant was only opened January-March due to employees working from home the remaining year. In 2020, only 2881 meals were served in the restaurant. Emissions from meals which are 1/3 meat based, 1/3 fish and 1/3 vegetarian and are based on research from the Swedish University of Agricultural Science. The emission factors are average emission factors for a ready-made meat, fish and vegetarian meal. The emission factors for food have been revised for 2020. We are also measuring consumption of office paper, printed material and envelopes. Emissions are based on weight. Water data is based on metre readings. The calculations have been done by using the calculation platform Our Impacts from Ecometrica, an accredited CDP calculation partner. Compared to the emissions within our portfolio, these emissions stand for a very low percentage of our total scope 3 emissions. The emissions are relevant to calculate and monitor but are low compared to other scope 3 emissions (investments and business travel) and therefore not identified as the most material emissions (due to limited size and risk). There are also other scope 3 emission we have not calculated such as use of purchased server capacity, which we don't consider material. Therefore, we estimate that 95% of the emissions from suppliers are being included.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
95

Please explain

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
17.9

Emissions calculation methodology
Capital goods refer in our case to electronic equipment like computers, screens, other office machines and furniture. We have used emission factors published by the suppliers for computers (87 kg CO2e/product), smartphones (60 kg CO2e/product) and monitors (353 kg CO2e/product) for estimating the emissions from the purchased IT equipment. The suppliers are Lenovo, Samsung and Apple, and data is derived from product declarations. The calculation platform Our Impacts from Ecometrica, an accredited CDP calculation partner, has been used to calculate the emissions. We consider the emissions relevant to calculate and monitor as we have influence to reduce the emissions in dialogue with suppliers. The number of purchased equipment varies a lot between the years, for example in 2017 the emissions from purchased IT equipment was 52 tonnes of CO2e and in 2019 it was 1.3 tonnes of CO2e. The emissions are low compared to other scope 3 emissions (investments and business travel) and therefore not identified as the most material emissions. The purchased IT equipment includes the office in Sweden which represents approx. 84% of the employees. The offices in USA and Amsterdam are not included in these figures.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
84

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
27

Emissions calculation methodology
The emissions include upstream emissions from fuel for vehicles and air travel, and for electricity for our offices in the US and the Netherlands (the upstream emissions from our electricity and district heating in Sweden are not included since all electricity is renewable and the upstream emissions are very low). The calculations of upstream emissions from fuel and air travel are based on kilometres driven and emissions factors published by the Department for Business, Energy and Industrial Strategy (BEIS) in the UK. Emission factors for upstream emissions and T&D losses for electricity in the US are derived from BEIS (2019) and for the Netherlands the source is IEA and IPCC. The calculations have been done using the calculation platform Our Impacts from Ecometrica, an accredited CDP calculation partner. For a majority of the emissions data is actual data. If consumption data is not available we have used office square metre to estimate emissions. Kilometres driven have been collected from accounting records for company-owned/long term leased vehicles. Air travel data is provided from the travel agency. The fuel-and-energy-related activities are relevant to include to monitor the footprint of our business, and to take into account the whole lifecycle emissions from our activities.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Upstream transportation and distribution for the Investor head office mainly include deliveries to our office and we have not obtained any data for this activity. We estimate that the emissions from these activities are not material due to size, risk and is also not deemed important by stakeholders in recent stakeholder dialogue.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Waste generated at our office is not a material emission source, in the recent stakeholder dialogue (conducted in 2019) waste was not highlighted as an important topic by our stakeholders. Investor has limited amount of waste as we have no manufacturing. Most of our waste go to incineration and other types of waste, e.g. paper and cardboard, is recycled.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
65

Emissions calculation methodology
Total emission from business travel was 65 tonnes of CO2e, of these the air travel represent the largest emissions (64 tonnes of CO2e). Taxi, hotel night stays and train journeys represent approximately 1 tonnes CO2e. In 2020, the emissions from business travel from air were significantly reduced due to covid19. - Stockholm, Sweden : For air travel, we have obtained data from our travel agency, including short-haul, medium-haul and long-haul in the booking classes economy and business. - New York, US: In 2020, air travel data has been collected and not estimated. Emissions have been calculated using emission factors from the Department for Business, Energy and Industrial Strategy (UK). An RFI factor of 2 has been applied to air travel to include the high altitude effect. Upstream emissions are also included. Information about hotel night stays, taxi and train journeys have been provided by the travel agency and our taxi provider. The calculations have been done by using the calculation platform Our Impacts from Ecometrica, an accredited CDP calculation partner. We estimated that approximately 97% of emissions is calculated (the travel by taxi and hotel night stays by employees in USA and the Netherlands are not included).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
97

