



TCFD Report 2022

Task Force on Climate-related Financial Disclosures Report
2023-07-03

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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 reach net zero emissions as a company 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.

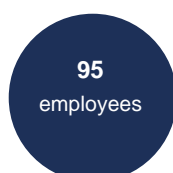
“We drive our portfolio companies to accelerate the transformation to a low-carbon economy. To us, this is about future-proofing Investor and our companies.

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 has started to implement its recommendations. They 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 to increase our long-term competitiveness. 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.

About Investor AB as of 31 December 2022



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.

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 AB and our role as an owner. Delivering on our sustainability targets is one of three strategic priorities. 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 and when relevant, to commit to Science Based Targets
- 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)

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 Executive Leadership Team, 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, it will be key to improve companies' internal operations and invest in technology agnostic 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 an 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.

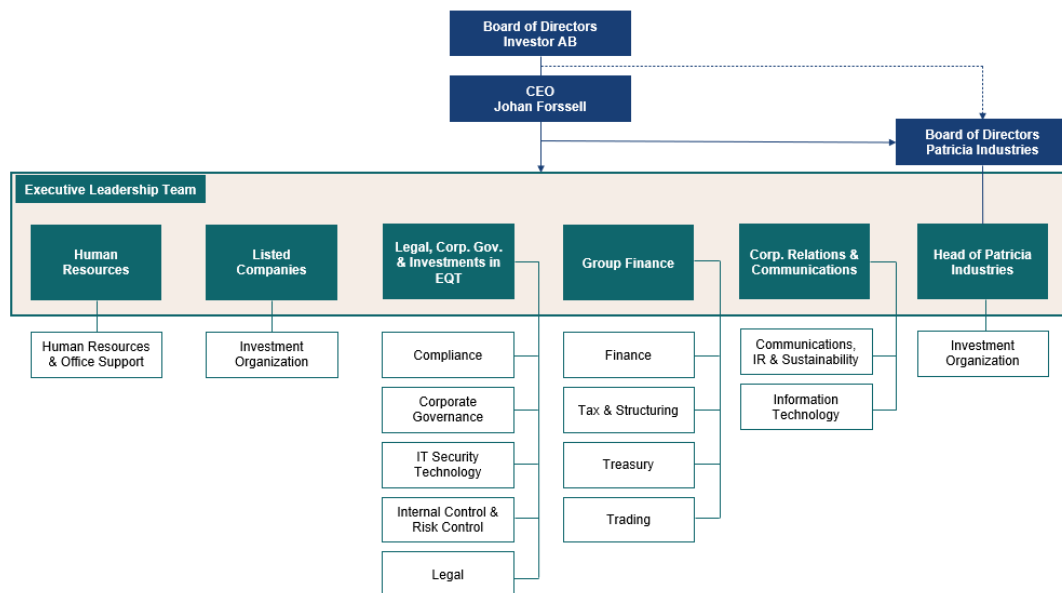
Management approach at Investor

The Executive Leadership Team decides on the development and execution of the sustainability approach and within the Executive Leadership Team 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 the investment organizations 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.

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 portfolio 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.

Within 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 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 25 major holdings¹. An analysis has historically been done from Investor's owner perspective 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. Our wholly owned subsidiaries within Patricia Industries have conducted 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 in 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 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 2022, R&D expenses in our companies totaled SEK 180bn.

¹ In 2022, the number of major portfolio companies increased by one, from 24 to 25 compared to 2021. Listed Companies added Accelleron, a spin-off from ABB. The spin-off was completed in the fourth quarter 2022 and is therefore not included in the climate data for 2022.

Typical responses from Patricia Industries companies to counteract market risk:

- Increase R&D
- Adapt service and product offering
- Clearly integrate sustainability in business model
- Increase collaboration across value chain
- Engage in new partnerships
- 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 quickly enough. If such technological innovations or methods are not identified, it could lead to significant financial impact for that specific company. 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: To reach the targets agreed upon in the Paris Agreement, it is likely that governments and international bodies such as EU, will continue to introduce various regulatory measures, that 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 is unlikely that all Investor's portfolio companies would

be affected by increased price on GHG emissions 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 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:

- Increase energy efficiency and reduce emissions
- Move to renewable energy sources
- 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 2022, the scope 1 & 2 emissions from our major subsidiaries within Patricia Industries were approx. 105,000 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 11 – 105.

