Climate Report 2021

Task Force on Climate-related Financial Disclosures (TCFD) Report

2022-03-22

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Introduction

Investor is an engaged and long-term owner of high-quality companies. We are guided by our purpose to create value for people and society by building strong and sustainable businesses.

The business community has a key role in taking action and coming up with new innovative solutions to combat climate change and increase resource efficiency. As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy. Investor is committed to climate targets aligned with the Paris Agreement and has set a target to fully eliminate its greenhouse gas emissions by 2030 as well as a target to reduce greenhouse gas emissions from its aggregated portfolio of companies by 70 percent 2030 compared with 2016 (scope 1 and 2). The target is aligned with the Paris Agreement of limiting global warming to 1.5°C. Investor encourages its portfolio companies to align with the Paris Agreement and when relevant, to commit to Science Based Targets.

> **"As long-term, engaged owners, we try to learn from the past to navigate successfully into the future, making sure that our companies are at the forefront of major trends and that they are well positioned to outperform competition over time. The energy transition is crucial for slowing down climate change, and it clearly has important geopolitical dimensions as well."**
>
> **Jacob Wallenberg, Chair of the Board**

As a long-term owner, we both need to take into account risks and take advantage of opportunities resulting from climate change in order to contribute to the transition to a society with net-zero greenhouse gas emissions. The future success of our companies depends on their capacity to drive change and to invest for the long-term in new solutions that are more resource efficient and that meet the needs of their customers, not only today but also tomorrow. We encourage our companies to invest in innovation and develop products that make a positive contribution to this environment.

Investor is a formal supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and have started to implement its recommendations, which enable us to better understand the actual and potential impact of climate-related risks and opportunities on our business, strategy and financial planning. By identifying and assessing the most material risks and opportunities for Investor and our portfolio, we can manage and mitigate the risks while seizing the opportunities. This creates resilience and enables long-term value creation. This report is structured in accordance with TCFD reporting recommendations. Read more about Investor's sustainability approach and progress in the Annual Report and on our webpage.

This year we incorporate additional detail on actual and potential impact of climate-related risks and opportunities and responses to these and we have worked with our companies to develop an overall governance risk framework. To some extent industry dictates the actual types of risks and opportunities, with overlap arising in areas such as supply chain vulnerabilities. We have not drilled down into all industry-specific considerations such as credit risk for banks, given the nature of our portfolio.

About Investor AB

96	24	SEK 761bn
employees	major holdings	Adjusted net asset value

Governance

The section on governance describes Investor's governance structure in relation to climate-related risks and opportunities.

Board oversight at Investor

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. The Board of Directors is responsible for Investor's overall strategy, including the approach to integrate sustainability aspects as part of our value creation.

The Sustainability Policy sets the framework for Investor's sustainability approach and work. The Board of Directors has decided on a long-term sustainability approach covering both Investor and our portfolio companies. The climate targets approved by the Board are aligned with the Paris Agreement 1.5 degrees target and include:

- Reach net zero emissions as a company by 2030
- Reduce emissions by 70 percent by 2030 for the aggregated portfolio of companies (baseline 2016, the companies' scope 1 and scope 2 emissions)
- The ambition to reach net zero emissions across the value chain by 2050 at the latest
- Encourage all portfolio companies to align with the Paris Agreement
- Encourage all portfolio companies to report climate related risks and opportunities in accordance with the TCFD framework
- Accelerate our portfolio companies' climate strategies beyond their basic footprint, ensuring that all portfolio companies set relevant reduction targets related to their products, services or value chain (the portfolio companies' scope 3) and when relevant, to commit to Science Based Targets.

The CEO is a member of the Board of Directors and has the overall responsibility for Investor's business strategy including climate-related issues. Investor follows up and monitors progress at portfolio level both through an annual self-assessment questionnaire as well as its own analysis as part of the value-creation plans and dialogues with the companies' sustainability departments focusing on both risks and opportunities. The portfolio companies' progress is presented to the Board on a regular basis and at least yearly.