Please explain

Employee commuting

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Investor's head office (including small offices in New York, Palo Alto and Amsterdam) employed 94 people by the end of 2020. This emission source is relevant, and we will consider calculating it in future assessments. It is relevant since it would create an awareness among the employees of the importance of working together to reduce emissions. The emissions from commuting are relatively low, for example in Stockholm and New York where majority of the employees are working, many employees commute by subway, train or bus. Many employees in Sweden use bicycles and since we do not provide parking, commuting by car is rare. Stockholm has a commuting system which is very carbon efficient. Employee commuting could be a material emission source, but we have so far focused our efforts on including emission sources that we can control.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The only leased assets we use are copy machines. We have no data to generically measure the emissions. The emissions from upstream leased assets were considered non-material in recent stakeholder dialogue (conducted 2019) due to limited influence, size and risk.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The only downstream transportation is the distribution of post to our stakeholders, the emissions from these are estimated to be low and not identified as relevant and material topic to monitor.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not sell any products, so processing of sold products is not a relevant emission source.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not sell any products, so use of sold products is not a relevant emission source.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not sell any products, so end of life treatment of sold products is not a relevant emission source.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Investor owns property which is managed through our portfolio company Vectura. Vectura's emissions are included in the category "Investments" so to prevent double counting the field above is left empty.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We don't operate any franchises.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.9

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
88

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
94

Scope 2 figure used
Market-based

% change from previous year
20

Direction of change
Decreased

Reason for change
Investor has reduced its emissions by 20% in relation to FTE and 15% in absolute figures. The reason for improvement in intensity compared to 2019 is mainly the absolute reduction and in addition the increased number of employees (and same office space). The number of employees end of year 2020: 94 compared to 89 employees in 2019. The total scope 1 and 2 emissions in 2020 equalled 88 tonnes of CO2e and 103 tonnes of CO2e in 2019. The total reduction of emissions within scope 1 and 2 emissions equalled 15%. Analysis of the reduction of gross Scope 1+2 emissions: Scope 1: Scope 1 emissions reduced 12% due to changing petrol car to diesel with lower fuel consumption. Scope 2: The reduction is due to energy efficiency activities, for example related to motion lightning and changed to more LED lights. The electricity consumption decreased by 10% in US and 4% in Sweden.

Intensity figure
8

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
88

Metric denominator
unit total revenue

Metric denominator: Unit total
11

Scope 2 figure used
Market-based

% change from previous year
7

Direction of change
Decreased

Reason for change
The metric denominator for revenue: MSEK. 2020: 11 MSEK 2019: 12 MSEK Intensity figure: 2020: 8.0 tonnes of CO2e /MSEK 2019: 8.6 tonnes of CO2e /MSEK The reason for change is due to reduced emissions in absolute terms. Clarification: Investor AB has no products and services and the intensity figure for revenue is therefore not a useful KPI for analysing Investor AB's performance.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	The scope of renewable energy has not changed in 2020 compared to 2019. Investor is evaluating the possibility to purchase renewable electricity or renewable energy certificates for our offices in the US and the Netherlands. The electricity consumption decreased by 10% in US and 4% in Sweden. Investor already purchases renewable electricity for all electricity consumption in Sweden.
Other emissions reduction activities	10	Decreased	9.7	Scope 1+2 emissions decreased by 15% compared to 2019, of which we estimate that 10 tonnes CO2e were due to emission reduction initiatives in scope 1 and 2. The reduction of emissions is mainly due to energy efficiency activities in scope 2. Through various energy reduction measures (e.g. installation of a heat pump and new heating and cooling regulation) we have: - Reduced district cooling by 34% (equal to 52 MWh) - Reduced district heating by 29% (equal to 112 MWh). The reduced emissions are mainly from reduced district heating by 29% in the main premises in Stockholm/Sweden. The scope 1 emissions reduced 12% due to changing petrol car to diesel with lower fuel consumption. The decrease was 2 tonnes CO2e. The total scope 1 and 2 emissions in 2020 equal to 88 tonnes of CO2e and 103 tonnes of CO2e in 2019. The total reduction of emissions in scope 1 and 2 due to emission reduction initiatives are 10 tonnes CO2e (10/103 = 9.7%).
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified	5	Decreased	4.8	The energy consumption at our New York office has decreased by 11% (equal to 5 tonnes CO2e) during 2020. We have not been able to identify the reason for the decrease. The decrease might be a result of the corona pandemic requiring less energy for heating, lights and electrical equipment. Decrease: 5 tonnes CO2e Total scope 1 and scope 2 emissions in 2019: 103 Reduction in 2020 compared to 2019: 5/103= 4.8%.
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	No
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired electricity	<Not Applicable>	523	197	720
Consumption of purchased or acquired heat	<Not Applicable>	102.5	174.5	277
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	103	0	103
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	728.5	371.5	1100