This will have low financial impact on Investor. The estimated highest carbon cost has a 0.2 percentage point impact on the Patricia Industries EBITA margin. In 2022, the EBITA margin for the major subsidiaries within Patricia Industries was 18.0%.

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 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, for example by creating a stronger resilience in the supply and logistic chains. 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 Executive Leadership Team, 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 performed 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 Executive Leadership Team, and to 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 Executive Leadership Team 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 makes sure to follow up on 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 the 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 five times per year to discuss different sustainability challenges and opportunities. In 2022, Investor Sustainability Network met five times, two of which focused specifically on sustainable and fossil free value chains. The other events related to sustainability overall, focusing on for example the upcoming reporting requirements Corporate Sustainability Reporting Disclosure and European Sustainability Reporting Standard, the organization/governance of sustainability and science projects related to Wallenberg foundations like for example on sustainable materials.

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.

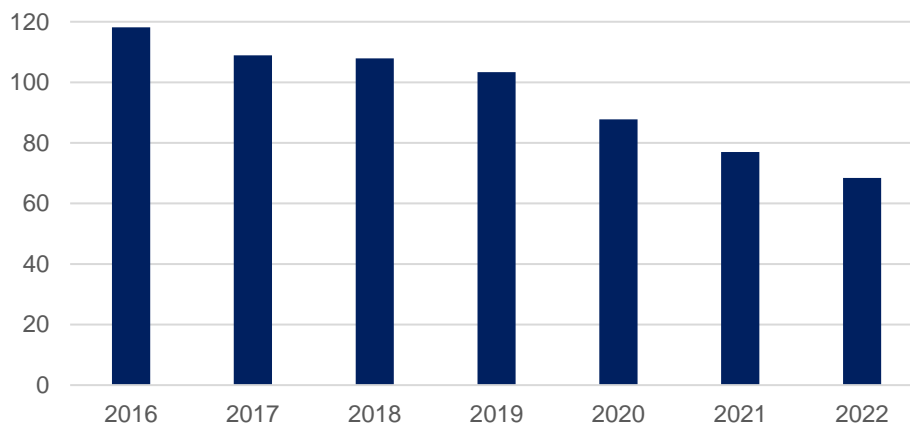
Investor sharpened its targets in 2021 to align with the Paris Agreement's aim of limiting global temperature rise to well below 1.5 degrees above pre-industrial levels, as the need for transition towards fossil free has grown even more imminent. Investor AB also joined the UN 'Race to Zero' campaign 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.

Investor's Scope 1 and 2 emissions, tons of CO₂e



In 2022, the scope 1 and 2 emissions for Investor AB equaled 68 tons, a reduction of 42% compared to 2016. The reduction compared to 2016 is mainly due to increased 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 continued into 2022. The emissions from scope 1 consist of company cars and the scope 2 emissions include purchased electricity and district heating for our offices in Stockholm, New York and Amsterdam.

Investor actively works to reduce the environmental impact of our operations. In 2022, the total energy consumption in our offices amounted to 1,019 MWh compared to 1,157 MWh in 2021. The energy consumption at our head office represents more than 65% of Investor's total consumption. During the last three years Vectura, a real-estate and 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 of net zero 2030, Investor will continue to minimize carbon emissions from our offices and company cars. The total share of renewable energy has increased to 77% 2022 compared to 64% in 2021.

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).