Risk assessments are conducted continuously in the day-to-day business at Investor. A 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. Material risks are compiled in a company-wide risk map. When needed, action plans are defined and implemented to minimize the probability and impact of identified risks.

> **"High ambitions and decisive actions are required to reach a sustainable low-carbon economy. To successfully handle the energy transition will be key to improve companies' internal operations and product development, thereby strengthening long-term competitiveness."**
>
> **Johan Forssell, President and CEO**

Board oversight at our companies
Our governance model builds on clear roles and responsibilities between us as owner, the companies' Boards and management teams. Each Board has strategic oversight of its company's sustainability work including both risks and opportunities. We do not prescribe a board oversight approach and each board determines the appropriate level and method of oversight. We do however observe some consistent approaches across the portfolio. For example, climate risks are often identified and incorporated into a wider risk register program or similar Enterprise Risk Management (ERM) program.

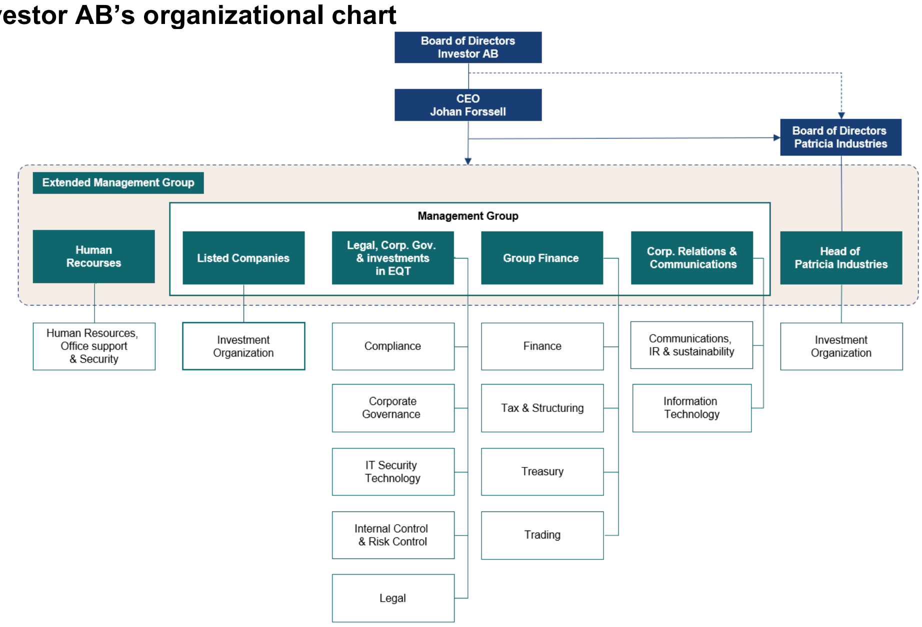
Risk management and sustainability are formally included on the Board Meeting agenda at least on a yearly basis.

Management approach at Investor
The Management Group decides on the development and execution of the sustainability approach and within the Management Group the Head of Corporate Communication & Sustainability is responsible for coordinating and driving the overall sustainability work. The managerial responsibility for responsible investments lies within the investment organization. The Heads of Listed Companies and Patricia Industries are responsible for integrating sustainability into the investment and ownership strategies, including risk assessment, due diligence, continuous monitoring and follow-up. Investor's board representative together with the business teams engage with the companies regularly regarding sustainability.

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

All employees within Investor have a responsibility to work in line with the overall sustainability strategy. Investor conducts sustainability training for employees regularly and at least yearly. During the year, Investor performed a number of activities to increase its knowledge and expertise in climate issues. Training sessions were held on EU Taxonomy and TCFD for Investor employees and the wholly owned companies. In addition, Investor hosted training on Scope 3 emissions screening for the wholly owned companies.