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/ section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 122 Comment regarding standard: Auditor has applied International Standard on Assurance Engagements (ISAE3000) and considered relevant parts of ISAE3410.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/ section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 122 Comment regarding standard: Auditor has applied International Standard on Assurance Engagements (ISAE3000) and considered relevant parts of ISAE3410.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/ section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 122 Comment regarding standard: Auditor has applied International Standard on Assurance Engagements (ISAE3000) and considered relevant parts of ISAE3410.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 122 Comment regarding standard: Auditor has applied International Standard on Assurance Engagements (ISAE3000) and considered relevant parts of ISAE3410.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Investments

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 122 Comment regarding standard: Auditor has applied International Standard on Assurance Engagements (ISAE3000) and considered relevant parts of ISAE3410.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 120 The other scope 3 emissions (total 50 tonnes of CO2e) include: - Fuel-and-energy-related activities (27 tonnes of CO2e) include activities not included in scope 1 and 2 - Capital goods (18 tonnes of CO2e) include electronic equipment like computers, screens, other office machines - Purchased goods and services (5 tonnes of CO2e) include catering food, copy paper, printed materials and water consumption

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Capital goods

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 120 The other scope 3 emissions (total 50 tonnes of CO2e) include: - Fuel-and-energy-related activities (27 tonnes of CO2e) include activities not included in scope 1 and 2 - Capital goods (18 tonnes of CO2e) include electronic equipment like computers, screens, other office machines - Purchased goods and services (5 tonnes of CO2e) include catering food, copy paper, printed materials and water consumption

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 120 The other scope 3 emissions (total 50 tonnes of CO2e) include: - Fuel-and-energy-related activities (27 tonnes of CO2e) include activities not included in scope 1 and 2 - Capital goods (18 tonnes of CO2e) include electronic equipment like computers, screens, other office machines - Purchased goods and services (5 tonnes of CO2e) include catering food, copy paper, printed materials and water consumption

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Investments

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Investor CDP verification letter 2020.pdf
Investor AB Annual Report 2020.pdf

Page/section reference
Investor CDP Verification Letter 2020: page 1-2 Investor Annual Report 2020: page 120 include emissions from our investments in portfolio companies, both equity share approach (284,500 tonnes of CO2e) and total emissions (1,482,500 tonnes of CO2e).

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	Auditor has applied International Standard on Assurance Engagements (ISAE3000) and considered relevant parts of ISAE3410.	To ensure quality the company has chosen to verify progress against baseline for targets described in C.4.1a and C4.2b. The limited verification is done yearly each calendar year. The verification on target Abs 1 covers Investor AB all scope 1 and 2 emissions.

Investor CDP verification letter 2020.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our investee companies
Yes, other partners in the value chain

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement
Information collection (Understanding investee behavior)

Details of engagement
Collect climate change and carbon information at least annually from long-term investees

% of investees by number
99

% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
100

Portfolio coverage
Minority of the portfolio

Rationale for the coverage of your engagement
Investor is a long-term owner with a buy-to-build strategy for our portfolio companies within Listed Companies, Patricia Industries and EQT. The rational for engaging with these companies regarding climate is that they are our major portfolio companies and represent 99% of our total assets. The 1% not included in these are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy and has identified climate as one of our focus areas. Investor annually collects and follow up with the companies regarding CO2e emissions, targets and progress. One way we monitor the portfolio companies progress is through the annual sustainability self-assessment questionnaire. The collection of climate change and carbon information is conducted yearly through an online platform where each portfolio company report their CO2e emissions within the different scopes and if they have strategies to reduce their emissions.