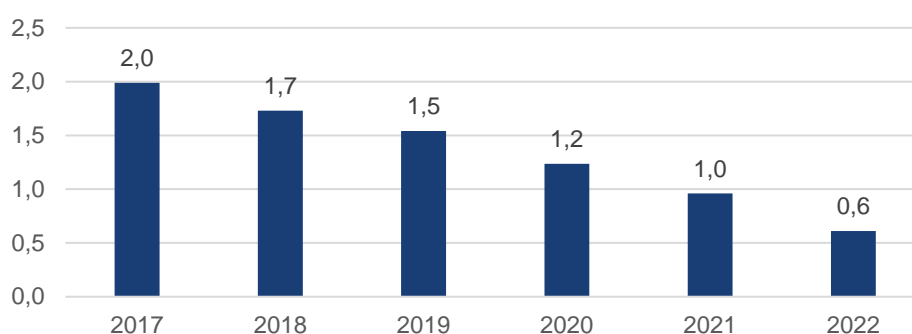
In 2022, the emissions from the portfolio companies equaled 1,045,900 tons of CO₂e, a reduction of 57% compared to 2016. Investor works through its representation on the Boards to drive the companies to set targets and strategies to develop resource efficient processes and to reduce their greenhouse gas emissions. In the yearly sustainability questionnaire Investor tracked that 100% of our companies had targets to reduce its scope 1 and 2 emissions compared with 88% in 2021.

GHG emissions, tons CO ₂ e	2022	2021	2020	2019	2016 base year
Listed Companies	938,200	1,191,800	1,405,500	1,808,700	2,318,800
Patricia Industries	107,300	140,700	141,600	148,100	132,800
EQT AB	400	300	300	400	400
Portfolio companies' emissions	1,045,900	1,332,800	1,547,400	1,957,200	2,452,000

At the end of 2022, 100% of our portfolio companies had aligned their climate strategies to the Paris Agreement. Portfolio companies that represent more than 80% of the total emissions from the aggregated portfolio had set reduction targets validated by Science Based Targets.

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 relation to the revenue from all the portfolio companies.

Emissions in relation to revenue, tons of CO₂e/SEK m



Portfolio companies' scope 3 emissions

Investor has set an additional portfolio target to ensure that all 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 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 2022, 83% 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, 67% of our companies had targets regarding resource efficiency compared with 57% 2020.

Portfolio companies' indirect emissions	2022	2021
Share of our companies measuring scope 3 emissions	83%	71%
Share of our companies with reduction targets for scope 3	63%	58%
Share of our companies with resource efficiency targets	67%	63%

Terminology and calculation methods

Greenhouse Gas Protocol

Emissions are expressed in CO₂e, 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 result 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. The 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, tons CO ₂ e	2022	2021	2020	2019	2018	2017	2016
Scope 1	11	11	16	18	18	22	22
Scope 2 market-based method	58	66	72	86	90	87	96
(Scope 2 location-based method)	(85)	(81)	(91)	(98)	(103)	(101)	(112)
Investor's scope 1 and 2	68	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 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 tables below:

Portfolio emissions, tons CO ₂ e	2022	2021	2020	2019	2016 base year
Equity share	216,700	278,000	306,500	349,200	369,200
Total emissions	1,045,900	1,332,800	1,547,400	1,957,200	2,452,000

Equity share, tons CO ₂ e	2022	2021	2020	2019	2016 base year
Listed Companies	112,700	144,700	171,700	211,000	252,200
Patricia Industries	103,900	133,300	134,700	138,100	116,900
EQT AB	100	0	100	100	100
Equity share	216,700	278,000	306,500	349,200	369,200

Total emissions, tons CO ₂ e	2022	2021	2020	2019	2016 base year
Listed Companies	938,200	1,191,800	1,405,500	1,808,700	2,318,800
Patricia Industries	107,300	140,700	141,600	148,100	132,800
EQT AB	400	300	300	400	400
Total emissions	1,045,900	1,332,800	1,547,400	1,957,200	2,452,000

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 collects 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 2022, the number of major portfolio companies increased by one, from 24 to 25 compared to 2021. Listed Companies added Accelleron, a spin-off from ABB. The spin-off was completed in the fourth quarter 2022 and is therefore not included in the sustainability key performance indicators for 2022.