Investor AB's organizational chart



Management approach at our companies
Investor's sustainability guidelines set clear expectations for Investor and our companies to conduct their operations in a responsible and ethical manner and where sustainability is integrated into the business model.

Our listed companies are reducing their climate impact, both in absolute terms and in relation to revenue, 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 and Husqvarna and have for many years developed products demanded by customers who require low carbon solutions.

At our companies, climate risks are often identified and incorporated into a wider risk register program or similar Enterprise Risk Management (ERM) program. This program or register is managed by a Governance Risk Compliance (GRC) Council or Committee in many cases made up by of various key functions such as Corporate Affairs, Risk Management and Legal. Risks are then addressed by different members of the management team, for instance the VP of Operations who may track utility usage and implement annual targets and projects for usage reduction. In some cases there is a Director of Environment, Health and Safety (EHS) responsible for executing on some of these sustainability actions.

Strategy

The section on strategy includes reporting on current and potential impacts of climate-related risks and opportunities in organizations' business, strategy and financial planning.

Investor's portfolio consists of 24 major holdings. An analysis has historically been done from Investor's perspective as an owner which focuses on the implications on our business, strategy and financial planning of events affecting the portfolio companies. 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. However, in 2021 our wholly owned subsidiaries within Patricia Industries underwent their own assessments to identify and assess the impact of climate-related risks and opportunities in a low emission scenario as well as in a high emission scenario line with the TCFD framework. For our portfolio of listed companies, more details on their industry and business-specific risks and opportunities can be found in their own TCFD reports or addressed in their own sustainability reporting.

Climate-related risks and opportunities
Given Investor's long-term investment horizon 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.

Transition risks/opportunities, Market: The risk that a demand for the products and services our portfolio companies provide shifts to demand for other solutions with lower carbon emissions. This would affect our share value and return of investment if the transition is not picked up and acted on quickly. We believe transition risks related to market and reputation are the most material. The risk of not being able to meet these demands by making the transition to a low-carbon economy may have a significant impact on our companies' competitiveness.

Many of our portfolio companies are sustainability leaders, such as Electrolux, ABB and Husqvarna. These companies have for many years developed products demanded by customers who require low carbon solutions. Investments in R&D are important to secure the long-term competitiveness of our portfolio companies. Since the investment strategy for Investor is to own companies that are leaders in their industries, we continuously focus on their performance, their technology position and R&D strategy to develop new innovative products. We annually monitor the companies' investments in research and development. In 2021, R&D expenses in our companies totaled SEK 155bn.

Typical responses from Patricia Industries companies to counteract market risk:

- Increase R&D
- Adapt service and product offering
- Increase collaboration across value chain
- Engage in new partnerships
- Clearly integrate sustainability in business model
- Report on targets and performance

Timeframe and likelihood – market risk:
- Short to medium term
- More likely than not

Example of identified opportunity: As a real-estate company Vectura is investing in low carbon measures and certifications strengthening its competitive advantage in sustainable properties

Transition risks/opportunities, Technology: Technology is regarded as an opportunity for Investor and our portfolio companies as they are on the frontline of technological development. The main opportunity relates to being customers' preferred choice by leveraging new technology to take the lead in developing products and services with a low or positive climate impact. However, there is always a risk that our companies do not adopt quick enough. If such technological innovations or methods are not identified, it could lead to significant financial impact for that specific company in reduced profit. For Investor AB, however, the impact would be limited as it is mitigated by our diverse portfolio mix with companies active in different industries.

Typical responses from Patricia Industries companies to act on technology related opportunities:

- Increase R&D
- Leverage technology to maintain market leading service and product offering with low or positive climate impact
- Increased collaboration across value chain
- Engage in new partnerships

Timeframe and likelihood – technology opportunity:
- Short to medium term
- Likely

Example of identified opportunity: Piab is in the forefront in producing and distributing gripping and moving solutions for end-users and manufactures and with the global automation trend, Piab can further contribute to efficiency.