Impact of engagement, including measures of success
In 2020, all 24 portfolio companies reported their scope 1 and 2 emissions to Investor. Our portfolio companies have improved their calculations of emissions during the year and were able to provide us with both market based emissions and location based emissions. The target is to reduce CO2e emissions by 50 percent by 2030 compared to 2016 for the overall portfolio (portfolio companies' scope 1 and 2 - market based method). In 2020, emissions from our companies equalled 1,482,500 tonnes, a reduction of 40 percent compared to baseline. The Listed Companies represent the majority of the emissions from our portfolio and are reducing their climate impact, both in absolute terms and in relation to revenues, i.e. decoupling (lower carbon impact and higher revenues and economic results). To a large extent, our holdings have low carbon impact in relation to their respective industry, and many of them are sustainability leaders, such as, Electrolux, ABB, Ericsson and Husqvarna. Husqvarna is a good example of a company that have decoupled business growth from CO2 emissions since 2015. The company has decoupling business growth from its CO2 emissions and has over the last five years reduced absolute CO2 emissions by 32 percent while increasing sales by 16 percent. The second portfolio target is to ensure that all of our companies have relevant reduction targets for their scope 3 emissions. Investor monitors and tracks if our companies have targets to reduce emissions from their value chain, for example related to the use of their products (portfolio companies' scope 3). In 2020, 74 percent of our companies measured scope 3 emissions and 43 percent had reduction targets related to their products, services or value chains (their scope 3 emissions). The target gives Investor the opportunity to have dialogue with the portfolio companies and increase awareness of how different business models have different impacts on climate.

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Exercise active ownership

% of investees by number
99

% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
100

Portfolio coverage
Majority of the portfolio

Rationale for the coverage of your engagement
Investor is a long-term owner with a buy-to-build strategy for our portfolio companies within Listed Companies, Patricia Industries and EQT. The rational for engaging with these companies regarding climate is that they are our major portfolio companies and represents 99% of our total assets. The 1% not included in these are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Investor AB's investment strategy is based on the conviction that sustainability strategies are fundamental for the long-term growth of our asset value. Investor's long-term climate targets towards 2030 aim to ensure that the portfolio is in line with the Paris Agreement. Investor works through the board representatives by engaging and following up with the companies on their targets and measures to reduce their climate impact including carbon footprint of products and solutions. Investor create unique value creation plans for each portfolio company. In 2020, we developed the integration of climate strategies in our value creation plans in order to reach our target to reduce portfolio emissions by 50 percent by 2030.

Impact of engagement, including measures of success

In 2020, we developed the integration of climate strategies in our value creation plans in order to reach our target to reduce portfolio emissions by 50 percent by 2030. The business teams and sustainability team engage with our portfolio companies on a regular basis. In 2020, Investor engaged directly with our 24 companies. One way we engage is through Investor's Sustainability Network, where we met the portfolio companies' Heads of Sustainability. In 2020, the network met three times, and all three meetings focused specific on environment and climate. In addition, Investor has also arranged a training session for all portfolio companies within Patricia Industries in TCFD and all companies will need to report back to Investor in the middle of 2021. As an owner we assess our portfolio's overall exposure to climate-related risks and opportunities. Climate calculations and analyses are done for Investor's portfolio companies in order to identify companies' fossil fuel dependency and negative trends for carbon emissions. We analyze our portfolio of 24 companies' transition to a low-carbon economy and their strategy to mitigate risks and exploit opportunities. Dependent on the companies' climate risks and challenges, we assess the companies' climate strategy and evaluate if progress is satisfactory. As a first step we have encouraged better climate-related disclosure practices and for the more mature companies we are supporting companies to set Paris-aligned strategies. During 2020, Investor's CEO and Chair also met with all portfolio companies' CEO and Chair to discuss their approach and progress. In end of 2020, 78 percent of our companies had targets to reduce its scope 1 and 2 emissions compared to 50 percent 2019. 57 percent of our portfolio companies had aligned their climate strategies to the Paris Agreement compared to 23 percent 2019. By the end of 2020, the portfolio companies that represent more than 77 percent of the total emissions from the portfolio had set reduction targets that were aligned with the Paris Agreement. Examples of portfolio companies that committed to Paris-aligned targets during the year are ABB, BraunAbility, Electrolux Professional, Epiroc, Laborie, Permobil, SEB, Sobi and Vectura.