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

Investor AB's other emissions (not connected to portfolio companies), are limited. We have 95 employees and a proportionally large size of 'other scope 3 emissions' is connected to business travel. In the previous year emissions from business travel dropped significantly due to covid-19. In 2022 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, tons CO ₂ e	2022	2021	2020	2019	2018	2016
Emissions from business travel ¹⁾	345	36	65	527	601	614
Purchased goods and services ²⁾	24	5	5	51	49	53
Capital goods ³⁾	33	10	18	1	17	14
Fuel-and-energy-related activities ⁴⁾	42	31	27	86	95	100
Other scope 3 emissions	445	82	114	665	761	780

1) Emissions from business travel include air, rail, hotel nights, taxi and employee-owned cars.

2) The emissions from purchased goods and services include catering food, copy paper, printed materials and water consumption.

3) Capital goods refer in our case to electronic equipment like computers, screens and smartphones.

4) The emissions include upstream emissions from purchased electricity, district heating, district cooling and fuel for vehicles (not included in scope 1 or 2).

During 2022, Investor AB conducted a scope 3 screening with the aim to identify any additional scope 3 activities beyond those already included in the annual greenhouse gas assessment. Spend data was collected for relevant scope 3 categories in the

Greenhouse Gas Protocol Value Chain Standard and the CO₂e emissions were calculated based on emission factors from the Swedish Procurement Agency (Upphandlingsmyndigheten) and Quantis.

The result of the scope 3 screening shows that Purchased goods and services, Capital goods and Business Travel are the categories with the largest emissions in the value chain. Investor AB has since 2016 annually measured emissions from business travel and selected purchases of goods, e.g. paper and printed materials, computers, monitors and smartphones, and food served in the restaurant.

Scope	Activity	Calculation method
Scope 1	The emissions from scope 1 consist of company cars.	Estimated consumption based on fuel consumption and mileage. Emission factors are from Department for Business, Energy and Industrial Strategy (2021) Government GHG Conversion Factors for Company Reporting.
Scope 2	The scope 2 emissions include purchased electricity and district heating for our offices in Stockholm, New York and Amsterdam.	<p>Actual energy consumption for properties in Sweden and New York. Calculated on emission factors for residual and renewable electricity (market-based) and national average (location-based). Emission factors are derived from:</p> <ul style="list-style-type: none"> • United Nations (2022), UN Statistics Division - 2019 Energy Balance Visualizations • Department for Business, Energy and Industrial Strategy (2021), Government GHG Conversion Factors for Company Reporting. • AIB (2022), European Residual Mixes 2021 • U.S. Environmental Protection Agency (2022), eGrid2020 <p>The emissions from the properties in Sweden are calculated by the property owner Vectura based on emission factors for wind power from Vattenfall (2022) and district heating and district cooling from Stockholm Exergi (2021). Estimated energy consumption for the office in Amsterdam based on square meters.</p>
Scope 3	Category 1: Purchased goods and services	<p>Food The number of meals served in the restaurant in Stockholm divided into vegetarian, fish and meat. Emission factors from Swedish University of Agricultural Sciences, Department of Energy and Technology. Report 2014, number 007.</p> <p>Paper and printed material Purchased copying paper in kilos. Number of printed annual reports. Emission factors from Paper Profiles database.</p> <p>Water consumption Data from Vectura for properties in Sweden. Vectura does the emissions calculation based on life cycle assessment (LCA) from waterworks in Gothenburg, Sweden. http://publications.lib.chalmers.se/records/fulltext/43404/43404.</p> <p>Investor AB has also conducted an additional scope 3 screening on purchased goods and services based on spend data. Data was collected for relevant scope 3 categories in the Greenhouse Gas Protocol Value Chain Standard and the emissions were calculated based on emission factors from the Swedish Procurement Agency (Upphandlingsmyndigheten) and Quantis.</p>
Scope 3	Category 2: Capital Goods	<p>IT equipment Number of screens, computers and telephones purchased for Stockholm and New York. Emission factors from Lenovo, Apple and HP.</p>
Scope 3	Category 3: Fuel and energy-related activities	<p>The emissions include upstream emissions from fuel for vehicles, electricity, district heating and district cooling for our offices in Sweden, the US and the Netherlands.</p> <p>The calculations of upstream emissions from fuel 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 EPA (2021) and for the Netherlands the source is UN and IPCC.</p>