Transition risks/opportunities, Policy changes and carbon pricing: In order to implement the Paris Agreement, it is likely that governments and international bodies such as EU will introduce various regulatory measures, which will increase the price of GHG emissions. Companies would likely also be indirectly impacted by a rise in energy costs, for example in the purchase of energy-intensive materials.

Most of our holdings have a comparably low fossil dependency and due to the spread of sectors (telecommunications, manufacturing, pharmaceuticals, med-tech, banking) and geographical presence it's unlikely that all Investor's portfolio companies would be affected by increased price at the same time. It is likely that a few larger manufacturing plants of some of our companies could be affected within a five-year horizon, depending on national policies.

The process of managing this risk involves fostering a commitment from our companies to continue to mitigate carbon emissions and adapt to a low carbon economy, e.g. by developing climate strategies, committing to reduce their emissions in line with the Paris Agreement. Within the portfolio, the Listed Companies have higher GHG emissions due to their size. However, many of them are already climate leaders when it comes to decoupling carbon emissions and economic growth.

Typical responses from Patricia Industries companies to act on current and emerging regulation:

- Move to renewable energy sources and increase energy efficiency
- Reduce emissions on an absolute basis
- Increase R&D
- Continuously evaluate supply chain
- Increased automation of data collection to meet reporting standards

Timeframe and likelihood - policy changes:
- Short to medium term
- Likely

Carbon pricing impact on Patricia Industries companies: In 2021, the scope 1 & 2 emissions from our companies in Patricia Industries were approx. 126,700 tons. If all companies were affected by a carbon cost of SEK 100 – 1,000 per ton we estimate it would lead to a total additional cost for the companies of MSEK 13 – 127.

This will have low financial impact on Investor. The estimated highest carbon cost has a 0.3 percentage point impact on Investor AB's consolidated EBIT margin. In 2021, the base margin was 21.9%.

Transition risks/opportunities, Reputational: Investor AB has high quality companies in its portfolio and a long-term investment horizon. High credibility for our ownership model is crucial for Investor and we take care to cater for our high reputation. A sudden incident for a portfolio company, such as hazardous materials spills or leaks, could affect the specific company's reputation and demand, and indirectly Investor's reputation. The risk of a changed investor perception of Investor AB's portfolio or our ability to build strong and sustainable business is of high relevance to us. If the trust for Investor AB decline, it would have major implications for our business relations and the share value of Investor AB.

Typical responses from Patricia Industries companies to act on reputational risk:

- Clearly integrate sustainability in business model
- Report on targets and performance

Timeframe and likelihood - reputational risk:
- Short to medium term
- Unlikely

Examples of opportunities: Many companies highlight that the high credibility for Investor as well as the portfolio of companies being seen as in the forefront on mitigating climate change, pose an opportunity to attract and retain top talent

Acute and chronic physical risks – Some of our companies are to a larger degree reliant on physical assets and facilities for their production, and they have more complex supply chains. Severe weather events such as heat waves, floods and forest fires could affect their production or delivery capacity, as they are dependent on global supply chains. Typically, such events cannot be forecasted and dealt with other than generally such as creating a stronger resilience in the supply and logistic chains, so that there are alternatives are available. It is most certain that different chronic physical risks will affect some of our portfolio companies. A physical risk for a bank would instead be connected to its 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 banks profit.

Typical responses from Patricia Industries companies to act on physical risks:

- Business continuity planning
- Diversification of supply partners where possible, including use of local suppliers
- Changes to inventory management
- Increase focus on facilities being more weather resistant
- Increase recyclability within premises (heating, cooling etc)
- Implement increased water efficient processes
- Changes to insurance coverage

Timeframe and likelihood - reputational risk:

- Short to medium term
- More likely than not

Risk management

The section on risk management includes disclosure on how the organization identifies, assesses, and manages climate-related risks.