Type of engagement
Information collection (Understanding investee behavior)

Details of engagement
Climate change is integrated into investee evaluation processes

% of investees by number
99

% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
100

Portfolio coverage
Majority of the portfolio

Rationale for the coverage of your engagement
Investor is a long-term owner with a buy-to-build strategy for our portfolio companies within Listed Companies, Patricia Industries and EQT AB. The rationale for engaging with these companies regarding climate is that they are our major portfolio companies and represents 99% of our total assets. The 1% not included in these are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Investor has committed to climate targets aligned with the Paris Agreement and has the target to reduce its greenhouse gas emissions by 50% by 2030. Investor annually collects and follow up with the companies regarding CO2e emissions, targets and progress. One way we monitor the portfolio companies progress is through the annual sustainability self-assessment questionnaire. The collection of climate change and carbon information is conducted yearly through an online platform where each portfolio company report their CO2e emissions within the different scopes and if they have strategies to reduce their emissions. Investor create unique value creation plans for each portfolio company. In 2020, we developed the integration of climate strategies in our value creation plans in order to reach our target to reduce portfolio emissions by 50 percent by 2030.

Impact of engagement, including measures of success
Investor create unique value creation plans for each portfolio company. In 2020, we developed the integration of climate strategies in our value creation plans for all our listed portfolio companies in order to reach our target to reduce portfolio emissions by 50 percent by 2030. The progress at overall portfolio level is a reduction of 40 percent compared to 2016, the reduction speed is in line with the needed reduction to limit global warming to well below 2 degrees. We also evaluate whether the companies have targets related to relevant emissions from their value chain, for example related to the use of their products (portfolio companies' scope 3). In 2020, 74 percent of our companies measured scope 3 emissions and 43 had reduction targets for their scope 3 emissions, an improvement from 2018.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Investor AB engages with several partners in the value chain on the topic of sustainable investments. We strive to be transparent by having an active dialogue with our stakeholders, as well as annually measure and report progress. Some examples below:

Investor engages with other Swedish investors regarding sustainability and climate. Investor AB is a member of Swedish Investors for Sustainable Development (SISD), which is a partnership comprising 20 of the largest financial actors on the Swedish market (institutional investors, pension companies, investment companies) and the Swedish International Development Cooperation Agency (Sida). SISD was formed in 2016 and works to explore the role of investors, risks and opportunities related to the 2030 Agenda through learning, sharing experiences, voluntary projects and communication. The partnership aims to promote engagement around SDGs and contribute to the international dialogue on the role of investors. The work is conducted in working groups and presented and aggregated to the whole group at network meetings and also presented to the members CEOs. Investor is active in the working groups regarding climate (SDG 13) and gender diversity (SDG 5). Working group 13 explores climate reporting alternatives such as Task Force on Climate-related Financial Disclosures (TCFD) and discusses the opportunities and challenges of the SDG for investors in the international context and work to stimulate other actors to take action on investments that support the SDG.

The Vice Chair of the Board of Investor AB is on the Advisory Board of Climate Leadership Coalition (CLC). CLC is a non-profit climate business network in Europe that encourages decision makers to speed up the green transition. One example is the call to ramp up climate investments and effective carbon pricing:

https://clc.fi/2021/02/15/call-on-carbon-seeks-global-support-for-carbon-pricing/

The Chair of the Board of Investor AB is a member of The European Round Table for Industry (ERT) that is a group of business leaders from Europe's largest companies that want to help build a sustainable future for Europe. With the lead up to COP26 in November, ERT wants to remain an active partner:

https://industry4climate.eu/casestudy/investor-ab/

Investor is active on the board of Mistra Center for Sustainable Markets (Misum), which is a multi-disciplinary research environment at the Stockholm School of Economics. The scholars come from different departments and centers of the school and the research projects are designed to systematically explore how management and governance mechanisms may best advance market towards sustainability. The Head of Sustainability at Investor is chair of the Board.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Other

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Through our main owner, the Wallenberg Foundations, we are part of an ecosystem. The dividends Investor pays to the Wallenberg Foundations contribute to the annual donations and thus funding of research done by the foundations of more than SEK 1.6bn. Part of the research is focused on climate change. In addition, Investor engages in several international networks and some of these are focused on climate change.