		For electricity, district heating and district cooling in Sweden supplier-specific data has been used (data from Vattenfall and Stockholm Exergi provided by our property company Vectura). 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, office square metres are used to estimate emissions. Kilometres driven have been collected from accounting records for company-owned/long term leased vehicles.
Scope 3	Category 4: Upstream Transportation and Distribution	Not a material source of emissions for Investor AB.
Scope 3	Category 5: Waste generated in operations	Not a material source of emissions for Investor AB.
Scope 3	Category 6: Business Travel	<p>Air travel Actual data for New York and Stockholm. Emission factors from Department for Business, Energy and Industrial Strategy (2022) Government GHG Conversion Factors for Company Reporting. Upstream emissions and a high-altitude effect are included (RFI factor of 2 is applied to air travel).</p> <p>Rail Data from SJ for Stockholm for both distances and emission factors.</p> <p>Taxi Data in kilometers for Stockholm from the taxi company. Emission factors are from Department for Business, Energy and Industrial Strategy (2022) Government GHG Conversion Factors for Company Reporting.</p> <p>Employees' own cars Kilometers for the office in Stockholm. Assumption of an average Swedish car from Trafikverket (2022) PM 'Vägtrafikens utsläpp 2021', https://bransch.trafikverket.se/contentassets/7ce1527807fa44ff9aa195ab440d5184/pm-vagtrafikens-utslapp-220207.pdf.</p> <p>Hotel nights Number of hotel nights per country and emission factors from CIBSE (2012). Energy Efficiency in Buildings are from Department for Business, Energy and Industrial Strategy (2022) Government GHG Conversion Factors for Company Reporting and United Nations (2022).</p>
Scope 3	Category 7: Employee Commuting	<p>An employee survey was conducted in 2022 to collect information on how employees commute to work. The data was collected from employees. 83 percent of employees responded to the survey and the result was extrapolated to represent all employees.</p> <p>The greenhouse gas emissions were calculated using emission factors for cars, motorcycles, subway and train, bus and ferry. The sources for the emission factors were:</p> <ul style="list-style-type: none"> - Department for Business, Energy and Industrial Strategy (2020) Government GHG Conversion Factors for Company Reporting - U.S. Environmental Protection Agency (2021) - Trafikverket (2022), PM Vägtrafikens utsläpp 2021 - Region Stockholm (2022) - Network for Transport Measures (2017)
Scope 3	Category 8: Upstream Leased Assets	Not a material source of emissions for Investor AB.
Scope 3	Category 9: Downstream Transportation and Distribution	Not a material source of emissions for Investor AB.
Scope 3	Category 10: Processing of Sold Products	Not applicable – Investor AB has no products
Scope 3	Category 11: Use of Sold Products	Not applicable – Investor AB has no products

Scope 3	Category 12: End-of-Life Treatment of Sold Products	Not applicable – Investor AB has no products
Scope 3	Category 13: Downstream leased Assets	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 this is left empty.
Scope 3	Category 14: Franchises	Not applicable – Investor AB has no franchises.
Scope 3	Category 15: Investments	The emissions from the investments cover 24 portfolio companies and is collected directly from each portfolio company (investment specific method). Portfolio coverage: 99% of total assets are included, the 1% not included are small portfolio companies placed within 'Financial Investments' where the investment horizon has not yet been defined.

Greenhouse Gas (IPCC 2013 without climate-carbon feedback)	GWP
Carbon dioxide (CO ₂)	1
Methane (CH ₄)	28
Nitrous oxide (N ₂ O)	265
Hydrofluorocarbons (HFCs)	1-12,400
Perfluorocarbons (PFCs)	1-11,100
Nitrogen trifluoride (NF ₃)	16,100
Sulphur hexafluoride (SF ₆)	23,500