Risk assessment process
As an industrial holding company, a material share of Investor's risk exposure sits within the portfolio, which is why the risk assessment process is performed at both the Investor and portfolio levels. Identifying and assessing sustainability-related risks falls within a wider risk and internal control framework at Investor. The risk assessment encompasses all categories of risks, the entire organization and all processes. All substantial risks are grouped in terms of likelihood and financial impact. Representatives from the Management Group, the investment organization and the corporate functions assess the risks together. The identified risks are compiled in a company-wide risk map.

At Investor, climate-related issues are monitored continuously during the year and once a year a more comprehensive analysis is conducted on all portfolio companies. As an owner we assess our portfolio's overall exposure to climate-related risks and opportunities. All 24 portfolio companies report their yearly sustainability performance to Investor. The collection of information is both through a sustainability system and through follow-up dialogues/meetings with each company. 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. The analysis is presented to the CEO and the Board.

Risk management
The company-wide risk map is reported to the Board. Action plans are established to mitigate and minimize the probability and impact of identified risks. The CEO and Management Group follow up on the implementation of action plans and decide on the development and execution of the sustainability approach.

One example of how Investor has responded to transition risks are the adopted climate targets for Investor's overall portfolio, which are in line with the Paris Agreement target of 1.5 degrees. The aim is to future-proof our operations and ensure we drive our portfolio companies to be best-in-class. Investor drives the climate strategy through our board representatives and make sure to follow up our companies' targets and measures to reduce their climate impact.

Company engagement
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 creates unique value creation plans for each portfolio company. The business teams and sustainability team engage with our portfolio companies on a regular basis and follow up on their reporting. We also engage through Investor's Sustainability Network, where we meet the portfolio companies' Heads of Sustainability three to four times per year to discuss different sustainability challenges and opportunities. In 2021, Investor Sustainability Network met six times, three of which focused specifically on environment and climate: EU Taxonomy, TCFD, and Carbon Capture and offsetting. The other three events related to sustainability overall, with a discussion with the Vice Chair of Investor, as well as sessions dedicated to Human Rights (Code of Conduct) and Strategic Intelligence Tools for creating impact within sustainability.

Metrics and targets

This section includes the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Climate targets

Investor has committed to the following climate targets:

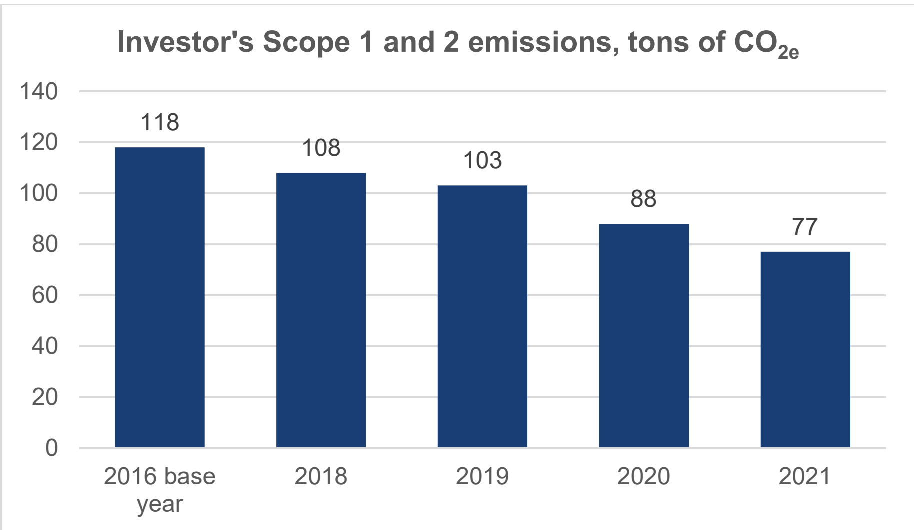
- Reduce GHG emissions from Investor AB's scope 1 and 2 by 100 percent i.e. net zero by 2030.
- Reduce absolute GHG emissions from the aggregated portfolio of companies by 70 percent by 2030 compared to 2016 (the portfolio companies' scope 1 and 2).
- The ambition to reach net zero emissions across the value chain by 2050 at the latest
- Encourage all portfolio companies to align with the Paris Agreement
- Encourage all portfolio companies to report climate related risks and opportunities in accordance with the TCFD framework
- Accelerate our portfolio companies' climate strategies beyond their basic footprint, ensuring that all portfolio companies set relevant reduction targets related to their products, services or value chain (the portfolio companies' scope 3) and when relevant, to commit to Science Based Targets.