Investor uses our sponsor activities as a way of combining business-related involvement with a good citizen perspective. The areas we prioritize are youth, education and entrepreneurship. Investor supports several organizations that contribute to the development of society and entrepreneurship, such as IVA, SNS, Chambers of Commerce, Business Challenge and Young Enterprise Sweden.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Investor Board of Directors has decided on Investor's sustainability strategy and approach. The climate targets are aligned with the Paris Agreement's aim of limiting global temperature rise to well below 2 degrees above pre-industrial levels, while trying to limit the temperature increase to 1.5 degrees. All climate change engagement activities are based on this strategy, which ensures alignment. The engagement is primarily performed by representatives from the Board of Directors. Annually, the Board follows up on progress.

Investor has a structured governance process for the policy framework including defined roles and responsibilities. The overall policy framework is reviewed by the board on an annual basis. Over the past year we have aligned our policies with our overall climate commitment, one example is our climate objective aligned with the Paris Agreement, that is included in the Sustainability Policy and climate in included more explicit in the due diligence process for new investments.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Investor AB Annual Report 2020.pdf
Climate Report 2020.pdf
Recalculation principles.pdf

Page/Section reference
Investor AB's Annual Report 2020 - pages referring to climate change and GHG: 9, 15, 40, 119-120 Climate Report 2020: complete report (report based on TCFD reporting framework) Recalculation Principles: complete report

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Task Force on Climate-related Financial Disclosures (TCFD)	Investor supports TCFD and encourage our portfolio companies to report in accordance with TCFD.
Industry initiative	Please select	
Commitment	Please select	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Category 15 "Investment" total absolute emissions	
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	Investor AB is an industrial holding company and has no products or services.

C-FS14.1a

(C-FS14.1a) What are your organization’s Scope 3 portfolio emissions? (Category 15 “Investments” total emissions)

Category 15 (Investments)

Evaluation status
Relevant, calculated

Scope 3 portfolio emissions (metric tons CO2e)
1482500

Portfolio coverage
More than 90% but less than or equal to 100%

Percentage calculated using data obtained from client/investees
100

Emissions calculation methodology
The emissions from our investments cover our 24 portfolio companies and is collected directly from each portfolio company (investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Investor use the Category 15 of Scope 3 emissions in the GHG protocol where a reporting company’s scope 3 emissions from investments are the scope 1 and scope 2 emissions of portfolio companies. Due to our business model, we use the operational control and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. Example of calculation 2020 for Astra Zeneca: Scope 1 emissions: 224 771 tonnes CO2e Scope 2 emissions (market based method): 23 235 tonnes CO2e Total Scope 1 and 2 emissions: 248 006 tonnes CO2e Investor’s ownership percentage December 31 2019: 3.9% Equity approach: 9 672 tonnes CO2e (calculation: 248 006 x 0,039) Calculation for all portfolio companies = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) + (Company B's scope 1 and 2 emissions x Company B's ownership percentage) + (Company C's scope 1 and 2 emissions x Company C's ownership percentage) + ... + (Company V's scope 1 and 2 emissions x Company V's ownership percentage) = Total equity share of emissions At the end of 2020, Investor had 24 portfolio companies divided in Listed Companies, Patricia Industries and EQT. The metrics have been used to monitor existing investments and the emissions have been reduced by 14% compared to 2019. Additional metrics: Investor has also monitored the total emissions (not equity approach) to track the companies’ progress not dependent on our ownership percentage. The absolute reduction target (described on C4.1a - Abs 2) for the portfolio is set at a total level. Total emissions from our investments were 1 482 500 tonnes of CO2e in 2020, which is a reduction in absolute emissions by 23% compared to 2019. Investor also conducts an analysis of portfolio companies scope 3 emissions (data not included above). The data is collected from the companies’ that report scope 3 emissions in their public reporting. Investor analyses each portfolio company separately to understand the company’s impact across their own value chain and the related risks. Each portfolio company set its own threshold for which scope 3 emissions to report. The scope 3 emissions are important to monitor per company. For Investor it is not relevant and useful to aggregate all portfolio companies’ scope 3 emissions.

Please explain
Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Investor has only portfolio companies, no lending or other products and services. The metrics of emissions from portfolio companies are used to monitor existing investments used in dialogues with our portfolio companies.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class Yes, by industry	

C-FS14.2a

(C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Listed equity	Total carbon absolute emissions (CO2e)	Metric tons CO2e	162175	There are 14 listed companies within the portfolio of holding companies. The method to calculate the emissions for the listed companies is to collect the data directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Investor uses the Category 15 of Scope 3 emissions in the GHG protocol where a reporting company's scope 3 emissions from investments are the scope 1 and scope 2 emissions of portfolio companies. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the owned share of each portfolio company. The share of ownership is set to December 31 of the reporting year. In 2020, the emissions from our listed companies had reduced by 20% compared to 2019. Calculation for all listed companies = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) + (Company B's scope 1 and 2 emissions x Company B's ownership percentage) + (Company C's scope 1 and 2 emissions x Company C's ownership percentage) + ... + (Company N's scope 1 and 2 emissions x Company N's ownership percentage) = Total equity share of emissions Portfolio coverage: 100% of the total assets within our listed portfolio.
Private equity	Total carbon absolute emissions (CO2e)	Metric tons CO2e	122349	Investor is a long-term owner of companies. Within our non-listed holdings there are 10 companies. The method to calculate the emissions is to collect the data directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Investor uses the Category 15 of Scope 3 emissions in the GHG protocol where a reporting company's scope 3 emissions from investments are the scope 1 and scope 2 emissions of portfolio companies. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the owned share of each portfolio company. The share of ownership is set to December 31 of the reporting year. In 2020, the emissions from our non-listed companies had decreased by 3% compared to 2019. Calculation for all non-listed companies = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) + (Company B's scope 1 and 2 emissions x Company B's ownership percentage) + (Company C's scope 1 and 2 emissions x Company C's ownership percentage) + ... + (Company L's scope 1 and 2 emissions x Company L's ownership percentage) = Total equity share of emissions Portfolio coverage: 96% of the non-listed companies are included based on share of assets. Financial Investments are excluded (represents 1% of the total assets for both listed and non-listed portfolio). Financial investment is a small portfolio of companies where the investment horizon has not yet been defined.

C-FS14.2b

(C-FS14.2b) Break down your organization's Scope 3 portfolio impact by industry.

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Capital Goods	Total carbon absolute emissions (CO2e)	Metric tons CO2e	115024	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control and the emissions from investments are allocated to the reporting company based on the owned share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There are six portfolio companies within capital goods. Calculation for all portfolio companies within a certain industry = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) + (Company B's scope 1 and 2 emissions x Company B's ownership percentage) + (Company C's scope 1 and 2 emissions x Company C's ownership percentage) + ... + (Company F's scope 1 and 2 emissions x Company F's ownership percentage) = Total equity share of emissions within capital goods industry
Pharmaceuticals, Biotechnology & Life Sciences	Total carbon absolute emissions (CO2e)	Metric tons CO2e	9726	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There are two portfolio companies within Pharmaceuticals, Biotechnology & Life Sciences. Calculation for all portfolio companies within a certain industry = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) + (Company B's scope 1 and 2 emissions x Company B's ownership percentage) + (Company C's scope 1 and 2 emissions x Company C's ownership percentage) = Total equity share of emissions within Pharmaceuticals, Biotechnology & Life Sciences industry.
Consumer Durables & Apparel	Total carbon absolute emissions (CO2e)	Metric tons CO2e	18532	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Consumer Durables & Apparel industry. Calculation for the emissions within Consumer Durables & Apparel industry = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions within Consumer Durables & Apparel industry
Health Care Equipment & Services	Total carbon absolute emissions (CO2e)	Metric tons CO2e	111735	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There are five portfolio companies within Health Care Equipment & Services industry. Calculation for all portfolio companies within a certain industry = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) + (Company B's scope 1 and 2 emissions x Company B's ownership percentage) + ... + (Company E's scope 1 and 2 emissions x Company E's ownership percentage) = Total equity share of emissions within Health Care Equipment & Services industry
Technology Hardware & Equipment	Total carbon absolute emissions (CO2e)	Metric tons CO2e	10267	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There are two portfolio company within Technology Hardware & Equipment industry. Calculation for the emissions within Technology Hardware & Equipment industry = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) + (Company B's scope 1 and 2 emissions x Company B's ownership percentage) = Total equity share of emissions within Technology Hardware & Equipment industry