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

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

Investor AB: Scope 1 and 2 emissions

Investor has committed to achieve net zero GHG emissions from Investor AB's scope 1 and 2 by 2030 compared with 2016.

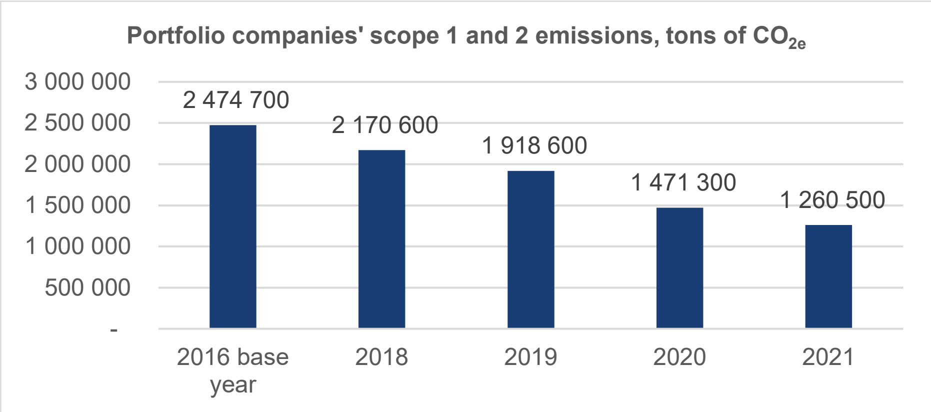


In 2021, the scope 1 and 2 emissions for Investor AB equaled 77 tons, a reduction of 35% compared to 2016. The reduction compared to 2016 is mainly due to energy efficiency in offices and in 2020 and 2021, the energy consumption in offices was also impacted by increased remote working due to covid-19 pandemic which has continued into 2021. The emissions from scope 1 consists of company cars and the scope 2 emissions include purchased electricity and district heating for our offices in Stockholm, New York and Amsterdam.

Investor actively works to reduce the environmental impact of our operations. In 2021, the total energy consumption in our offices amounted to 1,157 MWh compared to 1,102 MWh in 2020. The energy consumption at our head office represents more than 65% of Investor's total consumption. During the last three years Vectura, our portfolio company, from whom we rent our head office, has implemented several emission reduction initiatives, e.g. installed motion lighting, solar panels and charging posts for electric vehicles. At our main premises in Stockholm, we use 100% renewable electricity.

Even though Investor’s direct environmental impact is limited, we want to do our share and minimize our negative impact and carbon footprint. To reach our target to reach net zero by 2030, Investor will continue to minimize carbon emissions from our offices and company cars.

Portfolio companies’ scope 1 and 2 emissions
As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy. It is Investor's ambition to reduce the portfolio’s carbon footprint by impacting companies to reduce their carbon emissions in line with the Paris Agreement. Investor aims to strengthen the portfolio's resilience and has a target to reduce absolute GHG emissions from the aggregated portfolio of companies by 70% between 2016 and 2030. The target includes the portfolio companies' total scope 1 and 2 emissions and is set for the overall portfolio (not an equity approach).

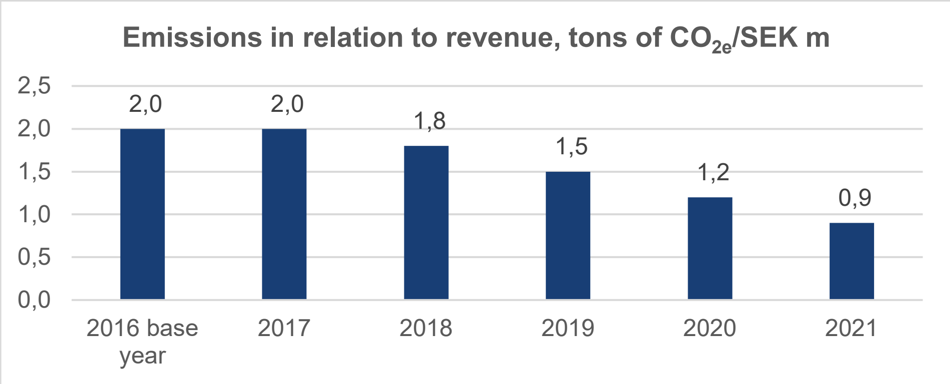


In 2021, the emissions from the portfolio companies equaled 1,260,500 tons of CO_{2e}, a reduction of 49% compared to 2016. Investor works through its representation on the boards to drive the companies to set targets and strategies to develop resource efficient processes and to reduce their greenhouse gas emissions. In the yearly sustainability questionnaire Investor tracked that 88% of our companies had targets to reduce its scope 1 and 2 emissions compared with 78% in 2020.

GHG emissions, tCO_{2e}	2021	2020	2019	2018	2016 base year
Listed Companies	1,133,500	1,345,900	1,786,300	2,043,200	2,360,300
Patricia Industries	126,700	125,100	131,900	127,000	114,200
EQT AB	300	300	400	400	200
Portfolio companies’ emissions	**1,260,500**	**1,471,300**	**1,918,600**	**2,170,600**	**2,474,700**

At the end of 2021, 83% of our portfolio companies had aligned their climate strategies to the Paris Agreement and had set measurable targets to decrease greenhouse gas compared to 57% in 2020. Portfolio companies that represent more than 97% of the total emissions from the aggregated portfolio had set reduction targets that were aligned with the Paris Agreement.

The reduction of emissions is both in absolute terms and in relation to revenues, i.e. decoupling (lower carbon impact and higher revenues and economic results). Our portfolio companies are found within industries such as telecommunications, manufacturing, healthcare, pharmaceuticals and banking. To a large extent, our holdings have low carbon impact in relation to their respective industry. The diagram below shows the emissions from the total portfolio in relations to the revenue from all the portfolio companies.



Portfolio companies' scope 3 emissions
Investor has set 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's target is therefore to ensure that our companies integrate climate mitigation in their business strategies where most relevant to them, and to ensure that emissions upstream and downstream in the value chain are also taken into consideration. In 2021, 75% of our companies measured scope 3 emissions and 63% had reduction targets related to their products, services or value chain (the portfolio companies' scope 3 emissions). This is an increase compared to 2020 when 43% of the companies had reduction targets for scope 3 emissions. In terms of resource efficiency, 63% of our companies had targets regarding resource efficiency compared with 57% 2020.

Portfolio companies' indirect emissions	2021	2020	2019
Share of our companies measuring scope 3 emissions	75%	74%	73%
Share of our companies with reduction targets for scope 3	63%	43%	36%
Share of our companies with resource efficiency targets	63%	57%	50%

Terminology and calculation methods

Greenhouse Gas Protocol

Emissions are expressed in CO_{2e}, carbon dioxide equivalents, which means all relevant greenhouse gases are included. Emissions are reported in accordance with the Greenhouse Gas Protocol. The GHG Protocol classifies a company's GHG emissions into three scopes.

Scope 1 emissions

Scope 1 emissions results from direct GHG emissions from sources that are owned or controlled by the organization.

Scope 2 emissions

Scope 2 emissions result from the generation of purchased or acquired electricity, heating, cooling and steam consumed by the organization.

- A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments. Method for calculating scope 2 emissions used is market-based method.
- A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

GHG emissions, tCO_{2e}	2021	2020	2019	2018	2017	2016
Scope 1	11	16	18	18	22	22
Scope 2 market-based method	66	72	86	90	87	96
(Scope 2 location-based method)	(81)	(91)	(98)	(103)	(101)	(112)
Investor's scope 1 and 2	**77**	**88**	**103**	**108**	**109**	**118**

Scope 3 emissions

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

- **Equity share of portfolio emissions -** Total of owned share of portfolio companies' individual carbon emissions. Equity share includes the emissions from our portfolio companies' scope 1 and 2 emissions equal to the owned share of the companies.
- **Total emissions from portfolio -** Total of portfolio companies' individual carbon emissions (portfolio companies' scope 1 and 2 emissions).

Investor AB's scope 3 emission from portfolio in accordance with equity approach and total emissions are presented in table below:

Portfolio emissions, tCO_{2e}	2021	2020	2019	2018	2016 base year
Equity share	254,100	280,800	315,900	345,900	351,100
Total emissions	1,260,500	1,471,300	1,918,600	2,170,600	2,474,700

GHG emissions, tCO_{2e}	2021	2020	2019	2018	2016 base year
Listed Companies	134,550	162,300	203,800	229,350	251,850
Patricia Industries	119,500	118,450	112,050	116,500	99,100
EQT AB	50	50	50	50	50
Equity share	**254,100**	**280,800**	**315,900**	**345,900**	**351,100**

Absolute reduction target
Investor uses 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. The reduction target related to our investments is an absolute reduction target for the total portfolio emissions (not an equity approach). Investor has gone beyond the SBTi method and has set the same reduction speed for the portfolio target as for our scope 1 and 2 emission targets. Investor uses the financial year (no average figures) and collect the GHG emissions directly from our portfolio companies. Target year is 2030 and the baseline is set to 2016 to align our strategy period with Agenda 2030 and the Global Sustainable Development Goals.

Portfolio coverage
The report includes 99% of total assets, meaning 24 of the major portfolio companies are included. Financial Investments (representing 1% of total assets) is not included in the quantitative figures since they are not material due to their size. Financial Investments include small portfolio holdings where the investment horizon has not yet been defined.

In 2021, the number of major portfolio companies did not change at a total level, however Grand Hotel was divested and Atlas Antibodies, previously part of Financial Investments, is now included as a fully owned unlisted company within the Patricia Industries portfolio. All 24 portfolio companies are included in the 2021 report.

Principles for data adjustments
Investor AB has set a base year to enable comparison of emissions and track development. On occasion these base year emissions may need to be recalculated to ensure meaningful and relevant comparisons over time. Investor follows the fixed base year recalculation methodology. The principles for recalculating and updating historical climate data for Investor AB and for the portfolio companies are published on www.investorab.com

Other scope 3 emissions for Investor AB
Regarding Investor AB's other emissions (not connected to portfolio companies), are limited. We are 96 employees and a proportionally large size of 'other scope 3 emissions' is connected to business travel. In prior year emissions from business travel dropped significantly due to covid-19. In 2021 reduced business travel continued. We will continue to reduce emission from business travel by increasing digital meetings solutions and reducing travel by air.

Other scope 3 emissions, tonnes CO_{2e}	2021	2020	2019	2018	2017	2016
Emissions from business travel [1]	36	65	527	601	691	614
Purchased goods and services [2]	5	5	51	49	52	53
Capital goods [3]	10	18	1	17	52	14
Fuel-and-energy-related activities [4]	31	27	86	95	104	100
Other scope 3 emissions	**82**	**114**	**665**	**761**	**899**	**780**

1] Emissions from business travel includes for example air, rail, hotel nights and taxi.
2] The emissions from purchased goods and services include catering food, copy paper, printed materials.
3] Capital goods refer in our case to electronic equipment like computers, screens, other office machines and furniture.
4] The emissions include upstream emissions from purchased electricity, district heating, fuel for vehicles and air travel (not included in scope 1 or 2).