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Other, please specify (Defence)	Total carbon absolute emissions (CO2e)	Metric tons CO2e	8754	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Other/Defence industry. Calculation for the emissions within Other/Defence industry = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions within Other/Defence industry
Telecommunication Services	Total carbon absolute emissions (CO2e)	Metric tons CO2e	8506	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Telecommunication Services. Calculation for the emissions within Telecommunication Services = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions within Telecommunication Services industry.
Banks	Total carbon absolute emissions (CO2e)	Metric tons CO2e	337	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Banks. Calculation for the emissions within Banks = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions within Banks.
Real Estate	Total carbon absolute emissions (CO2e)	Metric tons CO2e	269	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Real Estate. Calculation for the emissions within Real Estate= (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions within Real Estate.
Diversified Financials	Total carbon absolute emissions (CO2e)	Metric tons CO2e	52	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Diversified Financials. Calculation for all portfolio companies within the industry = (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions within Diversified Financials.
Other, please specify (Hotels)	Total carbon absolute emissions (CO2e)	Metric tons CO2e	349	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Other/Hotels. Calculation for the emissions within Hotel= (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions within Hotel.
Software & Services	Total carbon absolute emissions (CO2e)	Metric tons CO2e	973	Portfolio coverage: 99% of total assets are included, meaning our 24 major portfolio companies are all included in the calculation of the portfolio emissions. The 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined. Method of calculation: The emissions from our investments cover our 24 portfolio companies that are active within different industries. The emission data is collected directly from each portfolio company (Investment-specific method). The reporting was conducted in January-February 2021 regarding calendar year 2020. We collected scope 1 and market based scope 2 emissions in tonnes CO2e. Due to our business model, we use the operational control method and the emissions from investments are allocated to the reporting company based on the ownership share of each portfolio company. The share of ownership is set to December 31 of the reporting year. There is one portfolio company within Software & Services. Calculation for the emissions= (Company A's scope 1 and 2 emissions x Company A's ownership percentage) = Total equity share of emissions.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	In 2019, Investor committed to climate targets aligned with the Paris Agreement and has the target to halve its greenhouse gas emissions by 2030. This covers both Investor AB as a company, but more importantly Investor as an owner (portfolio). Through our board representatives we engage and follow up with our portfolio companies on their climate targets and measures to reduce their climate impact including carbon footprint of products and solutions. Investor has used a Science-based Target Setting Tool and the absolute contraction approach was used to find the percentage of reduction needed to be in line with the Paris Agreement of limiting warming to well below 2°C.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	Investor AB is an industrial holding company and has no products or services.

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes, for some	Yes, we assess if our 24 portfolio companies' business strategies are aligned to a well below 2-degree world. The 24 portfolio companies represent portfolio coverage: 99% of total assets. Financial Investments (representing 1% of total assets) is not included in figure of emissions. The climate targets set for Investor AB and for the overall portfolio is aligned with the Paris Agreement of limiting global warming well below 2 degrees. Investor also analyses and assess whether our portfolio companies' business strategies are aligned to a well below 2-degree world in order to future-proof.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes, for some	We have active dialogues with 24 portfolio companies that represents portfolio coverage: 99% of total assets. Financial Investments (representing 1% of total assets) is not included in figure of emissions. The companies are active in many different sectors such as disclosed at C-FS14.2b (Capital Goods, Consumer Durables & Apparel, Health Care Equipment & Services etc.) The focus varies depending on industry, development stage, and the risks and opportunities that are relevant for each company. Some companies have high emissions within their direct operation, other have high emissions within their supply chain or the products use-phase. In general, the Listed Companies have higher emissions due to their size but many of them are already climate leaders when it comes to decoupling carbon emissions and economic growth. Through substantial ownership and board participation, we actively engage with all portfolio companies and follow up with our portfolio companies on their climate targets and measures to reduce their climate impact including carbon footprint of products and solutions. Dependent on the companies' climate risks and challenges, we assess the company' climate strategy and evaluate if the progress is satisfactory. As a first step we have encouraged better climate-related disclosure practices, set climate targets in line with halving the emissions by 2030 in line with the Paris Agreement (inspired by The 1.5°C Business Playbook) and for the more mature companies we encourage them to commit to Science Based Target initiative. Each company's climate targets are evaluated and assessed in comparison to their alignment to the Paris Agreement of limiting temperature rise to well below 2 degrees. At the end of 2020, 57% of our portfolio companies had aligned their climate strategies to the Paris Agreement and set measurable targets to decrease greenhouse gas emissions by 50% or more by 2030 compared to 23% in 2019. In end of 2020, the portfolio companies that represent more than 77% of the total emissions from the portfolio had set reduction targets that were aligned with the Paris Agreement.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Head of Sustainability (Part of the Executive Management Group)	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms