

# Annual report for state-owned enterprises 2020

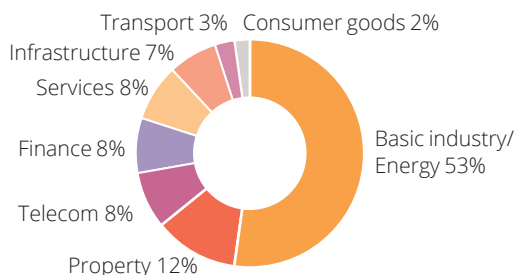


# Portfolio overview

The state enterprise portfolio contains 46 enterprises and is weighted towards basic industry/energy. Most enterprises are for-profit enterprises. 22 enterprises have specifically adopted public policy assignments.

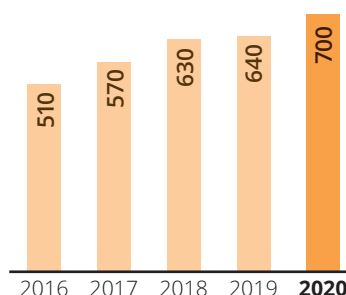
## Portfolio value

By sector



## State enterprise portfolio <sup>a)</sup>

Estimated value, SEK bn



## Dividend

SEK 21.3bn

## Dividend yield

3.1%

## Number of employees <sup>b)</sup>

135 000

## Gender balance <sup>c)</sup>

Board chairs and directors, share women/men

47%/53%

Board chairs, share women/men

51%/49%

## Total number of board chairs and directors

301

## Net sales for the portfolio

Excluding associates

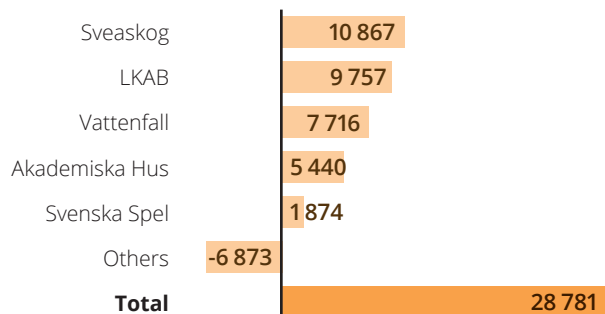
SEK 363bn

Including associates

SEK 402bn

## Profit after tax

Jan.–Dec. 2020. Enterprises with greatest effect on net profit, SEK m



a) Portfolio value adjusted for transactions.

b) Around 135 000 people are employed by state-owned enterprises, including associates.

c) Gender balance refers to fully and partly owned limited companies whose registered office is in Sweden.

Seven enterprises account for just over 80% of net sales, including associates,

Enterprise (holding, %)	Share of sales <sup>a)</sup> , %	Number of employees	Net sales, SEK m Jan.-Dec. 2020	Operating profit, SEK m Jan.-Dec. 2020
Vattenfall (100%)	39.5	19 859	158 847	15 276
PostNord (60%)	9.6	28 006	38 729	2 421
Systembolaget (100%)	9.1	3 884	36 737	525
Telia Company (39.5%)	8.8	20 505	89 191	-17 747
LKAB (100%)	8.4	4 535	33 914	11 654
Apoteket (100%)	4.9	2 835	19 536	397
Samhall (100%)	2.3	20 699	9 406	282

a) Share of net sales including associates (SEK 402bn).

...the remaining enterprises<sup>b)</sup> account for about 20% of net sales, including associates.

Enterprise (holding, %)	Net sales SEK m Jan.-Dec. 2020	Operating profit, SEK m Jan.-Dec. 2020	Enterprise (holding, %)	Net sales SEK m Jan.-Dec. 2020	Operating profit, SEK m Jan.-Dec. 2020
Akademiska Hus (100%)	6 418	7 334	SBAB (100%)	3 685	2 361
Almi (100%)	1 107	29	SEK, Svensk Exportkredit (100%)	1 987	1 238
APL, Apotek Produktion & Laboratorier (100%)	1 448	-41	SJ (100%)	5 529	-1 867
Arlandabanan Infrastructure (100%)	58	12	SOS Alarm (50%)	1 324	65
Bilprovningen (100%)	653	84	Specialfastigheter (100%)	2 393	1 276
Dramaten (100%)	278	5	SSC, Svenska rymdaktiebolaget (100%)	1 001	-5
Green Cargo (100%)	4 040	-222	Statens Bostadsomvandling (100%)	21	-17
Göta kanalbolag (100%)	43	0	Sveaskog (100%)	6 597	13 821
Infranord (100%)	4 014	14	Svedab (100%)	10	475
Jernhusen (100%)	1 446	302	Svenska Skeppshypotek (100%)	131	109
Lernia (100%)	2 029	-5	Svenska Spel (100%)	5 563	2 395
Metria (100%)	417	-8	Svevia (100%)	8 135	338
Miljömärkning Sverige (100%)	70	-1	Swedavia (100%)	2 494	-1 539
Operan (100%)	573	22	Swedfund International (100%)	248	-373
Orio (100%)	392	6	Teracom Group (100%)	1 338	156
RISE, Research Institutes of Sweden (100%)	3 396	-84	Vasallen (100%)	3	-11
Saminvest (100%)	2	-521	Visit Sweden (100%)	146	8
SAS (22%)	20 513	-9 549	Voksenåsen (100%)	18	2

b) EUROFIMA, INSTEX, Stiftelsen Industrifonden, Stiftelsen Norrlandsfonden and Sweden House are not consolidated.

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# Government's investment management



# An enterprise portfolio driving positive change

2020 came to be characterised by the pandemic that affected all of us, but did so in different ways. The rapid changes in society due to the pandemic have also affected the state enterprise portfolio in both the short and the long term.

State-owned enterprises had to adjust quickly to take care of staff and customers. Several state-owned enterprises also made adjustments in parts of their operations to support society as a whole in various ways. For example, in the space of only a few weeks, RISE adjusted its operations to provide a fast track for testing personal protective equipment on behalf of the Swedish Work Environment Authority.

I am proud that we have, in our portfolio, many examples of enterprises that have contributed medical supplies, made

storage space available for medical supplies and lent staff to health care, to mention some steps taken during the pandemic.

To secure certain fundamental services and functions in society, as a responsible and professional owner, the Government decided to provide capital contributions for a number of state-owned enterprises in 2020. In addition, the Government also decided on a number of other measures to mitigate the effects of the virus outbreak on Swedish jobs and businesses. For instance, Almi was given extra funding to be able to increase its lending to small and medium-sized enterprises and to continue to make new investments in small, innovative businesses.

## Lower earnings but higher dividend

The sales of the state enterprise portfolio decreased slightly in 2020, totalling SEK 402bn, including associates. Earnings decreased by 38%, amounting to SEK 29bn, compared with SEK 47bn for the full year 2019. The poorer earnings are mainly explained by the impact of write-downs on Telia Company's and Vattenfall's earnings.

While the situation remains strained for certain enterprises, others noted record growth in demand in 2020 with, for example, PostNord reporting its best annual earnings since its formation in 2009. It is also positive that, despite the pandemic, the State's dividends from the enterprises amount to SEK 21.3bn, an increase from SEK 18.7bn in the preceding year.

"The rapid changes in society due to the pandemic have also affected the state enterprise portfolio in both the short and the long term."



“Since the portfolio of state-owned enterprises is a large and important part of the business sector in Sweden, the actions of these enterprises can serve as examples for other companies.”

#### Value growth despite the pandemic

State-owned enterprises represent huge worth, SEK 700bn, and are ultimately owned by the Swedish people. This year's valuation is affected to some extent by the upvaluation of the forest assets in Sveaskog, but also reflects expectations of positive financial developments looking ahead in most of the enterprises.

One of the Government's overall objectives is to ensure long-term value creation in the portfolio, and this year's value increase of 11% must be considered good. State-owned enterprises are also to take a long-term approach, be efficient and profitable, and be given the capacity to develop.

#### Climate risks and the opportunities

We know that climate change is happening here and now. This is why it is important that state-owned enterprises take the lead and work to reduce climate and environmental impacts. Since the portfolio of state-owned enterprises is large and an important part of the business sector in Sweden, the actions of these enterprises can serve as examples for other companies. At the same time, the green transition offers opportunities for innovation.

During the year LKAB announced a new strategy that lays out the path to zero emissions of carbon dioxide from its own processes and products by 2045 and secures the enterprise's business with expanded mining operations beyond 2060. This venture can be the biggest industrial investment ever in Sweden and may result in the creation of a new Swedish export industry that can also lead to positive change beyond Sweden's borders.

The portfolio's absolute emissions of carbon dioxide decreased strongly during the year, mainly because Vattenfall is working to phase out coal power and is gradually reducing its climate impact. One natural outcome of the energy transition is a decrease in the financial value of coal power. This had a strongly negative impact on Vattenfall's financial performance in 2020. However, like the energy sector in general, Vattenfall has had relatively strong underlying growth during the year.

In this year's annual report you can also read about SEK's work on and reporting of climate risks and the opportunities.

#### Gender equality and diversity

State-owned enterprises have to be exemplary in gender equality work and work actively on gender equality issues in their operations. The enterprises also have to take account of diversity aspects and foster an inclusive culture.

For the third successive year women are in the majority among board chairs, and the Government is aiming for gender balance both on individual boards of directors and at portfolio level. It was also gratifying to see that a survey of gender equality at the top of Sweden's 1 000 largest companies gave first place to the state-owned enterprise Akademiska Hus.



Ibrahim Baylan  
*Minister for Business, Industry and Innovation, minister responsible for state-owned enterprises*

# Important events in 2020



## Testbeds for biorefinery

In the Budget Bill for 2021 the Government announced additional funding of SEK 350m over two years to RISE to intensify work on sustainable solutions in bioeconomy. By modernising and supplementing RISE's testbeds for biorefinery, Sweden can improve the conditions for commercialisation of new solutions. This funding can contribute to business start-ups and international investments, as well as the establishment of a world-class centre for resource-efficient, non-toxic and circular bioeconomy.

## Impact of the pandemic

2020 was an exceptional year, and state-owned enterprises have needed to address the challenges brought by the corona pandemic. The underlying result in the state enterprise portfolio recovered in the second half of the year, after a large downturn in the first half of the year. The spread of COVID-19 has had a particularly great impact on a number of state-owned enterprises. The Riksdag has therefore authorised the Government to decide on a number of capital contributions to secure certain fundamental services and functions in society. A selection of these capital reinforcements are described on the next page.

■ [Read more on pages 5–7.](#)

## State Ownership Policy has been revised

To ensure that State Ownership Policy provides a relevant and up-to-date framework for corporate governance of state-owned enterprises, the Policy was revised in 2019 and in early 2020. The State Ownership Policy and principles for state-owned enterprises are reproduced in full on page 100.

■ [Read more on pages 100–115.](#)

## New bridging loan

In March 2020 Almi launched a bridging loan aimed at companies in which financing needs have arisen as a result of the pandemic. Its purpose is to bridge a period of difficulties and the loan provides possibilities of conditions specially geared to the prevailing situation. In 2020 the number of bridging loans advanced was 1 955 and they totalled to SEK 1 144m.



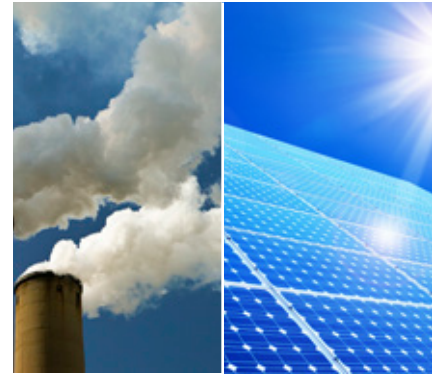
## Housing for seniors

There is a great need for housing adapted to the needs of older people in many places around the country. In the Spring Amending Budget for 2020 the Government proposed a reinforcement of SEK 300m for Statens Bostadsomvandling, Sbo, to meet the need of housing for older people. This enables Sbo to participate in providing several hundred additional modern and accessible homes for seniors throughout the country.

## LKAB's new strategy

LKAB presented its new strategy in November 2020. The new strategy for LKAB lays out the path to zero emissions of carbon dioxide from its own processes and products by 2045 and secures the enterprise's business with expanded mining operations beyond 2060.

■ [Read more on page 11.](#)



## Focus on climate risks

Under the State Ownership Policy it is particularly important that state-owned enterprises work for the identification, assessment, management and transparent reporting of the climate-related financial risks and opportunities in their operations. Read more about SEK's management and reporting of its climate-related financial risks and opportunities on page 39.

■ [Read more on page 39.](#)



## Restart of the visitor industry

The visitor industry has faced major challenges on account of the pandemic. In the Budget Bill for 2021 the Government proposed funding of SEK 120m in 2021 for measures that will contribute to a reorientation and development towards a sustainable visitor industry in the whole of Sweden, with SEK 40m going to Visit Sweden. SEK 20m related to the reorientation of Visit Sweden's operations. In addition, the enterprise's assignment was changed to include marketing the whole of the country to domestic target groups.

■ [Read more on page 29.](#)



# Capital reinforcements on account of the pandemic

On 23 June 2021 the Riksdag authorised the Government to make decisions providing capital contributions of not more than SEK 3.15bn to Swedavia and of not more than SEK 150m to Lernia and to acquire shares or take other similar measures to recapitalise SAS (Govt Bill 2019/20:187, Cmte Rep. 2019/20:FiU62, Riksdag Comm. 2019/20: 364).



## Swedavia

Air traffic from Swedavia's airports decreased dramatically in spring 2020 due to the extensive travel restrictions introduced at that time. Swedavia took a number of measures to reduce its costs. In principle, all activities that were not critical to its business were ended. Only activities that maintain essential operations and activities that were intended to ensure that airport operations would be free from emissions of fossil carbon dioxide at the end of 2020 were carried out. The Government decided on 14 October 2020 to pay a capital contribution of SEK 2.5bn to the enterprise.

The capital contribution meant that Swedavia's debt/equity ratio remained low within the owner target, ensuring that the enterprise had access to financing via the capital market, which was judged to make continued effective financing possible. In the prevailing circumstances the capital contribution was crucial for Swedavia's long-term value creation and ability to maintain aviation infrastructure and therefore secure Swedish air traffic access.

■ *Read more on page 11.*



## Lernia

After losses in 2018–19, Lernia had a challenging financial situation that was made even worse by the ongoing pandemic. However, the Government made the assessment that Lernia had a sound and profitable business plan and that the enterprise, like the whole of the training and staffing industry, will have an important role in the coming years in meeting needs in skills provision, transition, recruitment and matching. The Government decided on 25 June 2020 to pay a capital contribution of SEK 150m to the enterprise.

The capital contribution gave Lernia's business a stronger balance sheet, enabling the enterprise to continue to strengthen its equity/assets ratio over time. It gives Lernia good possibilities of continuing its work to strengthen Lernia's offer of services in staffing, training and matching.

## SAS

On account of the extensive travel restrictions and the reduced demand for air travel, SAS's air traffic ended in principle in spring 2020. This had major consequences for the enterprise's supply of liquidity and financial position.

On 10 September 2020 the Government decided to participate in SAS's recapitalisation plan, and, in October 2020, the Swedish State then subscribed for the following financial instruments issued as part of the recapitalisation plan:

- 1 527 596 144 newly issued common shares in SAS at a subscription price of SEK 1.16 per share, corresponding to

a contribution totalling around SEK 1.8bn. By doing so, the Swedish State increased its total holding of shares in SAS from its previous 56 700 000 to 1 584 296 144 common shares, increasing its holding from 14.82% to 21.80% of the shares and votes in the enterprise.

- 2 000 newly issued hybrid notes at a subscription price of SEK 1 250 000 per note, corresponding to a contribution totalling around SEK 2.5bn.

The total contribution made by the Swedish State in SAS's recapitalisation plan, paid in October 2020, was therefore around SEK 4.3bn.



The recapitalisation was essential to enable the enterprise to get through the difficult situation resulting from the corona pandemic and travel restrictions. Overall, the recapitalisation increased the enterprise's liquidity by SEK 12bn, decreased its debt by SEK 2.25bn and strengthened its equity by SEK 14.25bn.

The Government set tough climate and environmental requirements for SAS in conjunction with the recapitalisation. As a result, the enterprise has toughened its climate targets so as to contribute to the achievement of the aims of the Paris Agreement. The Government's expectations as an owner are that SAS will implement its climate work in line with the plan communicated. The Government has a close dialogue with the enterprise concerning its climate work.

# Performance in 2020

## Sales

Consolidated net sales for the portfolio of state-owned enterprises decreased by 2.3% in 2020 year-on-year, to SEK 362.9bn (371.4bn). Net sales for the full year 2020 including associates,<sup>a)</sup> also decreased by 2.3% and were SEK 402.0bn (411.4bn).

Lower sales in Vattenfall, Swedavia and SJ are the main reasons for the decreases in total net sales. Vattenfall's net sales decreased by 5% (-4% excl. currency effects), or SEK 7.5bn. The decrease is mainly due to lower electricity prices and a lower sales volume in the Nordic Region, the Netherlands and Germany, as well as lower revenue from heating services. Swedavia's sales decreased by 60%, mainly due to a strong decrease in

air traffic from mid-March 2020 on account of the corona pandemic, leading to significantly lower passenger volumes.

Vattenfall accounts for 43.8% (44.8%) of net sales in the portfolio of state-owned enterprises, and for 39.5% (40.4%) if sales in associates are included.

A number of enterprises increased their sales, including Systembolaget and Telia Company. Systembolaget increased its sales by 14%, which is partly explained by an increase in Systembolaget's share of consumption during the pandemic. The main reason for this is lower travel imports, but fewer restaurant visits have also been a factor.

## Profit and dividends

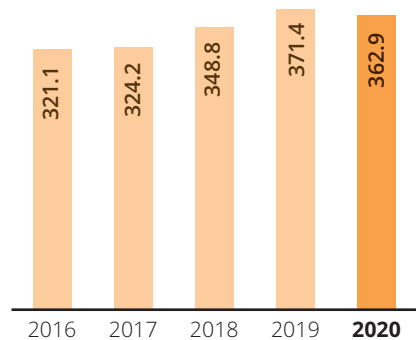
Operating profit for the full year 2020 decreased and was SEK 44.6bn (60.1bn). This is mainly explained by lower operating profits for Telia Company and Vattenfall. Telia Company's operating profit decreased by SEK 30.0bn. The enterprise's operating profit was adversely affected by the sale of Turkcell Holding and an impairment attributable to goodwill in Finland.

The after-tax profit for the full year 2020 decreased and was SEK 28.8bn (46.6bn). The largest positive contributions to the consolidated profit after tax came from Sveaskog, LKAB, Vattenfall, Akademiska Hus and Svenska Spel. Sveaskog's profit increased by SEK 9.3bn, mainly due to a revaluation of

a) Includes net sales for associates based on the state share of equity. Enterprises in which the state ownership share is less than 20% are not included.

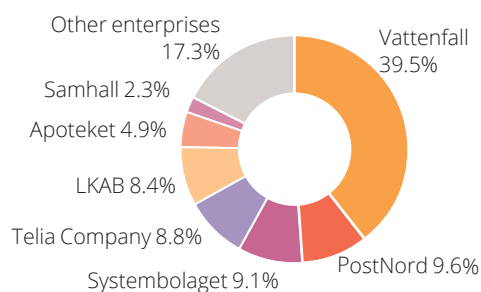
### Net sales

Excluding associates SEK bn



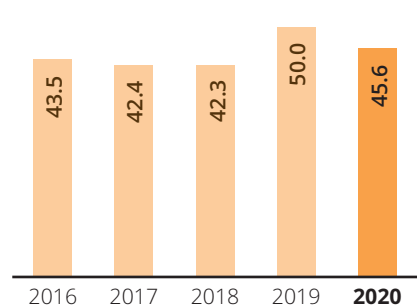
### Distribution of sales

Including associates, Jan.-Dec. 2020



### Gross investments

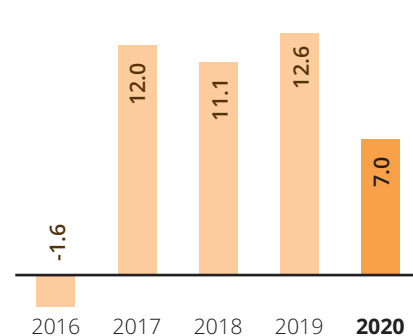
SEK bn



Gross investments decreased by 8.7% to SEK 45.6bn (50.0bn). Vattenfall's gross investments, which accounted for almost half of total gross investments, decreased by 20.4% to SEK 21.3bn (26.8bn).

### Return on equity

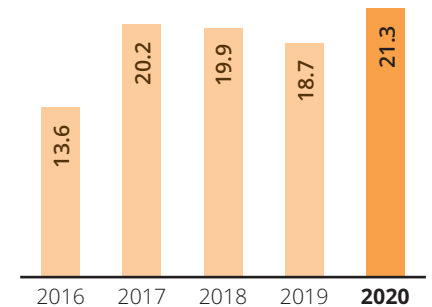
%



The return on equity was 7.0% (12.6%).

### Dividends

SEK bn



State-owned enterprises make important contributions to central government finances. Dividends paid to the State in financial year 2020 totalled SEK 21.3bn.

forest assets. The enterprise has changed its reporting method for valuation of its forest assets so that it is now based on market value calculated using transactions in areas where Sveaskog owns forest assets. In doing so, Sveaskog is following the other large companies in the industry.

Dividends from state-owned enterprises for financial year 2020 amounted to around SEK 21.3bn (18.7bn). The largest dividends come from LKAB, at SEK 5.9bn, and Vattenfall, at SEK 4.0bn.

### Sustainable business

In this section all partly owned enterprises have been weighted to make it possible to, for instance, attribute the portfolio's emissions to the state holding, in line with international practice.

- b) Based on information reported to the Government Offices and excludes 8 enterprises where these statistics were not available.  
c) A number of enterprises have been excluded since they did not have this information available.

The total climate impact of the portfolio of state-owned enterprises, measured as tonnes of CO<sub>2</sub> equivalents (direct and indirect emissions, Scope 1-2) was around 13.6m (20.1m) and corresponded to a year-on-year decrease of 32.3%.<sup>b)</sup> Vattenfall accounts for around 91% of emissions, and accounts in a group of five enterprises, along with LKAB, SAS, PostNord and Green Cargo, for more than 99% of the portfolio's total climate impact.

The accident rate at portfolio level, measured as the number of work-related accidents resulting in sickness absence

divided by the number of million hours worked, including both employees and contractors, decreased to 4.3 (5.1).<sup>c)</sup>

During the year there were 2 (2) work-related fatal accidents in the portfolio of state-owned enterprises, among employees and contractors.

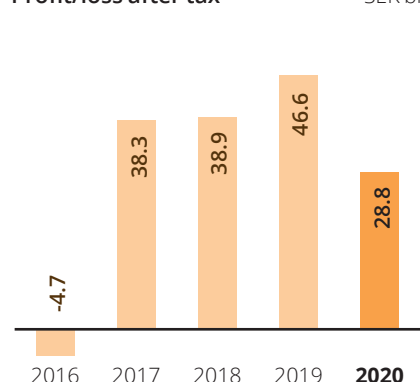
Total pay and other remuneration to employees (excluding payroll overheads) amounted to SEK 56.0bn (56.1bn). Vattenfall and enterprises operating in labour-intensive industries, such as PostNord and Samhall, accounted for the largest wage payments.

### Reported effective tax, total <sup>d)</sup>

SEK bn	2020	2019
Tax on reported profit/loss before tax (according to applicable rate of income tax)	-4.7	-13.7
Reported effective tax	-13.5	-11.9

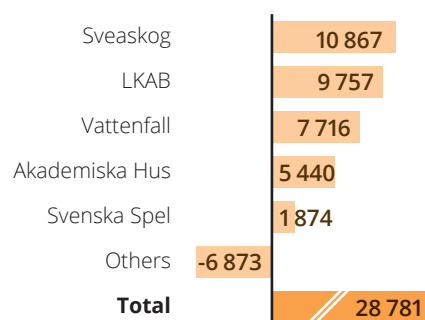
- d) The table presents both tax on "profit before tax" according to the applicable Swedish rate of income tax on 31 December of the relevant year, and the sum of effective tax reported among the enterprises. A tax expense is stated with a negative sign and tax revenue is stated with a positive sign. The presentation covers the enterprises' total tax expenses, irrespective of the state holding.

### Profit/loss after tax SEK bn



### Profit/loss after tax SEK m

Enterprises with greatest effect on net profit, SEK m, Jan.–Dec. 2020



### State-owned enterprises, total <sup>e), f)</sup>

SEK bn	2020	2019	2018	2017	2016
Net sales (incl. any appropriation)	362.9	371.4	348.8	324.2	321.1
Net sales incl. associates (incl. any appropriation)	402.0	411.4	380.7	354.6	353.1
Profit before changes in value	30.9	54.5	43.7	47.8	20.8
Changes in value	13.8	5.6	5.0	5.9	5.6
Operating profit (EBIT)	44.6	60.1	49.1	53.7	26.4
Profit before tax	41.8	56.6	44.9	47.6	20.1
Profit/loss after tax	28.8	46.6	38.9	38.3	-4.7
Gross investments	45.6	50.0	42.3	42.4	43.5
Cash flow from operating activities (excl. SEK and SBAB)	68.9	45.2	65.7	51.3	46.5
Total equity	430.1	383.0	361.3	342.3	312.9
Total assets	1 825.0	1 703.3	1 637.0	1 497.1	1 469.0
Number of employees excl. associates (thousands)	106	108	109	109	111
Number of employees incl. associates (thousands)	135	140	134	130	137
Dividend	21.3	18.7	19.9	20.2	13.6
Estimated value <sup>g)</sup>	700	640	630	570	510
Return on equity (%)	7.0	12.6	11.1	12.0	-1.6
Equity/assets ratio (%)	23.6	22.5	22.1	22.9	21.3
Dividend yield (%)	3.1	2.9	3.2	3.6	2.8

- e) Vattenfall's lignite operations and Teracom Group's former subsidiary Boxer are reported as profit/loss from discontinued operations/operations being divested for 2016.

- f) SAS is included in consolidated profit/loss in 2020 (for the first time since 2014) since the State's share of equity is now above 20%. The comparative figures for 2019 have been adjusted in accordance with this, but comparative figures for previous periods have not.

- g) Estimated value of the enterprise portfolio adjusted for transactions.

# Positive value performance

The portfolio of state-owned enterprises consists of enterprises in the sectors of basic industry/energy, telecom, services, property, finance, consumer goods, infrastructure and transport. Basic industry/energy is the dominant sector, with about 53% of the value of the portfolio, followed by the three sectors of property, telecom and services.

A valuation of the enterprises and the portfolio as a whole is conducted annually, and value performance is presented here from a one-year and a five-year perspective. This valuation is made at the end of each year and is intended to establish a market value for the enterprises and the portfolio as a whole.

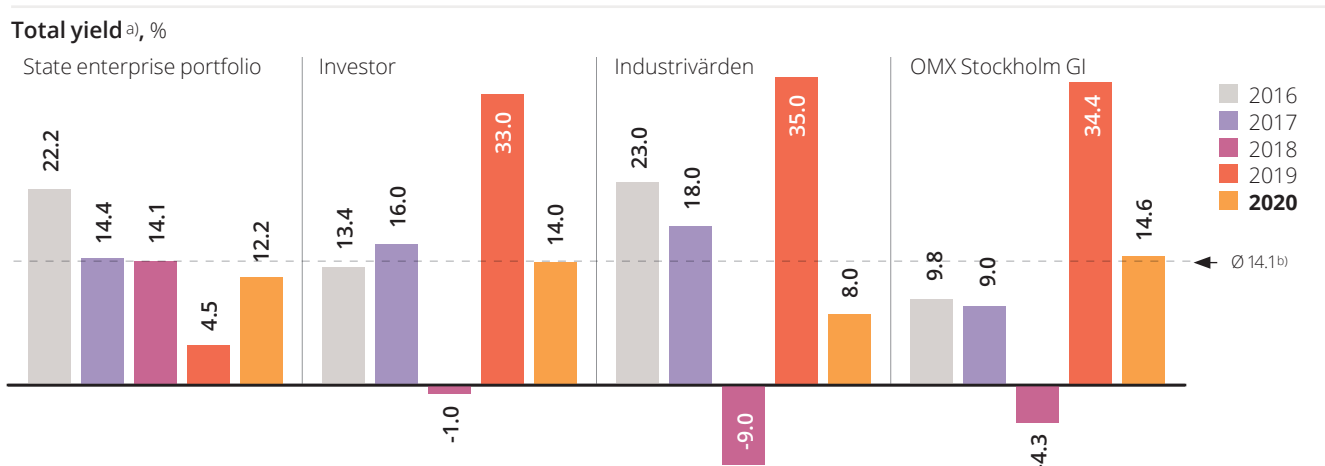
Around half of the enterprises are valued on the basis of both the income approach (present value calculation of future risk-adjusted cash flows) and the market approach (relative valuation based on value multiples for comparable listed companies, adjusted for differences in value drivers and risk), with each method calibrated against the other. Property enterprises are valued at net asset value and listed companies at market value. Other enterprises are valued at the book value of equity.

Like the Stock Exchange as a whole, the state enterprise portfolio displayed a positive value performance in 2020, despite a considerable impact of the pandemic on most of the enterprises. One explanation of this is that company valuation is, by definition, forward-looking and that ongoing vaccination programmes and other developments result in expectations of positive economic developments looking ahead. The biggest negative impact of the pandemic is noted for holdings in passenger transport and related infrastructure. For instance, SJ, SAS and Swedavia have been hit hard by revenue losses, which have, through their impact on net financial debt, also had a direct impact on the enterprises' share values.

**Value performance 2016 to 2020**  
At year-end 2020, the value of the state enterprise portfolio was estimated at SEK 700bn. Adjusted for transactions

executed, this is an increase of around SEK 190bn, or 37%, since 2016, when the portfolio was valued at around SEK 510bn. By comparison, the value of Nasdaq Stockholm rose during the same period by around 44%. Since the sector composition of the state portfolio differs from the total composition of Nasdaq Stockholm, their performance is, however, not fully comparable with regard to aspects including risk exposure. Several state-owned enterprises with relatively substantial values have specifically adopted public policy assignments, partly aimed at objectives other than financial returns, and this is another reason why a direct comparison with Nasdaq Stockholm is also misleading to some extent.

The increase in value of the portfolio, adjusted for transactions executed in the period, of SEK 190bn is primarily attributable to value performance in the



Source: FactSet and website of each enterprise.

- a) Total yield reflects annual value performance including dividends executed. The outcome for the state enterprise portfolio has been adjusted for capital contributions made. The total yield given for Investor and Industrivärden and for the state enterprise portfolio refers to the performance of each portfolio.
- b) The average refers to the mean of all observations during the period.

basic industry/energy sector, which includes Vattenfall, LKAB and Sveaskog. This is the dominant sector in the portfolio although its weight has fluctuated over the last five years. Since 2016 holdings in the basic industry/energy sector have increased in value from around SEK 205bn to around SEK 370bn. On account of this sector's value performance, its share of the total state portfolio has increased gradually from around 40% in 2016 to just under 53% of the value at year-end 2020.

The telecom sector has had negative performance since 2016, given the weak share price performance for Telia Company, not least in 2020.

The main sectors in the state enterprise portfolio that have performed well, in addition to basic industry/energy, since 2016 are property, infrastructure and transport. In the property sector the increase reported is mainly attributable to new construction in Akademiska Hus and the generally favourable development of the property market. In the infrastructure sector, Svedab has performed well, and in the transport sector good performance by SJ and PostNord in particular contribute to the value growth since 2016.

#### Value performance in 2020

In 2020 the value of the state enterprise portfolio rose by just under SEK 70bn, or just under 11%, year-on-year. By comparison, Nasdaq Stockholm rose by around 12.9% over the same period. Dividends to the State in 2020 (for

financial year 2019) amounted to SEK 18.7bn. At the same time, six state-owned enterprises received capital contributions totalling SEK 8.9bn during the year, of which SEK 3.4bn was for contributions to Almi to alleviate the effects of the pandemic on Swedish jobs and businesses. Overall, the state enterprise portfolio generated a total yield of 12.2% in 2020 compared with 4.5% in 2019. Historical total yields for the state portfolio and for Investor, Industrivärden and OMX Stockholm GI (Growth Index) are shown in the figure on page 8.

The basic industry/energy sector accounted for the greatest value change in the state enterprise portfolio in the past year. Along with the services, property and transport sectors, which also performed well in 2020, the aggregate increase in the value of these sectors adds up to around SEK 80bn.

Holdings in the basic industry/energy sector were valued at year-end 2020 at around SEK 370bn, an increase of around SEK 60bn, or 14%, year-on-year. The increase in estimated value is chiefly due to the upvaluation of forest assets in Sveaskog, but also reflects a higher valuation of Vattenfall, which showed relatively strong underlying performance during the year, like the energy sector in general.

The value of the property sector was assessed at around SEK 86bn at year-end 2020, an increase of around SEK 7bn, or 8%. The value growth is mainly

attributable to Akademiska Hus, even though small increases in value were noted for Specialfastigheter and Jernhusen.

At the end of 2020 the value of the transport sector was SEK 22bn, which is an increase of around SEK 5bn, or 27%, year-on-year. In addition to the strong value performance of PostNord, the Swedish State's participation in the recapitalisation of SAS results in an increase in the value of the holding.

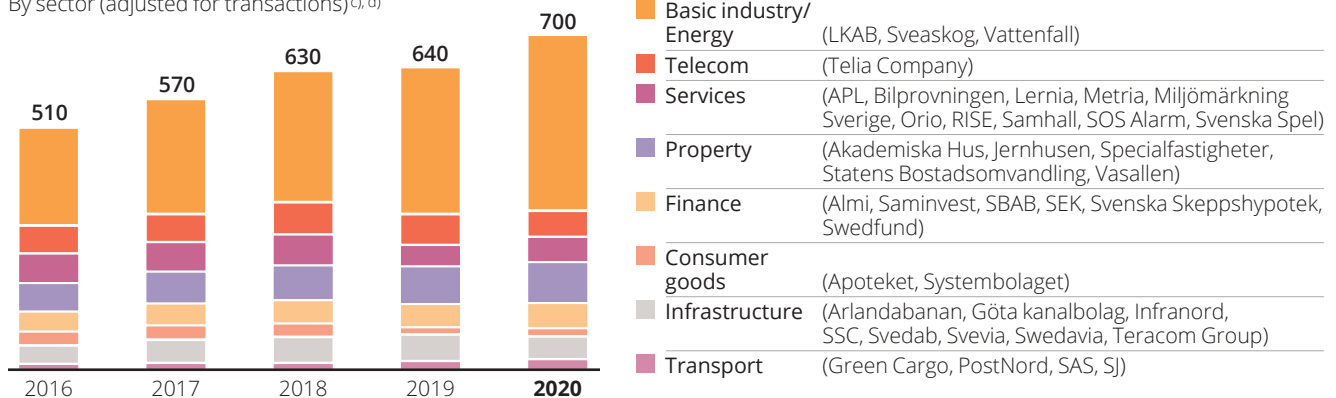
The value of the rest of the state enterprise portfolio was estimated at around SEK 225bn at year-end 2020, a decrease of around SEK 4bn. This negative value performance is mainly related to the telecom and infrastructure sectors, with negative value performance of the holding in Telia Company and a lower valuation of Svedab driven mainly by an assessed higher required return for this type of asset.

#### Share price performance of listed holdings

In 2020 the value of the holding in Telia Company decreased by 15.6%. As a result of the recapitalisation of SAS, the value of the state holding in the enterprise increased. Overall, the value of listed holdings decreased by 12.3% or SEK 8.1bn.

#### Value performance 2016–2020, SEK bn

By sector (adjusted for transactions)<sup>c, d)</sup>



Source: Ministry of Enterprise and Innovation.

c) In addition to the reported sectors, the "Other" sector (Dramaten, Operan and Visit Sweden) is included at an aggregate value of under SEK 1bn.

d) Since the start of 2017 Saminvest is the parent company of the previously wholly state-owned enterprises Inlandsinnovation and Fouriertransform.

## Multidimensional value creation

State-owned enterprises work to be at the forefront of sustainable business and are continuously implementing a range of initiatives aimed at securing their future position in a sustainable world.

With value creation as the overall objective of investment management, sustainable business is a central element of the corporate governance exercised by the Government. State-owned enter-

prises have to act in an exemplary way in the area of sustainable business; this includes strategic and transparent work focusing on cooperation. When the enterprises put sustainable strategies in

place, they sharpen their competitiveness, which is essential for their continued success.

### RISE meets new needs during the corona pandemic

**RISE** The corona pandemic led to an acute need for protective equipment in health care spring 2020. The state research institute RISE, Research Institutes of Sweden, then changed its operations so as to be able to put a fast track in place for testing of personal protective equipment on behalf of the Swedish Work Environment Authority. RISE was soon able to start testing visors, respiratory protective equipment, gloves, aprons and other protective clothing that could then be distributed to health services following approval.

To be involved in supporting the rapid transition to remote digital schooling during the pandemic, RISE also developed a digital plat-



form called skolahemma.se in record time along with the National Agency for Education, the Swedish Association of Local Authorities and Regions, Sveriges Utbildningsradio [Swedish Educational Broadcasting Company] and Swedish Edtech Industry.

RISE also maintains a digital care website digitalvardochomsorg.se

in collaboration with several government agencies, health care actors and other participants. The website is an integrated information and support portal that provides clear support during the corona pandemic for fast tracks in the digital transformation of municipal health and social care and social services.

### Sweden's most gender-equal company

**AKADEMISKA HUS** The 50/50 list run by Dagens Industri (Di), a business daily, is a survey of gender equality at the top of Sweden's 1 000 largest companies. Akademiska Hus took first place on it. The factors that result in Akademiska Hus topping the list are that it has a gender-balanced board and management and that the enter-

prise has a female CEO, board chair, CFO and at least one female line manager. The reasons Di gives for the award are that "Akademiska Hus is a textbook example of a company that has broken through the glass ceiling."

According to State ownership policy, state-owned enterprises have to be exemplary in gender equality work and work actively on gender equality issues in their operations, especially in connection with

appointments to senior management. The enterprises also have to take account of diversity aspects and foster an inclusive culture.

For the third successive year women are in the majority among board chairs in the state enterprise portfolio. All boards but one have gender balance according to the principle that the share of women and of men has to be at least 40%.

## Increased need for venture capital to complement the market

**ALMI** Following decisions by the Riksdag, Almi's financial base was reinforced in June 2020 through capital contributions of some SEK 3bn for its lending operations and of SEK 400m for venture capital operations in its subsidiary Almi Invest.

The need for venture capital to complement the market increased during the pandemic, resulting in a high level of activity in Almi Invest, which is the group's venture capital company. Almi Invest invests in companies with scalable ideas, potential for long-term value growth and the ability to compete both nationally and internationally.

In 2020 there has been a strong

focus on follow-on investments in existing holdings, but as the market situation gradually normalises, more focus is again being placed on new investments. One of Almi Invest's follow-on investments was Tebrito, which produces a protein powder from mealworms as an ingredient of food products or as animal feed. Through a round of funding Tebrito brought in just over SEK 8m in new capital in 2020. Almi Invest, which already took part in the company's first round, put up an additional SEK 2m. This round of funding coincided with notification from the Swedish Food Agency that certain insects can now be sold as food products in Sweden.

## Swedavia reaches milestone in its climate transition work



**SWEDAVIA** In 2020, and as one of the first airport operators in the world, the in-house operations run by Swedavia at the enterprise's ten airports became fossil free. Swedavia is now going on to support other airport actors to adjust, focusing especially on the climate transition for air travel.

At present Swedavia runs extensive airport operations around Sweden that would, just ten years ago, have generated emissions of around 8 000 tonnes of fossil carbon dioxide per year – a figure that has now been reduced to zero. As part of this transition, all airports are now being run with renewable electricity and heating/

cooling, their reserve power runs on renewable fuel and Swedavia's vehicles run on electricity or renewable fuels.

Swedavia's strategic target is to have fuelling with at least 5% aviation biofuel at Swedish airports in 2025 and Swedavia is actively fostering increased use of biofuels, which reduce emissions of fossil carbon dioxide by up to 85%. For instance, Swedavia buys aviation biofuel corresponding to its own business travel and issues an invitation each year to a coordinated procurement to enable other companies and organisations to buy biofuel.



## Unique opportunity to reduce the world's carbon dioxide emissions

**LKAB** In November 2020 the mining and minerals group LKAB presented the enterprise's new strategy for the future. It lays out the path to zero emissions of carbon dioxide from its own processes and products by 2045 and secures the enterprise's business with expanded mining operations beyond 2060. The strategy identifies three main tracks for this transition:

- New world standard for mining operations.
- Over time Direct Reduced Iron (DRI) produced using green hydrogen replaces iron ore pellets and open the way for a fossil free iron and steel industry.
- Extract critical minerals from mining waste – fossil free technology is used to extract strategically important rare earth metals and phosphorous for fertiliser from present-day waste from the mine.

The transition will require extensive investments of the order of SEK 10–20bn per year over a period of 15 to 20 years in LKAB's operations alone.

"This is the biggest transition in the enterprise's 130-year long history and may turn out to be the biggest industrial investment ever in Sweden. It creates unique opportunities of reducing global carbon dioxide emissions, as well as for Swedish industry to take the lead in an essential global transition," says Jan Moström, President and CEO of LKAB.

# Digitalisation and innovation in the state enterprise portfolio

State-owned enterprises have to make active use of the possibilities of digitalisation in their value creation and to keep a close check on the new risks that arise.

As an owner, the State has clearly expressed its expectation that state-owned enterprises will make active use of the possibilities of digitalisation in their value creation, and keep a close check on the new risks that arise. The enterprises have been encouraged to raise the issue of digitalisation on their board agendas, to set aside time to discuss what digitali-

sation means and to take the measures required to secure their long-term competitiveness.

The investment management organisation has created scope for discussing digitalisation during owner dialogues and has also held various network meetings between the enterprises on the

theme of digitalisation in order to inspire and encourage exchanges of knowledge between state-owned enterprises.

In 2019 a CIO network was formed for state-owned enterprises. Telia Company and Vattenfall have each hosted a network meeting in 2020.



## Algorithms reduce the risk of technical faults

**VATTENFALL** A pilot project that enables Vattenfall's technicians to discover faults in local district heating stations was completed in 2020. Previously, on-site inspections had to be made of the stations once or twice a year even if the system was fault free. The majority of the stations were fault free, so the inspections performed were unnecessary. Moreover, on the occasions when there were faults in the stations, they were often only discovered when homes got cold or the hot water stopped working.

To solve this problem Vattenfall worked together with their engineers to develop a solution based on the Internet of Things (IoT), combined with machine-learning algorithms so as to be able to handle preventive maintenance. This greatly reduced the number of on-site inspections, as well as the risk of technical faults that could lead to costly outages and inconvenience for residents. The algorithm is now part of a new project in Berlin; and a dialogue about using the same solution has been started in the Netherlands.

## Operan and PostNord – winners of the Swedish Design Prize in two digital categories

**OPERAN** On account of the pandemic, Operan had no public and physical activities for large parts of 2020. However, people who have wanted to do so have been able to view performances digitally. Operan Play is Operan's digital stage offering hand-picked performances and other material from the national stage. This platform won the Swedish Design Prize in 2020 in the category of Information – digital.

**POSTNORD** In 2020 PostNord's app Real Postcards won the Swedish Design Prize in the category of Digital – Smartphone. The app makes it possible, from a mobile phone or computer, to choose an image, write a greeting and get the delivery of a physical postcard. The app has been very popular in pandemic times, and, in the Christmas period in 2020, 110% more postcards were sent using this app than in the same period of the previous year.<sup>a)</sup>

a) 1.3 million Real Postcards were sent in the period 1–21 December 2020.





### The country's most digitalised higher education institution with a strong focus on sustainability

**AKADEMISKA HUS** Örebro Campus Lab is a joint initiative by Örebro University and Akademiska Hus with the objective of working together so that the University will succeed in becoming the country's most digitalised higher education institution with a strong focus on sustainability. The initiative is

intended to contribute to an education and research environment at the digital and sustainable forefront. An environment that is highly attractive to students, researchers and teachers at Örebro University, as well as to external partners.

At Örebro Campus Lab, projects, innovation and development are started to find smart, effective and sustainable solutions for the future. With the campus as a test-bed, new ideas are developed and tested. The Cooperation Agreement was signed in 2018 and runs up until 2022. As part of this cooperation, the university area has, for instance, become Sweden's first campus to have a digital twin, a digital copy of reality, and has also been equipped with solar cells that give the University 400 000 kWh of renewable energy each year.

In 2020 the university area was equipped with more than 4 000 sensors measuring light, temperature, humidity, movement and other variables. The purpose of the sensors is to use the premises in a more sustainable and efficient way while improving the indoor environment and energy use.



### Digital automatic coupling for more efficient and safer railway goods traffic

**GREEN CARGO** In 2020–21 Green Cargo is participating in a European railway project with tests of different types digital automatic coupling. The tests are being

held in Germany, Austria, Switzerland and Sweden, with Green Cargo's tests in Sweden focusing on winter conditions.

Automatic coupling has many advantages for the industry regarding both safer working conditions and increased production

enabling larger volumes of railway goods traffic. The increase in efficiency is an important part of work to shift more goods from road to rail and to realise both European and Swedish climate objectives. Green Cargo wants to be involved in and contribute to the implementation of standardised automatic coupling in Europe, and, as the largest goods operator in Sweden, the enterprise sees it as important to take part in development work before decisions are taken on a common European standard.

Digital automatic coupling makes it possible to automate several time-consuming and risky work tasks while obtaining secure data communication and effective energy supply. It opens the path to modern logistics concepts and a large number of digital applications.

# Strategy and targets



# Active ownership

The Government has a mandate from the Riksdag to actively manage state-owned enterprises so as to ensure the best possible long-term value performance and to ensure that specifically adopted public policy assignments are performed well. Good corporate governance is essential to enable the Government to perform this mandate.

The portfolio of state-owned enterprises consists of 39 wholly owned and 7 partly owned enterprises with a total value of SEK 700bn. Together, state-owned enterprises and their subsidiaries employ around 106 000 people, and around 135 000 when associates are also included. Of the state-owned enterprises, 22 have been given specifically adopted public policy assignments by the Riksdag, meaning that they generate public benefit that cannot always be measured in financial terms.

State-owned enterprises represent strong brands and play an important role in Swedish society. Several started out as public enterprises, commercial operations within government agencies or state monopolies. Today, most of them operate in fully competitive markets, so it is important that, like privately owned companies, they take a long-term approach, are efficient and profitable and are given the capacity to develop. This also means that state-owned enterprises must apply the provisions of the

Swedish Competition Act (2008:579) in the same way as privately owned companies.

The Government is required to actively manage the State's assets in the form of shares in state-owned enterprises so as to maximise their value performance and return while maintaining balanced risk-taking and ensuring that specifically adopted public policy assignments are performed well. It is important that the State is an active, professional owner with a focus on long-term and sustainable value creation.

As an active and professional owner, the State has to examine the reasons for continued state ownership and also to review the various assignments and directions of the enterprises. The direction of operations and public policy assignments of many of the enterprises justify the State continuing to be a significant owner.

**Government's corporate governance**  
Corporate governance by the Government builds on the Swedish model of corporate governance. This means that, in terms of company law, state-owned enterprises are governed in the same way as privately owned companies with the annual general meeting as their highest decision-making body. This also means that the board of directors is responsible for the enterprise's organisation and the management of its affairs and that the board is responsible for adopting business targets and strategy, while the enterprise's executive management handles the management of its operations. In principle, state-owned enterprises are subject to the same laws and regulations as privately owned companies. See the table below.

**State Ownership Policy**  
The State Ownership Policy sets out the Government's mandates and objectives, applicable frameworks and important issues of principle relating to the corpo-

## Framework for state-owned enterprises

Like privately owned companies, state-owned enterprises are primarily governed by the Swedish Companies Act. Corporate governance differs significantly from the governance of government agencies.

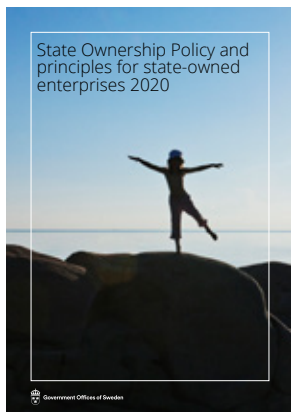
	Legal framework	Operations and assignments	Highest decision-making body
<b>State-owned enterprises</b>	<ul style="list-style-type: none"> <li>• Swedish Companies Act</li> <li>• State Ownership Policy</li> <li>• Rules for issuers<sup>a)</sup></li> <li>• Swedish Corporate Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>• Operations paragraph of articles of association</li> <li>• Owner instruction<sup>b)</sup></li> </ul>	Annual General Meeting (AGM)
<b>Listed companies</b>	<ul style="list-style-type: none"> <li>• Swedish Companies Act</li> <li>• Rules for issuers</li> <li>• Swedish Corporate Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>• Operations paragraph of articles of association</li> </ul>	Annual General Meeting (AGM)
<b>Government agencies</b>	<ul style="list-style-type: none"> <li>• Government Agencies Ordinance</li> <li>• Ordinances containing instructions for specific agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriation directions</li> <li>• Separate government decisions on assignments</li> </ul>	Agency head/board or governing board

a) Applies to external reporting.

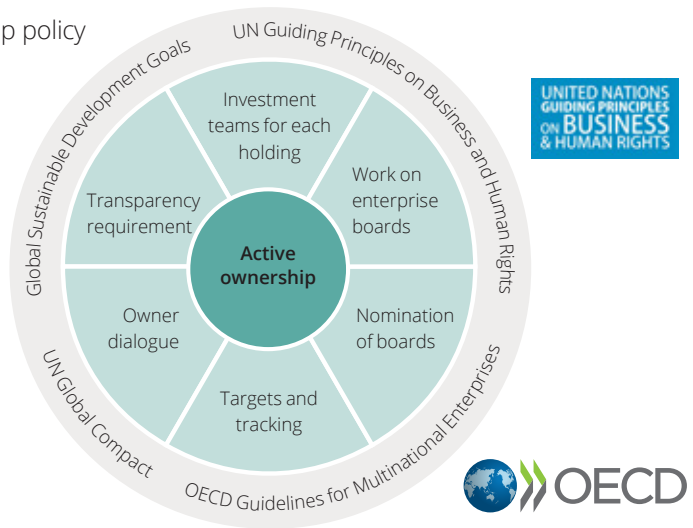
b) Mainly used for enterprises that have specifically adopted public policy assignments.

## Active ownership

Active ownership within the framework of state ownership policy



State Ownership Policy



rate governance of state-owned enterprises. The State Ownership Policy for 2020 includes the Government’s principles for corporate governance, principles for remuneration and other terms of employment for senior officers and principles for external reporting. The State Ownership Policy is applied in all enterprises with majority state ownership. In the other enterprises, i.e. those with minority state ownership, the State engages in a dialogue with the other owners to ensure that the ownership policy is applied.

**OECD Guidelines on Corporate Governance of SOEs**  
The Swedish Government’s management principles mainly follow the OECD Guidelines on Corporate Governance of and Anti-Corruption and Integrity in State-Owned Enterprises. The OECD Guidelines on Corporate Governance of State-Owned Enterprises give the State as the owner and the state-owned enterprises a predictable framework to consider, and mean that the ownership role of the State is clearly segregated from its other roles. Sweden participated in the drafting of both the original and revised guidelines from 2005 and 2015 respectively. The Guidelines are recommendations made to governments to ensure that state-owned enterprises operate efficiently, transparently and in an accountable manner. They are an international standard intended to avoid the State making the mistakes of being a passive owner or of intervening excessively as an owner.

**Investment management organisation**  
The Minister for Business, Industry and Innovation is responsible for a unified ownership policy for state-owned enterprises and is the minister responsible for most of the enterprises (see the administrative responsibility of various ministries/ministers in the table on page 17). The Ministry of Enterprise and Innovation has a specific organisation specialised in corporate governance and investment management to ensure long-term value creation in the portfolio of state-owned enterprises. This investment management organisation consists of investment directors and of experts in company analysis, sustainable business, commercial law and board recruitment; the investment directors each serve on a number of enterprise boards and lead the ongoing work of the organisation related to the holdings, which is organised in investment teams. The work of the investment management organisation is conducted within the framework of the state model of corporate governance, and a number of tools and processes have been developed to achieve active and professional management. These processes are described in greater detail below.

### Active ownership

*Investment team for each holding*  
Work on developing and managing enterprise holdings is mainly carried out on the basis of investment teams. Each



investment team is led by the investment director and also contains specialists in analysis, commercial law, board recruitment and sustainable business, each of whom may lead individual projects as part of the investment team. The size and composition of these teams varies, based on the size, complexity or agenda for change of the various enterprises. This composition helps to ensure that each team has good insight into the market and their enterprise’s business environment, as well as an understanding of the challenges and risks facing the enterprise, enabling these teams to contribute to positive value performance by the enterprise. The investment teams analyse their enterprises’ operations, markets, competitors and sustainable business work, which helps to ensure value creation in state holdings through active investment management. The investment teams handle all ongoing ownership issues concerning the enterprises under their investment management, such as analyses of markets and strategy; board changes; the adoption of financial targets, public policy targets and dividend policies; and target achievement.

*Work on enterprise boards*  
Investment directors have the same responsibility and tasks as other board directors and must, under the Swedish Companies Act, look to the best interests of their enterprise. Board service gives investment directors in-depth knowledge about their enterprise, the markets in which it oper-



ates and the important issues and challenges it is facing. The expertise of investment directors contributes to the knowledge that the investment teams have of their enterprises, which facilitates the preparation and planning of analyses and owner dialogues at the Government Offices, for example. Investment directors have the same mandate as other directors, and the formal dialogue between owner and enterprise takes place through owner dialogues between the political leadership and the chair of the board. In the role of board director, investment directors can contribute knowledge of corporate governance issues and the State Ownership Policy, as well as of what various processes in the Government Offices are like, in addition to the general skills for board service. However, each and every director is responsible for being aware of the content of the State Ownership Policy.

#### *Nomination of boards*

The board of directors is responsible for the organisation of their enterprise and the management of its affairs; this means that the board is responsible for setting the enterprise's overall strategy, including strategic targets for sustainable value creation, and takes other important strategic decisions. The boards of state-owned enterprises have to possess a high level of expertise well geared to the operations, situation and future challenges of their particular enterprise. Uniform and common principles for a structured board nomination process are applied to ensure effective provision of expertise to the enterprises' boards of directors. Read more about the board nomination process on page 19. The chair holds a special status on the board. The chair is responsible for ensuring that the work of the board is well organised and efficient, but also has other tasks such as coordinating the views of the board with those of the owner when the enterprise is facing particularly important decisions. The chair is responsible for maintaining ongoing dialogue with the enterprise's owner.

#### *Targets and tracking*

Targets and tracking are important instruments for the State as an enterprise owner, see the figure on page 18. The development of the enter-

prises can be measured since their performance is tracked regularly against the targets set. If an enterprise does not meet its targets, the owner can request an action plan from the enterprise. Financial targets and public policy targets are adopted by the annual general meeting. Financial targets make it possible to measure and track the enterprise's profitability, efficiency and level of risk. Public policy targets are set for enterprises that have specifically adopted public policy assignments, chiefly to be able to assess how well their assignments are being performed.

In order to clearly integrate sustainable business into the enterprise's business strategy and business development, the owner has instructed enterprise boards to establish strategic targets for sustainable value creation. All targets are tracked within the framework of the owner dialogue.

#### *Owner dialogue*

The Ministry of Enterprise and Innovation has administrative responsibility for the majority of the state-owned enterprises. Other ministries with administrative responsibility are the Ministry of Finance, the Ministry of Culture, the Ministry of Health and Social Affairs and the Ministry for Foreign Affairs, see the table on the right. The political leadership of the ministries responsible meet regularly with the board chairs and management of their state-owned enterprises at what are called 'owner dialogues'. Public policy targets and financial targets are tracked at the owner dialogue. Outcomes in relation to the targets are discussed, as is any action planned to meet the targets. The strategic targets for sustainable value creation set by the board are also tracked as part of the owner dialogue. Current issues of significance for the operations of the enterprise are also discussed at the owner dialogue.

#### *Transparency requirement*

State-owned enterprises are subject to the same external financial reporting standards as companies whose shares are admitted to trading on a regulated market in Sweden. When preparing sustainability reports, state-owned enterprises have to follow the rules on sustainability reports in the

## Responsible ministries

Minister responsible for the enterprise in brackets unless otherwise stated

### Ministry of Enterprise and Innovation

*(Baylan)*

Akademiska Hus <sup>a)</sup>  
 Almi  
 Apoteket  
 Arlandabanan Infrastructure <sup>b)</sup>  
 Bilprovingen  
 EUROFIMA <sup>b)</sup>  
 Green Cargo  
 Göta kanalbolag  
 Infranord  
 Jernhusen <sup>c)</sup>  
 Lernia  
 LKAB  
 Metria  
 Orio  
 PostNord  
 RISE, Research Institutes of Sweden  
 Samhall  
 Saminvest  
 SAS  
 SBAB  
 SEK, Svensk Exportkredit  
 SJ  
 SOS Alarm  
 Specialfastigheter <sup>c)</sup>  
 SSC, Svenska rymdaktiebolaget  
 Statens Bostadsomvandling <sup>c)</sup>  
 Stiftelsen Industrifonden  
 Stiftelsen Norrlandsfonden  
 Sveaskog  
 Svedab <sup>b)</sup>  
 Svenska Skeppshypotek  
 Svenska Spel  
 Svevia  
 Swedavia  
 Swedfund International  
 Telia Company  
 Teracom Group  
 Vasallen <sup>c)</sup>  
 Vattenfall  
 Visit Sweden

The Minister responsible is: a) Ernrans, Ministry of Education and Research. b) Eneroth, Ministry of Infrastructure. c) Lindhagen, Ministry of Finance.

### Ministry of Finance

*(Micko)*

Miljömärkning Sverige

### Ministry of Culture

*(Lind)*

Dramaten  
 Operan  
 Voksenåsen

### Ministry of Health and Social Affairs

*(Hallgren)*

APL, Apotek Produktion & Laboratorier  
 Systembolaget

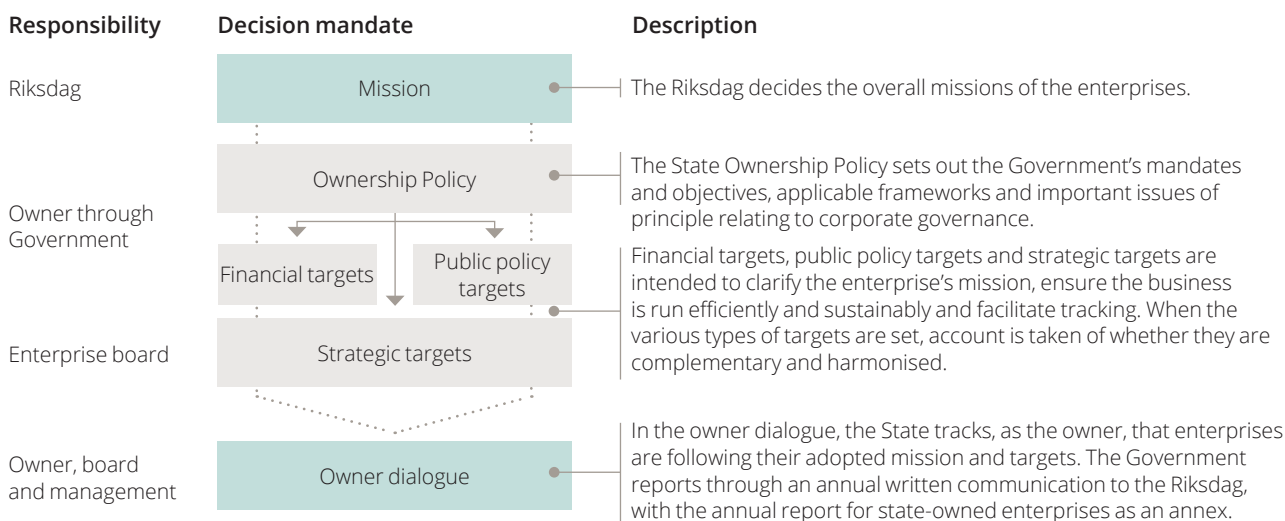
### Ministry for Foreign Affairs

*(Linde)*

INSTEX  
 Sweden House

### Corporate governance – targets and tracking

On the basis of the Riksdag's decision, the owner determines, through the Government, the business objectives of the enterprises in the articles of association adopted by their annual general meeting.



Swedish Annual Accounts Act for large companies. The requirement for transparent and professional communication of information by state-owned enterprises is intended to maintain confidence in these companies among the public and the business community. The purpose of active management of the various enterprise holdings is to maintain good insight over the long term into the enterprises' operations and to handle various ownership issues on an ongoing basis.

lines for Multinational Enterprises. In addition, state-owned enterprises have to analyse, within the scope of their operations, the global goals of the 2030 Agenda so as to identify the goals that the particular enterprise affects and contributes to through its operations.

**Costs**  
In 2020 the cost of the investment management organisation at the Ministry of Enterprise and Innovation was SEK 40.1m (40.5m), corresponding to 0.01% of assets under management. Fees for services purchased externally, such as financial, economic and legal advice and preparation of the annual report and the Government Offices' interim reports for state-owned enterprises, totalled SEK 25.9m (8.2m). The costs of the investment management organisation mainly consist of salaries, but also include other current expenses such as office supplies. Costs for investment management in other ministries are not included, since these mainly consist of salaries that are also attributable to the other tasks within these ministries.

**Authorisations to change state ownership**  
In Government Bill 2016/17:181, "State-owned enterprises in transition" [*Statligt ägda bolag i omvandling*] the Government proposed winding up and dissolving Swedesurvey Aktiebolag so as to transfer part of its operations to Lantmäteriet, the Swedish cadastral authority. The Riksdag adopted the Government's proposal on 20 June 2017 (Cmte Rep. 2016/17:NU24, Riksdag Comm. 2016/17:333). An EGM in 2019 decided to wind the enterprise up by placing it in voluntary dissolution. Its dissolution was completed on 17 December 2020. There are five other current authorisations to change state ownership, see the table below.

In 2020 the Riksdag has authorised the Government (Govt Bill 2020/21:1, Cmte Rep. 2020/21:NU1, Riksdag Comm. 2020/21:145) to transfer the State's shares in Vasallen to Statens Bostadsomvandling, Sbo.

### International guidelines

The State Ownership Policy requires state-owned enterprises to act responsibly and work actively to follow international guidelines regarding environmental consideration, human rights, working conditions, anti-corruption and business ethics. The Government has identified a number of international principles and guidelines of importance for state-owned enterprises: the Ten Principles of the UN Global Compact, the UN's Guiding Principles on Business and Human Rights and the OECD's Guide-



### Authorisations to change state ownership

Enterprise	Current holding, %	Authorisation to change holding to, %	Decision
Bilprovningen	100	0	Govt Bill 2009/10:54, Cmte Rep. 2009/10:NU10, Riksdag Comm. 2009/10:162
Lernia	100	0	Govt Bill 2012/13:1, Cmte Rep. 2012/13:NU1, Riksdag Comm. 2012/13:103
Metria	100	0	Govt Bill 2016/17:181, Cmte Rep. 2016/17:NU24, Riksdag Comm. 2016/17:333
Orio	100	0	Govt Bill 2012/13:99, Cmte Rep. 2012/13:FIU21, Riksdag Comm. 2012/13:287
SAS	21.8	0	Govt Bill 2009/10:121, Cmte Rep. 2009/10:FIU35, Riksdag Comm. 2009/10:220

## Board nomination process

The investment management organisation at the Ministry of Enterprise and Innovation has its own board search advisers whose task includes evaluating the boards of state-owned enterprises and producing proposals for chairs and other directors.<sup>a)</sup>

The board nomination process is carried out annually and begins after the summer, when existing boards have been in office since the AGMs in April and have often had their first strategy meetings. Along with a working group that includes representatives of the investment team for each enterprise, the board search advisers analyse the competence profile requirement based on the composition of the present board and board changes made. The analysis is based on the board evaluations, i.e. the owner's evaluation and the board's evaluation, discussions with the chair of each enterprise and the investment teams' analyses, such as the sustainability analysis.

Understanding the strategic and operational challenges the enterprise is facing is an important aspect of the process, and to get a better picture of this a discussion is often held with the CEO as well. The board must have the right blend of competence, experience and background to be capable of managing the enterprise's affairs effectively and with integrity. This means that every director must have the time and engagement required for the assignment, as well as strong integrity and the ability to look to the best interests of the enterprise.

Based on the skills required for each board, specifications of qualifications for the directors and chair to be recruited are decided and the board search advisers begin the search. The selection of directors is made from a broad recruitment base so as to make use of the competence of women and men, as well as of individuals with different backgrounds and experience.

Bringing in directors from a range of backgrounds gives the board a wider range of competence and better dynamics, so that diversity will reduce group-thinking.

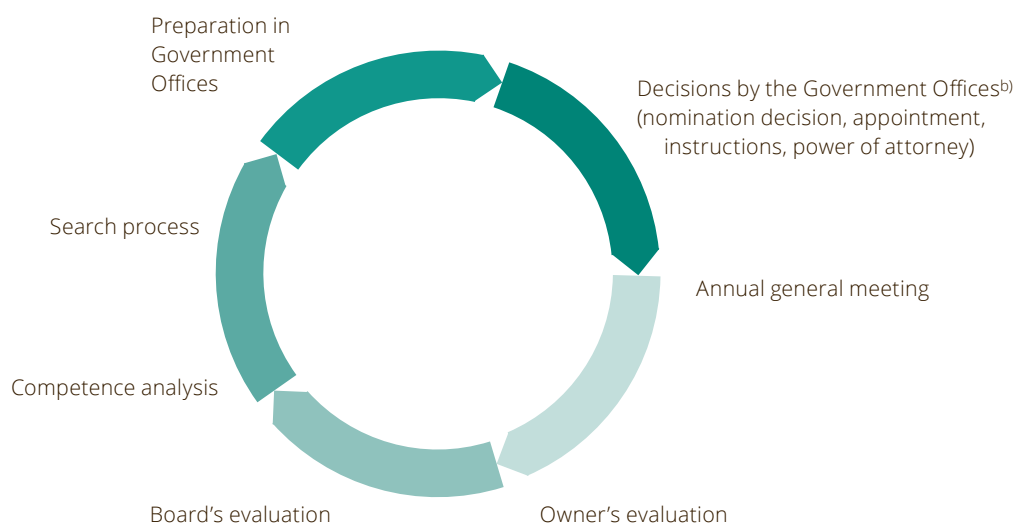
The gathering of political support, i.e. the preparation of the decisions, is an ongoing process during the autumn and winter. Consideration is given to which chairs and directors should be re-elected and which replaced, and proposals are prepared for new chairs and other new directors. The minister responsible for the enterprise then approves nominations for presentation to the annual general meeting, which elects the board.

About 40–60 new directors are elected each year. Over time, the State thus replaces one individual per board and year. The average board consists of seven directors, meaning that directors serve six to seven years on average.

a) The board nomination process also covers the boards of the foundations Stiftelsen Industrifonden and Stiftelsen Norrlandsfonden and of the organisation Svenska Skeppshypotekskassan. Board recruitment in the listed companies Telia Company and SAS is handled by their nominating committees.

### Board nomination process

Annual cycle



b) Decision by minister responsible for the enterprise.

# Financial targets for effective corporate governance

Financial targets are set for state-owned enterprises in order to ensure value creation, reasonable financial risk and efficiency and to guarantee the owner dividend yield. The financial targets have to be long term, ambitious and realistic.

In most cases, state-owned enterprises operate under market conditions in competitive markets. This means that they operate on the same conditions as other market participants and that, as is the case with them, they are run with the overall objective of creating value. This strengthens the competitiveness, long-term value performance and efficiency of state holdings, while reducing the risk of distorting competition.

The setting of financial targets provides important support for enterprises aiming to achieve the most efficient possible utilisation of resources. The owner draws up the targets jointly with the enterprises, which makes for more nuanced and effective governance while improving the quality and realism of the targets. The financial targets have to be realistic, measurable and ambitious.

Public policy targets are set for enterprises with specifically adopted public policy assignments to enable tracking of the enterprise's performance of its assignments. Financial targets are normally set in conjunction with public policy targets since this allows specifically adopted public policy assignments to be set in relation to the creation of financial value. A sustainability analysis is part of

the fundamental analysis of the enterprise's opportunities and risks on which the financial targets are based.

The financial targets are proposed by the board and adopted by the owner at the annual general meeting.

### Financial targets – purpose

Financial targets are usually produced for capital structure, profitability and dividends. The owner's purpose in setting financial targets is to:

- ensure value creation by the board and enterprise management working towards long-term, ambitious and realistic targets;
- achieve capital efficiency by clarifying the cost of equity;
- keep the enterprises' financial risk at a reasonable level;
- ensure dividend yield for the owner through sustainable and predictable dividends taking account of the enterprise's future capital requirements and financial position;
- measure, track and evaluate the enterprises' profitability, efficiency and level of risk in a structured way.

### Method of setting financial targets

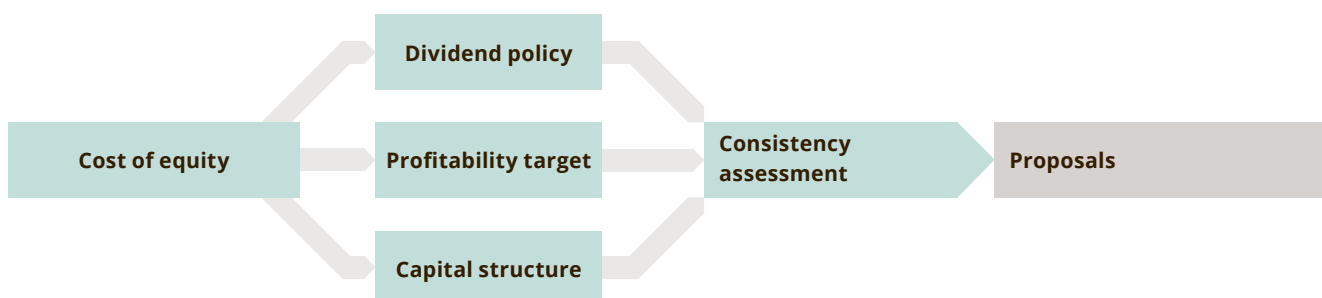
#### *The important cost of capital*

The method used to set financial targets is based on a multistage analysis. It begins with a calculation of the enterprise's cost of capital, which is the expected return an investor can obtain for an alternative investment with the same risk and duration. The level of the cost of capital determines whether the return to the investor is reasonable given the investor's appetite for risk. Over time, the return on equity should at least match the cost of capital.

#### *Efficient capital structure*

Then a capital structure target is set so as to achieve a balance between risk-taking and efficient capitalisation in the enterprises. An appropriate capital structure is achieved by calculating what balance between equity and borrowed capital is theoretically optimal to keep the enterprise's cost of capital down. Industry comparisons and the enterprise's operating risk are taken into account in the calculation in order to find an efficient and resilient capital structure. The capital structure target has to be long-term, ambitious and realistic, and is generally expressed as a range.

## Method of setting financial targets







In 2020 new financial targets were adopted for Jernhusen. The owner adopted new targets for the enterprise's total yield, loan-to-value ratio and interest coverage ratio, as well as an adjusted dividend policy.

#### *Ambitious profitability target*

A profitability target is set for enterprises for the sake of financial and operational efficiency. To ensure that investments in the enterprises will give the owner reasonable compensation, the cost of capital is used as the floor for the profitability target. Analyses of the enterprises' business plans and industry comparisons bolster the setting of the target. The majority of the enterprises are well served by a return target (on operating capital or equity), while for some, which tie up a relatively small amount of capital, a margin target, such as an operating margin, is better.

#### *Adapted dividend policy*

A dividend policy is adopted for enterprises as guidance about how much of an enterprise's profit to pay in dividends. They should be based on predictable and long-term sustainable financial returns. However, dividends are not the only form for value distribution to the owner. In cases where there are particularly attractive or potentially profitable investment opportunities for one or more enterprises, surplus capital may be retained and used for such investments. The owner then benefits from the increase in the value of the enterprise. Investment plans and growth opportunities therefore form the basis for the dividend policy.

Moreover, investments that do not directly achieve the owner's profitability target, but that nevertheless meet a return target equal to or exceeding the cost of capital, may be regarded as attractive and therefore be undertaken.

For these reasons, the dividend target for an enterprise does not have to be met every year, but should instead be regarded as a realistic and ambitious long-term target. The dividend policy is usually expressed as a percentage of net profit for the year, most often as an acceptable range.

#### *Consistency assessment*

When proposals for the capital structure target, the profitability target and the dividend policy have been prepared, an analysis needs to be carried out to see that there are no inbuilt conflicts between the wording of these targets and the growth that the business plan for the enterprise is based on. One way of doing this is to check that the targets for capital structure, profitability, dividend and growth create financial scope to make the investments implied by the targets and the business plan.

#### *Proposals*

The board then considers proposals for new financial targets and makes the decision to propose these targets to a general meeting. The owner makes the formal decision to adopt the targets at a general meeting.

#### *Tracking and evaluation*

The financial targets have to be forward-looking and long-term. This means that the targets may be exceeded in some years and not met in others, in part due to economic fluctuations. The owner tracks the enterprise's development and target attainment at regular progress meetings with the enterprise. Both the enterprise's internal work to

achieve the targets and the business environment factors affecting the enterprise's situation are discussed at these meetings. Target attainment is assessed in relation to, for instance, current market conditions and the budget and business plan.

#### *Revision of financial targets*

Since an enterprise's internal and external circumstances are in constant change, its financial targets also need to be reviewed at regular intervals. Reasons for revising the targets can include material changes in the enterprise's strategy or market conditions, as well as major acquisitions or divestments. Major and lasting macroeconomic changes can also be a reason to review the targets. A target revision is a structured process involving both the owner and the enterprise. Since the financial targets are decided jointly by the owner and the enterprise, targets and outcomes are communicated externally by both parties.

In 2020 new financial targets were adopted for Almi, Jernhusen, RISE, Samhall and Saminvest. Target projects were also started during the year for Apoteket, Lernia and SEK that then led to the adoption of new targets at their annual general meetings in 2021.

# Public policy assignments

There is a specifically adopted public policy assignment when an enterprise has an assignment decided by the Riksdag to conduct operations intended wholly or partly to generate effects other than a financial return for the owner.

An enterprise is considered to have a specifically adopted public policy assignment when the Riksdag has decided that the enterprise is to conduct operations intended wholly or partly to generate effects other than a financial return for the owner. In some cases, operations that are part of a specifically adopted public policy assignment may be part-financed from appropriations in the central government budget. Enterprises with public policy assignments include enterprises whose entire operations are based on their public policy assignment and enterprises where only parts of their operations are based on their public policy assignment. In the latter category, the remainder of the enterprise's operations are commercial. Enterprises with specifically adopted public policy assignments contribute, for example, to cultural values, more sustainable consumption, research and development, the supply of medicines, capital supply and the maintenance of infrastructure provision.

For instance, the object of Samhall's operations is to produce goods and services that are in demand and, by doing so, to create meaningful and enriching

work for people whose disabilities result in reduced work capacity. By creating jobs in customer assignments, under market conditions in competition with others, Samhall draws on an unused resource among people with disabilities. As payment for the additional costs resulting from its public policy assignment Samhall receives appropriations in the central government budget.

Through their operations these enterprises often generate economic benefit outside their own sector. Systembolaget's purpose is, for example, to contribute to better public health by limiting the harmful effects of alcohol. This then contributes to lower costs for health and social care. Other examples are Almi and SEK, whose operations support companies and entrepreneurs in various sectors in their expansion in Sweden and abroad. In so doing, they are contributing to greater competitiveness and higher employment to the benefit of society as a whole.

The portfolio of state-owned enterprises contains 22 enterprises that have specifically adopted public policy assignments, see the table on the right.

## 22 enterprises have specifically adopted public policy assignments

Almi  
 APL, Apotek Produktion & Laboratorier  
 Dramaten  
 Göta kanalbolag  
 Miljömärkning Sverige  
 Operan  
 RISE, Research Institutes of Sweden  
 Samhall  
 Saminvest  
 Statens Bostadsomvandling  
 SEK, Svensk Exportkredit  
 SOS Alarm  
 SSC, Svenska rymdaktiebolaget  
 Sveaskog  
 Svedab  
 Svenska Spel  
 Swedavia  
 Swedfund International  
 Systembolaget  
 Teracom Group  
 Visit Sweden  
 Voksenåsen



Göta kanalbolag has to operate and manage Göta Canal in a way that preserves its value as a structure of cultural historical importance and as a tourist attraction.

# Public policy targets clarify non-financial values

Several state-owned enterprises have public policy assignments specifically adopted by the Riksdag. For these enterprises, the owner sets public policy targets so as to be able to measure and track how well these public policy assignments are being performed. The public policy targets are set by the owner in dialogue with the enterprise concerned.

Public policy targets are set for state-owned enterprises that have specifically adopted public policy assignments. The public policy targets are set by the owner in dialogue with the enterprise concerned. This is done in an integrated process to avoid conflicts with financial targets, for example, and to avoid cross-subsidisation that distorts the market. Public policy targets are presented and adopted by the owner at a general meeting.

Following the Swedish National Audit Office's audit of the Government's governance of enterprises with public policy assignments in 2017, a review has been conducted of the process of setting public policy targets. The outcome of this review has resulted in a clarification regarding the basic conditions for starting and carrying out public policy target projects with good outcomes. The tracking and reporting of public policy assignments and their costs has been clarified. The process and method for setting public policy targets will be reviewed continuously.

## Public policy targets – purpose

The purpose of setting public policy targets for the enterprises is to:

- ensure that the specifically adopted public policy assignments are performed well;
- make clear the cost of performing the specifically adopted public policy assignments;
- enable tracking and reporting to the Riksdag and other stakeholders;
- make clear the conditions for the financial targets.

## Public policy targets in relation to financial targets

There is no opposition between specifically adopted public policy assignments and economic efficiency. The State's ambition as an owner is that the assignment is performed well and in the most efficient manner possible. However, public policy targets and financial targets can affect each other, so it is important that they are set in an integrated process.

For instance, a cost may be associated with the performance of the public policy assignment, and this affects the

enterprise's financial performance.

When the financial targets are set, the cost of the public policy assignment is taken into account. The specifically adopted public policy assignment may also be linked to the enterprise's risk and the assessment of what is an appropriate capital structure. The interpretation of the specifically adopted public policy assignment and the adoption of the public policy targets have a bearing on the enterprise's financial conditions and what financial targets can be set.

Some enterprises with specifically adopted public policy assignments receive appropriations from the central government budget. A cost estimate for the specifically adopted public policy assignments makes it easier for the Government and the Riksdag to set priorities for the use of taxpayers' money.

## Method of setting public policy targets

The investment management organisation has a structured process for setting public policy targets for state-owned

### WHAT

Define the assignment and what the enterprise has to do (according to Riksdag's decision on the object of the enterprise's business, articles of association and/or owner instruction)

### WHY

Define why the assignment has to be performed (according to government bills and Riksdag committee reports, for example).

### HOW

Set public policy targets that reflect the purpose and describe how the assignment is to be performed (such as targets for capacity utilisation rate, volumes, efficiency measures or other measures within the enterprise's control).

Specify the cost of the assignment and its impact on financial targets.

**Taken into account in the process for setting financial targets**



In 2020 public policy targets were adopted for Saminvest. The targets reflect the enterprise's assignment, which includes acting to complement the market from a capital requirement perspective and contributing to the development of the market for venture capital, and its ecosystem, throughout the country.

### Enterprises already given specifically adopted public policy targets

Almi

Göta kanalbolag

RISE, Research Institutes of Sweden

Samhall

Saminvest

SEK, Svensk Exportkredit

SOS Alarm

SSC, Svenska rymdaktiebolaget

Svedab

Svenska Spel

Swedavia

Swedfund International

Systembolaget

enterprises. It can be summarised in three steps:

1. Define what the enterprise has to do, i.e., the assignment.
2. Define why the assignment has to be performed, i.e., the aim or public benefit.
3. Set public policy targets that reflect the purpose and how the assignment is to be performed.

The description of an enterprise's operations in its articles of association often sets out its specifically adopted public policy assignment, but not always its public benefit. The assignment and its public benefit must therefore be made clear before the public policy targets are formulated. The public benefit or purpose of the specifically adopted public policy assignment is usually described in the government bill that is the basis for the Riksdag's decision. Sometimes, several government bills and Riksdag committee reports have to be reviewed to determine the public benefit.

Uniform public policy targets are set by defining categories of various purposes or public benefits. Examples of targets are developed for these categories. In infrastructure, for example, the measures used are capacity utilisation rate and quality index. The higher the capacity utilisation rate, the greater the public

benefit of the infrastructure; while the quality index is used to measure perceived user benefit. Quality and customer surveys are particularly important in enterprises whose operations are not subject to competition. This is because there is no natural transformation pressure on the enterprise to improve its efficiency.

New public policy targets for Almi, Samhall and Saminvest were adopted at the enterprises' annual general meetings in 2020. At the end of 2020 there were a total of 13 enterprises with adopted public policy targets in the state enterprise portfolio, see the table on the left.

### Tracking and evaluation

Public policy targets and outcomes have to be reported in the enterprise's annual report. Public policy targets are tracked both in the investment teams' ongoing work and in owner dialogues between representatives of the owner and the enterprise, where outcomes in relation to the targets are discussed, as are any actions planned to meet the targets. Material changes in the enterprise's circumstances can lead to a review of the targets. The owner dialogue also follows up the development of the costs of carrying out the public policy assignment and for attaining the public policy targets.

# Tracking targets

The tracking of targets is an important tool in the State's active investment management. As an owner, the State can evaluate and foster the development of these enterprises by regularly comparing performance with the targets set.

## Financial targets and outcomes 2020

Enterprise	Profitability (return on equity, unless otherwise stated)		Capital structure (equity/assets ratio, unless otherwise stated)		Dividend approved (based on earnings for 2020, unless otherwise stated)	
	Target	Outcome 2020	Target	Outcome 2020	Target	Outcome 2020
Akademiska Hus	≥6.0 <sup>a)</sup>	9.0 <sup>a)</sup>	35–45	44.5	40–70	70
Almi	>0 <sup>b)</sup>	81.7 <sup>b)</sup>	>70	88.7	-	-
APL	>8	-19.0	40–50	35.8	≥50	-
Apoteket	≥3 <sup>c)</sup>	2.0 <sup>c)</sup>	40–80 <sup>d)</sup>	0.0 <sup>d)</sup>	40–60 <sup>e)</sup>	-
Bilprovingen	≥8 <sup>c)</sup>	12.9 <sup>c)</sup>	30–40	55.3	≥80	100
Green Cargo	≥10 <sup>f)</sup>	-10.7 <sup>f)</sup>	0.6–0.9 <sup>f)</sup>	7.3 <sup>d)</sup>	50	-
Göta kanalbolag	≥0 <sup>g)</sup>	0.1 <sup>g)</sup>	-10–50 <sup>d)</sup>	-148.9 <sup>d)</sup>	-	-
Infranord	≥16	0.3	>33	30.3	50–75	-
Jernhusen	≥6 <sup>h)</sup>	1.7 <sup>h)</sup>	45–55 <sup>i)</sup>	45.9 <sup>i)</sup>	40–70	-
Lernia	≥20	-4.9	30–50	31.0	≥50	-
LKAB	>12	20.8	0–30 <sup>d)</sup>	-3.0 <sup>d)</sup>	40–60	60
Metria	≥10 <sup>j)</sup>	4.1 <sup>j)</sup>	≥30	45.3	≥30	-
PostNord	10.5 <sup>f)</sup>	18.6 <sup>f)</sup>	10–50 <sup>d)</sup>	38.0 <sup>d)</sup>	40–60	-
RISE	≥3 <sup>c)</sup>	-2.5 <sup>c)</sup>	20–60 <sup>d)</sup>	-7.7 <sup>d)</sup>	-	-
Samhall	5	15.6	≥30	39.0	-	-
Saminvest	≥ <sup>k)</sup>	5.9 <sup>k)</sup>	<10 <sup>l)</sup>	0.0 <sup>l)</sup>	-	-
SAS	>5 <sup>m)</sup>	-27.0 <sup>m)</sup>	<3.5 <sup>n)</sup>	-9.2 <sup>n)</sup>	-	-
Sj	≥7 <sup>f)</sup>	-41.5 <sup>f)</sup>	0.5–1.0 <sup>d)</sup>	0.2 <sup>d)</sup>	30–50	-
SOS Alarm	≥2 <sup>c)</sup>	4.9 <sup>c)</sup>	25–35	51.6	≥50	50
Specialfastigheter	8 <sup>o)</sup>	9.9 <sup>o)</sup>	25–35	39.5	50	50
SSC	≥6 <sup>f)</sup>	-1.0 <sup>f)</sup>	0.3–0.5 <sup>d)</sup>	0.5 <sup>d)</sup>	≥30	-
Sveaskog	≥4.5 <sup>p)</sup>	2.4 <sup>p)</sup>	0.3–0.6 <sup>d)</sup>	0.1 <sup>d)</sup>	65–90	89
Svedab	-	-	500 <sup>q)</sup>	906 <sup>q)</sup>	50	100
Svenska Spel	≥30 <sup>c)</sup>	31.2 <sup>c)</sup>	20–40	54.4	≥80	171
Svevia	≥20	18.9	20–30	33.4	≥50	93
Swedavia	≥6 <sup>f)</sup>	-7.5 <sup>f)</sup>	0.7–1.5 <sup>d)</sup>	1.0 <sup>d)</sup>	10–50	-
Swedfund	positive <sup>r)</sup>	-372.6 <sup>r)</sup>	-	-	-	-
Systembolaget	(risk free) rf+7	27.9	20–30	26.3	80–100	100
Telia Company	-	-	A- to BBB+ <sup>s)</sup>	A- to BBB+ <sup>s)</sup>	≥2.00 <sup>s)</sup>	2.00 <sup>s)</sup>
Teracom Group	17	4.0	30	77.0	40–60	60
Vasallen	(risk free) rf+4	-5.6	≥50	95.0	30–50	(Negative result)
Vattenfall	≥8 <sup>t)</sup>	5.8 <sup>t)</sup>	22–27 <sup>u)</sup>	28.8 <sup>u)</sup>	40–70	62

- a) Return on operating capital excluding changes in value. b) Profit after financial items, outcome in SEK m. c) Operating margin.  
d) Debt/equity ratio, % or multiple. e) Share of profit for year adjusted for earnings and tax related to pension assets and pension commitments.  
f) Return on operating capital. g) EBT margin. h) Total yield. i) Loan-to-value ratio. j) EBITDA margin. k) Equity to grow in pace with inflation, outcome in SEK m.  
l) Interest-bearing liabilities and credit facilities entered into as share of total assets. m) ROIC. n) Net debt/EBITDAR.  
o) Return on equity based on profit after tax and after reversal of changes in value and deferred tax. p) Direct yield. q) Equity to be at least SEK 500m.  
r) EBIT – irrespective of accounting standard – to be positive over five-year period, outcome in SEK m.  
s) Solid long-term credit rating and progressive dividend policy, with floor of SEK 2.00 per share. t) Return on capital employed.  
u) Funds from operations (FFO)/adjusted net debt.

## Financial targets and outcomes 2020 contd

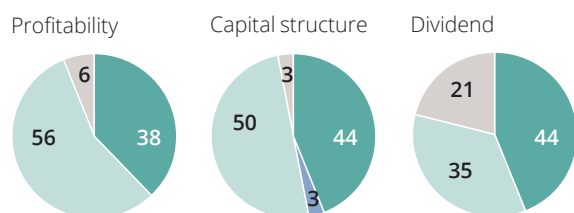
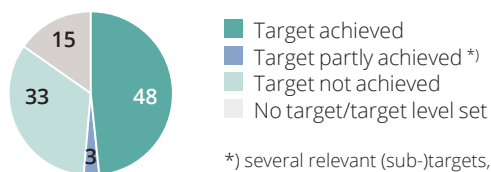
%	Profitability (return on equity, unless otherwise stated)		Capital structure				Dividend approved (based on profit for 2020, unless otherwise stated)	
			Total capital ratio		Common equity Tier 1 capital ratio			
Enterprise	Target	Outcome 2020	Target	Outcome 2020	Target	Outcome 2020	Target	Outcome 2020
SBAB	≥10	10.8	≥0.6 <sup>a)</sup>	17.6 <sup>a)</sup>	≥0.6 <sup>a)</sup>	13.3 <sup>a)</sup>	≥40	-
SEK	≥6	4.9	2–4 <sup>b)</sup>	21.8 <sup>b)</sup>	≥4 <sup>b)</sup>	21.8 <sup>b)</sup>	30	30

- a) Total capital ratio and Common Equity Tier 1 capital ratio under normal circumstances to be at least 0.6 percentage points above the capital requirement communicated by Finansinspektionen, which corresponds to a target of 12.8% for the total capital ratio and 8.6% for the Common Equity Tier 1 capital ratio.
- b) Total capital ratio under normal circumstances to be between 2 and 4 percentage points above the capital requirement communicated by Finansinspektionen: 17.0–19.0%. SEK's Common Equity Tier 1 capital ratio shall also be at least 4 percentage points above the capital requirement communicated by Finansinspektionen 13.5%.

## Public policy targets and outcomes in 2020

The public policy assignments, public policy targets and outcomes of each enterprise are presented in the enterprise overviews on pages 42-87.

Enterprise	Public policy targets adopted	Target level	Outcome 2020
Almi	Increase in sales higher for Almi customers than comparison group	Target level not set yet	57%
	Reporting of Almi's role to complement the market	No target level	Included in annual report
	Share of early-stage companies	>80%	79%
	Share of women higher than comparison group	Target level not set yet	28%
	Share of persons with foreign backgrounds higher than comparison group	Target level not set yet	28%
Göta kanalbolag	Number of boats in whole season	≥1 700	1 622
	Number of boats in booking season	≥400	399
	Regular passenger boat traffic to be operated throughout peak season	100%	50%
	Navigability in peak season	98%	95%
	Share of lock-keeper and bridge master's homes of year-round standard	100%	98%
	Retain avenue trees along canal and replant to original number	No target level	130 trees planted
	Number of accidents on account of condition of facility	0	0
	Customer satisfaction (index)	≥4 (of 5) for four customer categories	4.7 / 4.5 / 4.0 / 3.7
RISE	Share of turnover from competitively acquired research funding	≥30%	37%
	Share of business income from SMEs	≥35%	26%
	Share of turnover from projects with interdisciplinary involvement	Target level to be set in 2021	-
	Utilisation rate of testbeds and demonstration facilities	60%–80%	61%
	Innovation Partner Capacity (positive responses)	≥78%	73%
	Customer Satisfaction Index (CSI) (positive responses)	≥75%	72%
Samhall	Commitment index	Target level to be set in 2021	-
	Employment rate	Target level to be set in 2021	-
Saminvest	Reporting of Saminvest's role to complement the market	No target level	Included in annual report
	Investments in new teams as share of total number of investments	≥67%	100%
	Enterprise's share of fund investments in a single fund	≥50%	30%
	Share women/men in investment organisations (positive trend)	40%–60%	24%/76%
	Share of capital committed (positive development until target is achieved)	≥80% 2026	32%
	Holdings in Fouriertransform and Inlandsinnovation to be wound up	100% 2026	79%
SEK	Customer survey, added value of export credits (positive responses)	>60%	80%
	Stakeholder dialogue to promote competitiveness	No target level	Conducted in 2020

**Achievement of targets at portfolio level in 2020, %****Financial targets, share of enterprises****Public policy targets, share of public policy targets**

\*) several relevant (sub-)targets, some of which have been achieved.

Enterprise	Public policy targets adopted	Target level	Outcome 2020
SOS Alarm	Response time for the 112 emergency number (seconds)	≤8	9.2
	Service level, response within 15 seconds 112	92%	83%
	Service level, response within 30 seconds for 112	100%	95%
	Time to identify need of assistance (seconds)	≤40	24
	Customer Satisfaction, Emergency Calls and Response (index)	≥71	75
	Confidence Index	≥70	85
SSC	Capacity utilisation rate, Estrate	≥70%	17%
	Quality index, Estrate	≥80%	100%
	Stakeholder dialogue for promotion of Swedish interests	No target level	–
Svedab	Accessibility, road	100%	100%
	Accessibility, rail	≥99.6%	100%
Svenska Spel	Marketing costs as share of net gambling income, Casino Cosmopol and Vegas	≥5%	3.7%
	Gambling awareness index, Casino Cosmopol and Vegas	>80 and >85	No measurement <sup>c)</sup> and 84
	Outreach counselling calls and effect measurements, Casino Cosmopol	90%	94%
	Outreach counselling calls and effect measurements, Vegas	100%	100%
Swedavia	Reporting of share of satisfied customers	No target level	74%
	Reporting of number of passengers, domestic flights (millions)	No target level	3.6
	Reporting of number of passengers, international flights (millions)	No target level	6.6
	Reporting of number of international destinations	No target level	173
	Reporting of number of accidents or serious incidents	No target level	2
	Reporting of carbon dioxide footprint (ktonnes)	No target level	166
Swedfund	Share of investments with increased sales while held	≥60%	59%
	Share of investments with increased profitability while held	≥60%	59%
	Climate footprint, portfolio's estimated emissions of CO <sub>2</sub> e (ktonnes)	0 in 2045 (decrease over time)	<sup>d)</sup>
	Share of investments meeting 2X Challenge criteria	≥60% after 3 years	52%
	Share of investments complying with ILO core conventions	100% after 3 years	96%
	Mobilisation of investment portfolio in commercial capital	≥30%	42%
Systembolaget	Customer Satisfaction Index (CSI)	≥80%	81.9%
	Alcohol index	Positive development (index 2019: 62.8)	63.4
	Reporting of alcohol consumption (litres per capita/enterprise's share)	No target level	8.5 / 76%

c) Casino operations have been closed since 29 March 2020 and the base is therefore too small to be relevant.

d) The portfolio's aggregate emissions of greenhouse gases per krona invested to decrease over time with 2020 as the baseline year.

# Strategic targets for sustainable value creation

Sustainable business is integrated in corporate governance in order to promote long-term sustainable value growth. State-owned enterprises have to act in an exemplary manner and integrate sustainability perspectives in operations by having their board of directors set strategic targets for sustainable value creation.

As an owner, the State has high ambitions for sustainable business. The starting point is that state-owned enterprises should contribute, through their business models, to value creation in a way that promotes long-term sustainable development. This means that, in the light of their industry and the markets in which they operate, the enterprises have to identify and minimise the risk of negative impacts of their operations, while also taking advantage of new business opportunities and innovative thinking for sustainable value creation. This includes both material sustainability issues and also digitalisation and systematic security work.

In the area of sustainable business, state-owned enterprises should act in an exemplary way, which includes working strategically and transparently with a focus on cooperation. This work is guided by international guidelines and by the 2030 Agenda and the Global Goals for Sustainable Development. All actors in society are important in the implementation of the 2030 Agenda, and business plays a key role. This also includes state-owned enterprises, which

have to analyse the Goals to identify which targets they have an impact on and can contribute to through their operations (read more on page 31).

In the Government’s view, proactive and integrated work on sustainability makes a positive contribution to the development of these enterprises. The board of directors is responsible for integrating sustainable business into their enterprise’s business strategy. This means that the enterprise has to start from its business and, where applicable, its specifically adopted public policy assignment when setting targets and strategies to attain these targets. The tracking of strategic targets for sustainable value creation set by boards of directors is one aspect of the work of the investment management organisation.

### Formulation of targets and strategies

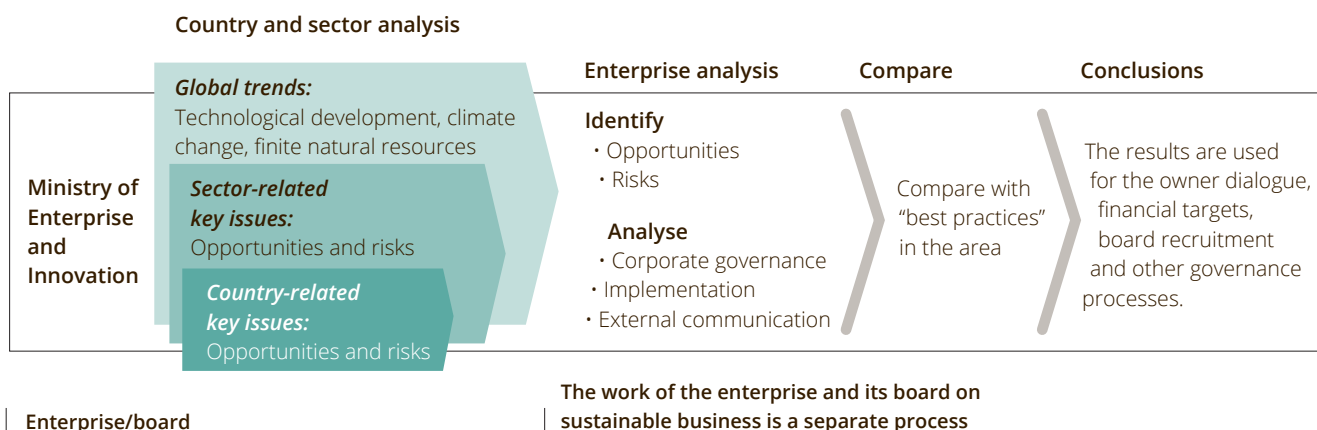
The strategic targets for sustainable value creation have to focus on value creation and be relevant to the enterprise’s business operations and significant sustainability aspects. The targets also have to be long term, challenging

and trackable, while being clear and comparable. Where applicable, the targets also have to be relevant to the enterprise’s specifically adopted public policy assignment.

### Tracking using sustainability analysis

The investment management organisation carries out enterprise-specific sustainability analyses to evaluate the enterprises’ work on sustainable business. Their sustainability analysis is based on broad business intelligence that takes into account global trends, risks and opportunities linked to the value chain in which the enterprise operates. In addition to supplying knowledge to the owner, the results of the analysis have further areas of application. They are used as the basis both for active ownership in the form of the board nomination process and in the dialogue between the owner and the enterprise; creating conditions for long-term and consistent governance of the enterprises. The sustainability analysis is also an integral part of the process of developing financial and public policy targets because it reduces the risk of

## Sustainability analysis process





conflicting targets. In 2020 the investment management organisation carried out sustainability analyses for Almi, Apoteket, Lernia and SEK.

### Cooperation for greater value creation

On many occasions collaboration between different actors contributes to more knowledge and better and more innovative solutions. State-owned enterprises are therefore expected to conduct active work both in their own operations and in cooperation with business partners, customers, suppliers and other stakeholders in order to promote knowledge transfer and innovative cooperation in the area of sustainable business.

### International guidelines

State-owned enterprises have to act responsibly and work actively to follow international guidelines regarding environmental consideration, human rights, working conditions, anti-corruption and business ethics. The 2030 Agenda guides the work of the enterprises. The enterprises also have to work actively to follow guidelines such as the Global

Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Human rights are an integrated part of Sweden's State Ownership Policy and of its corporate governance. The focus on human rights in the governance of state-owned enterprises has been strengthened through, for instance, a guide for boards of state-owned enterprises about the expectations on the work of these enterprises in the area of human rights and the role and responsibility of their boards.

### Digital transformation

In the area of digital transformation, state-owned enterprises have to work actively to make use of the opportunities of digitalisation, and manage its risks, in their value creation

### Security

To ensure long-term sustainable value creation in a changing world it is important that these enterprises conduct active, systematic, ambitious and responsible security work.

## An extensive digital transformation



**VISIT SWEDEN** In 2020 Visit Sweden entered an extensive digital transformation linked to the enterprise's offers, customer relations and internal ways of working. The digital transformation is one of four main strategies in the enterprise's five-year business plan adopted by its board in December 2020. The aim is to ensure a well-anchored digital approach and way of working.

The preliminary study for the digital transformation, which was carried out in 2020, shows a need for extensive shifts in the enterprise's digital capabilities and will include all parts of its operations.

The digital transformation is divided up into four large work streams: Insights and analysis, Digital customer relations, Data-driven communication and the coordinating work stream of System support to ensure effective infrastructure, high security and secure storage and documentation. The four work streams reflect Visit Sweden's public policy assignment and commercial mission with a clear stress on sustainable business.

## Cooperation for greater biodiversity

### SPECIALFASTIGHETER

Many of Specialfastigheter's properties include extensive areas of land and forest. The enterprise therefore has great possibilities of contributing to preserving and strengthening biodiversity. In 2020 Specialfastigheter joined the Changing Land use Impact on Biodiversity (CLImB) initiative. This initiative brings together business actors from various industries with the objective of developing well-grounded appraisal and measurement methods, in the area of biodiversity, so as to set relevant targets, implement measures that have real effects and follow up measures effectively. At present the initiative includes Vattenfall, LKAB, Boliden, Cementsa, Skellefteå Kraft and the public enterprise Svenska Kraftnät in addition to Specialfastigheter.

At operational level Specialfastigheter conducts inventories of nature conservation values on properties that are larger than 10 ha, with the objective of setting baseline values for biodiversity. These inventories give the enterprise knowledge about red-listed species, for instance, and will provide important input for future management plans and silviculture plans. These insights also govern how Specialfastigheter implements the mitigation hierarchy<sup>a)</sup> in its projects and in its running operations.

In day-to-day work its Property Management Department works on finding measures, both large and small, to benefit biodiversity; they include putting up bat boxes and bee hotels or leaving felled trees on the ground for various insects and bugs.

a) A hierarchical perspective in which damage is to be avoided in the first place, to be minimised and remedied in the second place and only to be compensated for as a last resort.



## The EU's new taxonomy – a tool that classifies which investments are environmentally sustainable.

The common EU taxonomy for environmentally sustainable investments is one of the measures in the EU's Action Plan for Financing Sustainable Growth adopted by the Commission in 2018. The main objectives of the Action Plan are to reorient capital flows to achieve sustainable and inclusive growth; to integrate sustainability in risk management; and to foster transparency and long-termism in financial markets and the economy as a whole.

The Taxonomy Regulation is part of this regulatory system, and the idea is that it will form the basis for future standards and labelling of financial products. The Taxonomy Regulation has to be applied

by financial market participants providing financial products, e.g. fund managers and insurance undertakings. It also has to be applied by certain large companies covered by the requirements to publish a non-financial report, i.e. a sustainability report, under the EU's Non-Financial Reporting Directive (NFRD). There are also certain provisions aimed at Member States and the EU. There have been different views about which large companies have to submit information in their sustainability report under the Regulation. It has, however, been made clear that this is governed by criteria in the EU regime and not by the Swedish

Annual Accounts Act, which covers a broader group. This means that the requirements in the Regulation only cover large public interest entities that have more than 500 employees.

At the end of 2020 the Swedish Government responded to the European Commission's consultation on its draft delegated act on technical screening criteria for climate change mitigation and climate change adaptation. The Government considers that it is very important that the taxonomy contributes to the climate transition and does not lead to ambitious actors planning for a transition to zero emissions by 2050 having greater difficulty in implementing their investments. The Delegated Act was adopted formally by the Commission on 4 June 2021.

During the year the investment management organisation in the Government Offices has worked on skills enhancement internally. In spring 2021 the investment management organisation also held two Taxonomy-themed network meetings for state-owned enterprises to share experience and discuss the more specific implications of the regime for these enterprises.

*There is more information about the Taxonomy on the Government's website.*

“ Sveaskog considers that the Taxonomy will play a very important role in the shift of financial investments towards sustainable activities, thereby facilitating the transition to being fossil free and to a climate-neutral economy. Sveaskog participated actively in the development of the technical criteria for parts of the Taxonomy dealing with forestry until the final technical report was presented in March 2020. When the Commission presented its draft delegated acts in December 2020, we could identify major changes that could, in our assessment, mean that a large part of Swedish forestry risked being excluded. We do not know the final outcome after the extensive comments received, but we are optimistic that the final design of the taxonomy will not hinder and will, instead, help to facilitate the essential climate transition.

At present we are preparing for the extensive reporting that will be required. In this work we will begin by charting activities and defining metrics so as to then see what is required to adapt our processes and systems support so as to be able to maintain this reporting.”

Olof Johansson, Head of Forest Policy, Sveaskog

## The 2030 Agenda

The countries of the world have agreed a common agenda for sustainable development, including 17 new Global Goals that apply up to 2030. The level of ambition for the work of the enterprises in the area of sustainable business has been raised further by the inclusion of the

UN's 2030 Agenda, with 17 global Sustainable Development Goals, in State Ownership Policy. State-owned enterprises have to analyse the Global Goals and identify the Goals that each enterprise affects and contributes to through its operations.

There are a number of examples of how state-owned enterprises have undertaken work on the Global Goals; work that they also present in their annual report or on their website.

## The Global Goals – part of value creation



The 2030 Agenda and the global Sustainable Development Goals are a clear example of how challenges and opportunities are interrelated. Business has a central role in the implementation of the Agenda and enterprises are called on to use their creativity and capacity for innovation to make contributions. Business has a key role in finding solutions to the challenges that exist in the area of environment and climate, in creating a more gender-equal working life and in ensuring acceptable working conditions and respect for human rights.

### Guidance for the enterprises

One important starting point for the state-owned enterprises is the international guidelines for sustainable business already in place. The Government wants state-owned enterprises to be involved in showing the way forward and has therefore included requirements for and expectations on the enterprises in the State Ownership Policy, which lays down that the work of state-owned enterprises on sustainable business has to be guided by international guidelines, the 2030 Agenda and the global Sustainable

Development Goals. The enterprises have to analyse the Global Goals and identify the Goals that each enterprise affects and contributes to through its operations.

The Government views sustainable business as an important issue of business strategy. Short-term and long-term strategies are interrelated and the decisions taken today must also be guided by care for the future position of the enterprise in a sustainable world. The Policy therefore also expects the enterprises to identify business opportunities that contribute to achieving the Global Goals.

### Knowledge and inspiration

The investment management organisation at the Government Offices is working in various ways to inspire the enterprises and increase their knowledge of the 2030 Agenda and the 17 Global Goals. For instance, it has held a series of workshops on the theme of the 2030 Agenda attended by enterprise representatives so as to increase the joint exchange of knowledge. The themes have included materiality analysis and the impact of operations and the Global Goals as a part of their strategy; in 2020 this series was concluded with a workshop about how the enterprises best report their work with the Global Goals.

Further work done by the enterprises will be tracked as part of the ongoing owner dialogues between owner representatives and the enterprises.

### More counselling calls during the pandemic

**SVENSKA SPEL** Svenska Spel does not call its customers to get them to gamble more. But it does call its customers to get them to gamble less – or to, at least, reflect more about their gambling habits.

Goal 3 of the 2030 Agenda is about Good Health and Well-Being. Gambling misuse is something that affects the health both of those who lose control and of their close relatives. To pick up risk gamblers before things have gone too far the enterprise makes what it terms 'counselling calls'. Specially trained counselling communicators contact customers with risky gambling behaviour and talk to them about their gambling.

Svenska Spel does not present general solutions in these calls; instead great consideration is given to the individual's integrity. But many of those contacted choose, after the calls, to take a break from gambling or reduce their bet limits. They take a step towards sounder gambling habits and greater well-being.

During the pandemic Svenska Spel has further expanded the unit that makes counselling calls. In 2020 Svenska Spel completed around 6 800 counselling calls.

# Gender balance

The Government aims for gender balance both on individual boards of directors and at portfolio level. In the state enterprise portfolio, board representation has to be at least 40% for both women and men.

## Gender equality targets

A general target for all state-owned enterprises is gender balance on the boards of directors. The share of women and men has to be at least 40% in the state enterprise portfolio (fully and partly owned enterprises). Women accounted for 47% and men for 53% of directors of state-owned enterprises elected by the annual general meeting as on 1 May 2021. This can be compared with the boards of listed companies, where the figures were 34% women and 66% men.<sup>a)</sup>

The gender balance on the board of each enterprise has to follow the “staircase”, which indicates how many directors of each gender a board with a particular number of directors has to have. (Read more about board composition on page 102.) Gender balance was

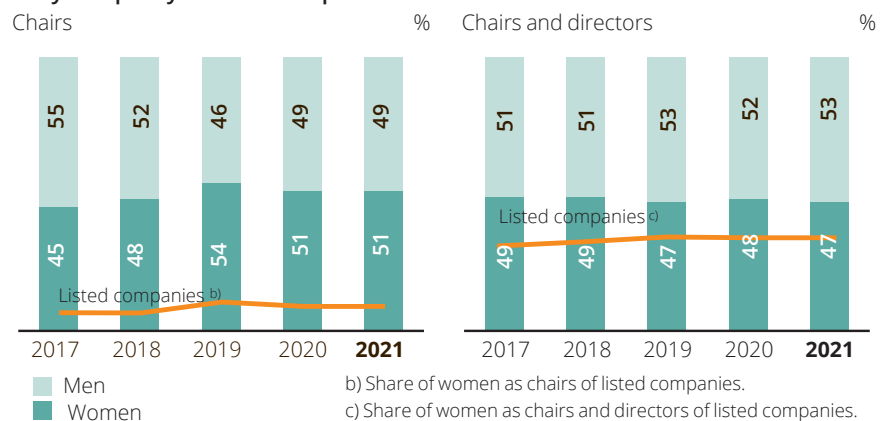
a) Second Swedish National Pension Fund's Women's Index 2020.

achieved in 40 of the 41 state-owned enterprises included in the statistics this year, which is a deterioration compared with 2020 when all 41 enterprises reached the target. In the enterprise that deviates from the target men are over-represented on the board of directors.

The proportion of women chairs of enterprises wholly and partly owned by the State has increased from 45% in 2017 to 51% in 2021, which can be compared with 9% among listed companies.<sup>a)</sup>

## Gender distribution

### Fully and partly owned enterprises



## Gender distribution – CEO and executive management team<sup>d)</sup>

Women (W), Men (M)	2020					2019		2018		2017	
	W, no	M, no	Total	W, %	M, %	W, %	M, %	W, %	M, %	W, %	M, %
CEO	21	22	43	49	51	42	58	39	61	36	64
Executive management team <sup>e)</sup>	128	161	289	44	56	44	56	42	58	46	54

d) At year-end there were 46 enterprises. The evaluation for 2020 does not include EUROFIMA, INSTEX and Sweden House.

e) Executive management team excl. CEO.

## Gender distribution – directors appointed by AGM<sup>f)</sup>

Women (W), Men (M)	2021					2020		2019		2018		2017	
	W, no	M, no	Total	W, %	M, %	W, %	M, %	W, %	M, %	W, %	M, %	W, %	M, %
<b>Fully and partly owned enterprises</b>													
Chairs	21	20	41	51	49	51	49	54	46	48	52	45	55
Directors	120	140	260	46	54	47	53	45	55	49	51	49	51
<b>Total chairs and directors appointed by AGM</b>	<b>141</b>	<b>160</b>	<b>301</b>	<b>47</b>	<b>53</b>	<b>48</b>	<b>52</b>	<b>47</b>	<b>53</b>	<b>49</b>	<b>51</b>	<b>49</b>	<b>51</b>
<b>Fully owned enterprises</b>													
Chairs	20	17	37	54	46	54	46	53	47	46	54	45	55
Directors	106	125	231	46	54	47	53	47	53	49	51	50	50
<b>Total chairs and directors appointed by AGM</b>	<b>126</b>	<b>142</b>	<b>268</b>	<b>47</b>	<b>53</b>	<b>48</b>	<b>52</b>	<b>48</b>	<b>52</b>	<b>49</b>	<b>51</b>	<b>49</b>	<b>51</b>

f) The calculation covers limited companies whose registered office is in Sweden. The report does not include EUROFIMA, INSTEX, Svenska Skeppshypotek, Sweden House and Voksenåsen.

# Sustainable pay levels and terms of employment

Remuneration to senior officers of companies in the business sector is an important issue of confidence. State-owned enterprises should therefore pay their managers carefully considered salaries and pensions.

The demand for sound remuneration systems is an important corporate governance issue, both in Sweden and internationally. One important part of the corporate governance of the state-owned enterprises is therefore reasonable and well-considered remunerations for senior officers.

## Principles for remuneration

On 27 February 2020 the Government adopted new principles for remuneration and other terms of employment for senior officers of state-owned enterprises.

The guidelines have been applied as of the annual general meeting in 2020 and replace the previous guidelines adopted in 2016. The boards of state-owned enterprises are responsible for applying these principles. In enterprises where the State is one of several owners, the Government should enter a dialogue with the other owners to work for the application of its guidelines as far as possible.

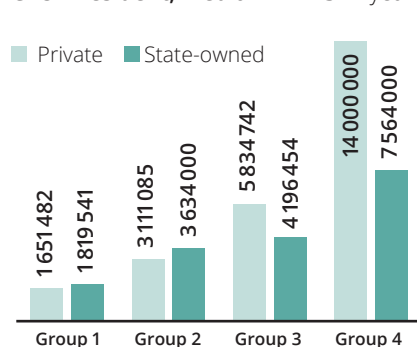
According to the Government's remuneration principles, total remuneration to senior officers should be reasonable and carefully considered. It should also be competitive, have a set ceiling and be appropriate, while fostering sound ethics and a good corporate culture. The remuneration should not be a salary leader in relation to other comparable companies, but be characterised by moderation. This also has to guide total remuneration to other employees.

## Tracking and compliance

The Government Offices has commissioned a consulting company to examine compliance with the remuneration principles in state-owned enterprises in 2020, and a comparison has also been made of remuneration levels in these enterprises with market data from privately owned companies. A total of 131 representative comparison companies were identified and included in the sur-

## Total cash remuneration 2020

CEO/President, median SEK/year



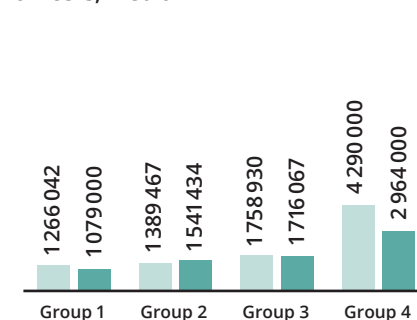
**Group 1:** companies with sales below or equal to SEK 850m, **Group 2:** companies with sales of SEK 851–3 300m, **Group 3:** companies with sales of SEK 3 301–14 000m, **Group 4:** companies with sales equal to or greater than SEK 14 001m.

vey. The starting point for the survey was whether or not total cash remuneration to the CEO and other senior officers has been “competitive but not a salary leader”. Total cash remuneration means all fixed and short-term variable remuneration paid to the employee.

At the end of 2020 seven senior officers were entitled to variable remuneration in a company in which the State has a minority holding (the CEO is not entitled). The possibility of giving variable salary to senior officers was removed from the guidelines in 2009.

The share of individuals with defined benefit pensions increased. In 2020, 18% of all CEOs and 38% (37%) of other senior officers had defined benefit pension plans. These are based on applicable collective agreements and are therefore not in conflict with the guidelines. Under the guidelines from 2009, the retirement age in the enterprises must not be lower than 62 and ought to be at least 65. Under the guidelines from 2017, the retirement age in employment contracts entered into after the guidelines entered into force must not be below 65. In 2020 one senior officer had a retirement age below 65.

Other senior officers, median SEK/year



According to the guidelines from 2009, the period of notice in the case of termination by the enterprise must not exceed six months and severance pay must not be paid for longer than 18 months. Under the 2017 guidelines, employment contracts made after the guidelines came into effect must limit severance pay to a maximum of 12 months' salary. In 2020, 29 senior officers had severance pay of 18 months' salary. These referred to old contracts and are therefore not in conflict with the guidelines. No senior officer has severance pay in excess of 18 months' salary.

State-owned enterprises and the market's comparison companies were divided into four groups based on sales levels. Total cash remuneration to CEOs shows that the median remuneration in state-owned enterprises in groups 3 and 4 is below the median remuneration in the private market, while in groups 1 and 2, it is slightly above the private market median. Overall, median remuneration to other senior officers of state-owned enterprises is in line with the market median, but the spread of observations is slightly larger than in the private market.

# Financial statements



# Financial results in 2020

## General information about the accounts

SAS is included in consolidated profit for 2020 since the State's share of equity is now above 20%. The comparative figures for 2019 have been adjusted.

In conjunction with an EGM in March 2019 it was decided to place Swedesurvey in voluntary dissolution, and since 2019 the full-portfolio presentation has not included Swedesurvey.

## Income statement

SEK m	2020	2019
Net sales (including appropriation, if any)	362 869	371 427
Other income	4 111	1 731
Expenses	-325 767	-323 054
Profit from investments in associates	-10 352	4 418
Changes in value	13 757	5 575
<b>Operating profit (EBIT)</b>	<b>44 618</b>	<b>60 097</b>
Financial income	7 752	5 189
Financial expenses	-10 579	-8 719
<b>Profit before tax</b>	<b>41 791</b>	<b>56 567</b>
Tax	-12 928	-9 988
Profit/loss from operations wound up	19	16
<b>Net profit for the year</b>	<b>28 781</b>	<b>46 582</b>
Attributable to parent shareholders	27 518	44 874
Attributable to minority interests	1 263	1 707
<b>Total</b>	<b>28 781</b>	<b>46 582</b>

## Sales

Consolidated sales for state-owned enterprises decreased by 2.3% in 2020, year-on-year, and were SEK 362.9bn (371.4bn). Total sales including the state holding in associates also decreased by 2.3% in 2020.

## Operating profit

The consolidated operating profit for 2020 was SEK 44.6bn (60.1bn).

## Balance sheet

SEK m	2020	2019
<b>Assets</b>		
Property, plant and equipment	561 607	517 383
Right-of-use assets	14 251	12 173
Intangible assets	23 087	25 449
Financial assets	1 004 334	954 393
Current assets	221 711	193 927
<b>Total assets</b>	<b>1 824 990</b>	<b>1 703 325</b>
<b>Equity, provisions and liabilities</b>		
Equity attributable to parent shareholders	414 312	366 369
Equity attributable to minority interest shareholders	15 770	16 656
<b>Total equity</b>	<b>430 082</b>	<b>383 026</b>
<b>Total liabilities and equity</b>	<b>1 824 990</b>	<b>1 703 325</b>

## Equity

In 2020 equity increased by SEK 47.1bn, mainly due to a positive result after tax for 2020 of SEK 28.8bn.

## Cash flow

SEK m	2020	2019
Cash flow from operating activities	68 853	45 242
Cash flow from investing activities	-31 356	-40 122
Cash flow from financing activities	-8 477	-14 723

## Cash flow from operating activities

Cash flow from operating activities increased by 52.2% in 2020 compared with 2019, from SEK 45.2bn to 68.9bn.

## Cash flow from investing activities

Cash flow from investing activities decreased by 21.8% in 2020 compared with 2019, from SEK -40.1bn to -31.4bn.

## Cash flow from financing activities

Cash flow from financing activities was SEK -8.5bn (-14.7bn) for financial year 2020.

## Total payments by state-owned enterprises to auditors in 2020

SEK m	Audit fees	Other consultancy services	Total	Audit fee share, %	Share of total audit fees, %
BDO	0.8	0.4	1.2	68.9	0.6
Deloitte	55.2	11.7	66.9	82.6	31.9
EY	47.7	15.9	63.6	75.1	30.4
KPMG	37.1	9.1	46.2	80.3	22.0
PwC	22.2	8.3	30.5	72.7	14.6
Others	0.7	0.3	1.1	68.9	0.5
<b>Total</b>	<b>163.8</b>	<b>45.6</b>	<b>209.4</b>	<b>78.2</b>	<b>100.0</b>

## Dividends and appropriations

Most state-owned enterprises have laid down in their dividend policies that a share of profits has to be distributed to the owner. Enterprises with specifically adopted public policy assignments can receive budget appropriations.

The dividend policies of state-owned enterprises are intended to ensure that the owner receives predictable and long-term sustainable dividends and are an important component in setting financial targets.

Of the 46 enterprises in the state enterprise portfolio, 17 decided to pay dividends for financial year 2020. In total, these enterprises paid SEK 21.3bn to the State. The largest dividends for 2020 come from LKAB (SEK 5.85bn), Vattenfall (SEK 4.0bn), Telia Company

(SEK 3.2bn), Svenska Spel (SEK 3.2bn) and Akademiska Hus (SEK 2.1bn). Their combined dividends correspond to around 85% of total dividends resolved for 2020.

Some enterprises receive budget appropriations from the State to perform their specifically adopted public policy assignments. Samhall, for example, receives an appropriation to perform its core labour market policy assignment, which is to create enriching jobs for people with disabilities. The appropria-

tion Samhall received in 2020 for sheltered jobs in its core assignment was SEK 6 293m, corresponding to 66% of total appropriations. Other examples of enterprises that receive annual appropriations are Dramaten (Royal Dramatic Theatre) and Operan (Royal Swedish Opera), which receive funding as national stages for dramatic theatre and for opera and ballet. In total, state-owned enterprises received SEK 9 541m in appropriations in 2020.

### Dividends, state share

SEK m	Holding, %	2020	2019
Akademiska Hus	100	2 142	1 905
Bilprovingen	100	58	19
EUROFIMA	2	1	2
Jernhusen	100	0	219
LKAB	100	5 850	6 104
SEK	100	290	0
SOS Alarm	50	14	0
Specialfastigheter	100	604	570
Sveaskog	100	850	1 100
Svedab	100	253	653
Sweden House	36	2	0
Svenska Spel	100	3 200	0
Svevia	100	251	88
Systembolaget	100	471	240
Telia Company	39	3 229	3 956
Teracom Group	100	66	51
Vasallen	100	50	125
Vattenfall	100	4 000	3 623
<b>Total</b>		<b>21 331</b>	<b>18 655</b>

### Appropriation/total income for 2020

SEK m	Appropriation 2020	Total income 2020	Share of financing via appropriation, %
Almi	319	1 107	29
Dramaten	264	278	95
Göta kanalbolag	13 <sup>a)</sup>	52	25
Miljömärkning Sverige	4	74	6
Operan	525	573	92
PostNord	19	38 729	0
RISE	1 577	3 396	46
Samhall	6 293	9 406	67
SOS Alarm	317	1 324	24
Swedfund International	48	248	19
Teracom Group	10	1 338	1
Visit Sweden	125	155	81
Voksenåsen	24	18	138
<b>Total</b>	<b>9 541<sup>b)</sup></b>	<b>56 699</b>	<b>17</b>

a) Excluding appropriations recognised in the balance sheet.

b) In addition, Swedfund received a capital injection during the year of SEK 800m (600m) financed within expenditure area 7 International development cooperation of the central government budget. This corresponds to just over 80% of the enterprise's investments in 2020, which totalled almost SEK 950m.



# Divestments and dividends

## – how they affect central government finances

The Government did not decide on any new divestments of enterprises or shares in 2020. For financial year 2020 dividends to the State from state-owned enterprises are expected to be SEK 21.3bn.

Any proceeds from the sale of state shares in state-owned enterprises are generally paid into central government finances and used to amortise the central government debt. This amortisation helps to reduce central government interest expenditure. Sales of enterprises and shares also reduce potential future dividends, and this is normally factored into the sales value. Since 2008, a year with a large number of divestments, central government has received a total of SEK 147.4bn in connection with sales of enterprises and shares.

The annual dividends from state-owned enterprises mean that the central government borrowing requirement decreases and that interest expenditure therefore falls. Since 2011 a total of SEK 207.6bn has been paid to the State in the form of dividends.

Central government net lending – i.e. the net investment of funds in the form of financial assets less financial liabilities – increases when the enterprises pay dividends, as long as their dividends correspond to profits generated during

the year. When the enterprises' dividends exceed their profits for the year, and thus reduce their equity, net lending is not affected since the dividend is matched by an equal reduction in equity, i.e. a financial liability. So, it is not possible to strengthen central government net lending through additional dividends that exceed profits for the year generated by state-owned enterprises. Nor do sales or revaluations of financial assets have any effect on net lending.

### Divestments in the state enterprise portfolio since 2008

SEK bn	Year	Income, SEK bn	Holding in enterprise, %
OMX	2008	2.1	6.6
Vin & Sprit	2008	57.7	100
Vasakronan	2008	24.6	100
Nordea Bank	2011	19.0	6.3
Arbetslivsresurs	2011	0.1	100
Nordea Bank	2011	19.5	6.4
Nordea Bank	2013	21.6	7
Vectura Consulting	2013	0.9	100
SAS	2016	0.2	4.2
Apoteksgruppen	2017	1.7	100
<b>Total</b>		<b>147.4</b>	

### Aggregate dividends from state-owned enterprises

Year	SEK bn
2011	27.8
2012	26.7
2013	17.7
2014	26.3
2015	15.4
2016	13.6
2017	20.2
2018	19.9
2019	18.7
2020	21.3
<b>Total</b>	<b>207.6</b>

### How central government finances are affected by divestment income and dividends

	Income from divestments of enterprises	Dividends equal to net profit for the year in the enterprises	Dividends exceeding net profit for the year in the enterprises
Central government debt	Decreases	Decreases	Decreases
Central government borrowing requirement and interest expenditure	Decreases	Decreases	Decreases
Net lending	Not affected	Increases	Not affected

# Risk management

The business activities of state-owned enterprises generate exposure to various forms of risk, which can affect the value of the portfolio and the ability of the enterprises to pay dividends. A brief description of the most significant risks from a portfolio perspective is given below.

## Context

The state enterprise portfolio is illiquid, which means that individual enterprises are typically not acquired or divested in order to modify total portfolio risk. The portfolio is also concentrated, so risks associated with the largest enterprises can have significant impact on the value of the entire portfolio, as well as on potential dividends. The three most valuable enterprises account for more than 50% of total portfolio value.

## Tracking and governance

The board of directors has the ultimate responsibility for the organisation and administration of its enterprise and the enterprise's affairs; here risk management forms an integrated part of the overall responsibility for the enterprise's business operations. Each board of directors therefore decides financial risk levels and limits in state-owned enterprises and manages the risks in their own business operations.

Risk management is one of the tools used by the investment management organisation to track and govern state-owned enterprises. The owner's view of risk is reflected in the financial targets, which are continuously tracked in owner dialogues and operational activities. In addition, the largest risks are identified and mapped at portfolio level in connection with the annual valuation of the enterprises.

## Business risks

The sale or buyout of a large business is a business risk that can affect the value of the state portfolio and the possibility of distributing dividends. Telia Company has previously communicated that it intends to terminate its presence in the Eurasia region. All of the enterprise's mobile operations in Eurasia have now been divested, including Moldcell,

which was divested in 2020. These sales processes have been highly complex and there have been great uncertainties regarding expected outcomes. The enterprise's withdrawal from the region is considered to have reduced the risks in the portfolio.

Another example of a commercial risk in the state enterprise portfolio is the ongoing urban transformation in Kiruna and Malmberget. This can affect LKAB's value and ability to pay dividends since it is a very major commitment that will affect LKAB's earnings and liquidity for many years to come.

Digitalisation opens up many new opportunities, but can also entail risks for existing market actors when new business models with a rapid impact are established. One example is the pharmacy market, where the state-owned Apoteket operates and where new e-based actors are increasing competition and squeezing prices, as well as offering new digital services. Enterprises also need to be alert to the cybersecurity risks that can arise in their operations as a result of digitalisation.

## Financial risks

The state enterprise portfolio is also exposed to financial risks, primarily market price risks in relation to electricity and iron ore prices, for example. A low electricity price benefits several state-owned enterprises, such as Akademiska Hus, Sveaskog and LKAB, but, overall, a low electricity price has an adverse impact on portfolio value because it is of great importance to Vattenfall's revenue. Similarly, LKAB's exposure to the future development of the iron ore price is a market price risk.

SBAB is exposed to the capacity of housing mortgage customers to repay their loans. A rapid and sharp downturn in house prices combined with an economic downturn would probably lead to greater credit losses.

Currency risk and interest rate risk are other financial risks. Currency risk refers to adverse impacts of movements in exchange rates on the enterprises' income statements and balance sheets. Interest rate risk refers to the risk of adverse impacts of changes in interest levels on their income statement and cash flow.

## Legal and regulatory risks

Many state-owned enterprises operate in markets that are subject to some degree of regulation. Examples include Vattenfall, Telia Company, Swedavia, SBAB, SEK and Svenska Spel. Changes in the regulatory frameworks around these businesses can have a considerable impact on the value and ability to pay dividends of these enterprises, and therefore, of the portfolio.

## International factors

Like many other Swedish companies, state-owned enterprises can be adversely affected by political and economic tensions outside Sweden. This can result in changes in the conditions for foreign trade through the introduction of tariffs or sanctions, for example, or through increases in the costs of certain input goods.

In 2020 both people and businesses all over the world have been very adversely affected by the spread of the COVID-19 virus. The rapid changes in society as a result of COVID-19 have also affected the portfolio of state-owned enterprises in both the short- and the long-term.

## TCFD (Task Force on Climate-related Financial Disclosures) – a reporting framework for climate-related financial risks and opportunities

The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative launched in 2017. The Financial Stability Board, or FSB, is behind the initiative; the FSB is an international G20 body that monitors the global financial system. Its aim is to develop recommendations for voluntary and consistent reporting of climate-related financial risks and opportunities. The TCFD guidelines are based on the four areas of governance; strategy; risk management; and metrics and targets. One important aspect of the TCFD is the ‘double materiality principle’, which means that companies should report both how the company impacts on the climate and also how the climate impacts on the company.

In the TCFD framework, the board plays an important role, and companies are expected to disclose how their board has analysed the situation. Both in terms of what is happening to the climate physi-



cally and taking account of the transition risks and opportunities that arise given how other actors react to changes to the climate.

In 2020 the State Ownership Policy was revised in line with the TCFD expectations and require-

ments were introduced stating that state-owned enterprises have to work for the “identification, assessment, management and transparent reporting of the climate-related financial risks and opportunities in their operations”.

### SVENSK EXPORTKREDIT (SEK)

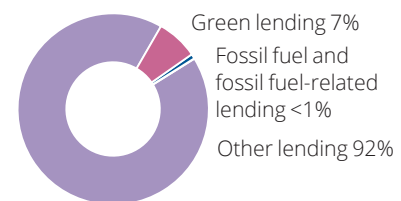
SEK finances Swedish export companies, their subsuppliers and foreign customers. For the second successive year the enterprise is reporting in line with the TCFD recommendations.

SEK’s TCFD reporting is part of its annual and sustainability reporting and follows four main headings: Governance, Strategy, Risk management and Indicators and targets. Perhaps the most important part deals with what strategy the enterprise has chosen to manage climate risks and contribute to the climate transition. In SEK’s case, their climate strategy is about limiting climate-related risks in its lending while working to increase the share of green loans. By doing so, the enterprise contributes to the global transition.

The needs to reduce climate emissions are great in Sweden and even greater globally, which creates new export opportunities for Swedish sustainable solutions while putting pressure on Swedish export industry and Sweden to transition so as to be competitive. In 2020 SEK increased its level of ambition to engage in financing the transition in Sweden with a particular focus on four areas: energy, transport, shipping and smart cities. At the same time, the Swedish Export Credit Agency (EKN) and SEK produced a joint plan setting out how the Swedish export credit system will contribute to a clear transition and lower greenhouse gas emissions. SEK’s most recent TCFD report is the first to feature a graph clearly illustrating how far that work has progressed.

Another important part of its TCFD reporting is to carry out analyses and stress tests of various climate scenarios. In this work the SEK uses the various climate scenarios of the International Energy Agency (IEA). An analysis, based on the IEA’s 1.8 degree scenario, shows that SEK’s financial situation and capital ratio are only affected marginally, around 2 percentage points, in a 10-year perspective.

### Fossil-fuel and fossil fuel-related lending and green lending in relation to total lending





# Enterprise overviews

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AKADEMISKA HUS

Akademiska Hus Aktiebolag owns, develops and manages properties for Swedish higher education institutions, focusing mainly on educational and research activities and student housing. The enterprise plays an important role for the objective of strengthening Sweden as a nation of learning. As a leading-edge property company, Akademiska Hus also contributes to sustainable development in the urban development sector.

Important events in 2020

- Construction started on Forum Medicum in Lund and Natrium in Gothenburg.
- The concept for coworking on campus, AWL – A Working Lab, continues to grow and new environments were opened in Umeå and at Karolinska Institutet.
- The first phase of Campus Albano was ready for occupancy, and the first phase of the expansion of the Ångström Laboratory in Uppsala was completed.
- The converted chemistry laboratory at Ultuna became ready-for-occupancy flats for 140 students and researchers, and a new concept for student housing was launched: Academic Living.

Targets and tracking

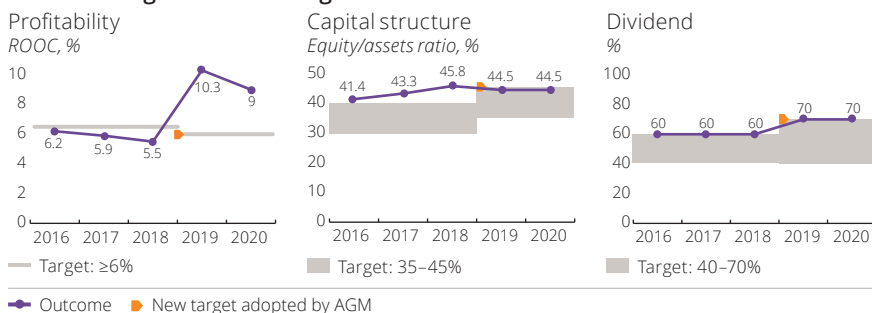
Financial targets

- **Profitability:** Return on operating capital of at least 6.0%. The return was 9.0%, so that target was exceeded. Compared to the previous year, the return decreased from 10.3% driven by a lower value growth of investment properties.
- **Capital structure:** Equity/assets ratio of 35-45%. The equity/assets ratio is unchanged compared with year-end 2019 and is 44.5%.
- **Dividend:** 40-70% of profit for the year after tax after reversal of changes in value and associated deferred tax. In line with policy, the ordinary dividend was 70% of adjusted profit.

Targets for sustainable value creation

- **Customer:** Customer Satisfaction Index (CSI) of 70% in 2021. This year's CSI survey gave a result of 67, a significant increase

Financial targets and tracking



compared with recent years, when the outcome was just over 60.

- **Employees:** Performance index (AHPI) of 77 and the metric for accident-free workplaces (ELTAR) not above 2 in 2021. AHPI was 79 (73), which is above the target for the year of 77. In management AHPI has been raised nine units. ELTAR was 2.5 (2.4), which means that the target for the year of < 3 was achieved.
- **Finances:** The enterprise is to deliver on its owner's financial targets.
- **Property:** The enterprise is to reduce the quantity of purchased energy by 50% from 2000 to 2025. The quantity of purchased energy decreased by 5.0% (4.6%), well above the target for the year of 3.7%.
- **Development:** The share of innovation projects run in collaboration with the enterprise's customers is to be 70% in 2021 and the enterprise is to have built 1 700 student housing units. Innovation in collaboration was 63% (62%). The number of students housing units was 1 163 (710), which is below the target for the year of 1 530.
- **Climate footprint:** The enterprise is to achieve climate neutrality in property management and internal operations by 2025 and in project operations by 2045. In 2020 Akademiska Hus mapped its emissions of greenhouse gases throughout its value chain, providing valuable insights about which parts of the enterprise's value chain generate the greatest climate impact.

Public policy assignment

No specifically adopted public policy assignment.



Chair: Anitra Steen



CEO: Kerstin Lindberg Göransson

State holding: 100%

Board and auditor elected for 2021/2022

**Chair:** Anitra Steen **Directors:** Britta Burreau, Peter Gudmundson, Svante Hagman, Christer Nerlich, Robin Teigland and Örjan Wikforss. New election of Erik Sandstedt at 2021 AGM, with Anna Magnusson stepping down

**Employee reps:** John Johnsson, Anders Larsson **Auditor:** Helena Ehrenborg (PwC)

The fee paid to the board chair is SEK 345 (330) thousand. The fee paid to directors elected by the AGM is SEK 167 (160) thousand. No fee is paid to directors employed by the Government Offices.

Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	6 418	6 217
Changes in value	2 949	3 368
Operating profit	7 334	7 418
Profit before tax	6 869	6 957
Net profit	5 440	5 658
- of which, minority interests	0	0

Balance sheet, SEK m

Total assets	112 976	104 986
Non-current assets	107 209	98 993
Equity	50 292	46 760
- of which, minority interests	0	0
Net debt	35 468	32 902
Operating capital	85 760	79 662

Other key indicators

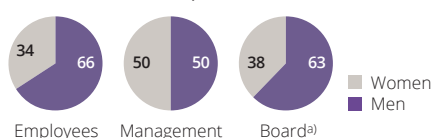
Operating margin, %	114.3	119.3	
Return - equity, %	11.1	12.2	
Return - operating capital, %	9.0	10.3	
Net debt/equity ratio, multiple	0.7	0.7	
Equity/assets ratio, %	44.5	44.5	
Gross investments, SEK m	3 597	3 190	
Appropriation, SEK m	0	0	
Dividend, SEK m	2 142	1 905	
Climate footprint	Scope 1	1 662	1 670
tCO <sub>2</sub> e	Scope 2	20 119	28 246
Sickness absence, %	3.6	4.5	
Average no of employees	523	490	

- Reported in compliance with GRI Yes
- Externally assured GRI report Yes
- Reports in compliance with IFRS Yes

Priority Global Goals



Gender distribution, %



a) Elected for 2021/2022



Almi Företagspartner AB (Almi) assists, as a complement to the private market, in developing and financing small and medium-sized enterprises. Almi's activities cover loans, business development and venture capital via Almi Invest. The purpose of Almi's activities is to strengthen the development of Swedish business and work for sustainable growth. Its activities are mainly to be targeted at business owners and businesses with potential for profitability and growth. Its loan fund amounts to SEK 8.4bn. Its venture capital operations are mainly financed through managed funds totalling almost SEK 3.2bn. Almi's services have to be available throughout the country, but the range offered may vary due to regional conditions.

### Important events in 2020

- Volumes have been significantly affected by the effects of the pandemic on companies. During the year 5 872 (3 339) loans totalling SEK 3 166m (1 975m) were advanced. Almi Invest invested a total of SEK 316m (249m) in 130 (95) existing and 45 (46) new portfolio companies.
- In June Almi's financial base was strengthened through state contributions of capital of SEK 2 950m for its lending operations and SEK 400m for its venture capital operations in Almi Invest.

### Targets and tracking

#### Financial targets

- Profitability:** Group earnings after financial items to be positive. Outcome: SEK 81.7m in 2020.
- Capital structure:** Equity/assets ratio to exceed 70% (group). Outcome: 88.7%.

#### Targets for sustainable value creation

- Sustainable growth in customer and portfolio companies.
- Attractive employer.
- Good business ethics.

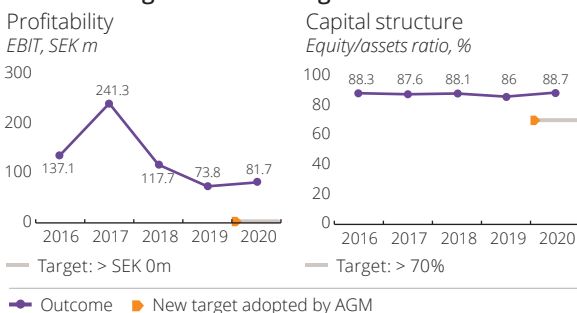
#### Public policy assignment and targets

- Almi is to work for sustainable growth. Companies receiving measures from Almi in the form of loans, venture capital or business development are followed up around four years after the measure. The outcome is reported in Almi's annual report and on page 26.
- Almi's activities are mainly to be targeted at companies with potential for sustainable

growth whose need for funding and business development is not met by private actors in the market. The strategies used by Almi to ensure that its actions complement the market are primarily to do with evaluating and assessing the need and conditions for activities to complement the market. Customer offers to cover that need are identified and developed or adapted.

- Almi is to conduct its activities with a particular focus on companies in early stages, in terms of either life cycles or expansion phases, and on business owners who are women or have foreign backgrounds. The measurement is based on the highest-ranking company leader, generally the CEO, in the customer or portfolio companies that received a measure in 2020. The share of early-stage companies was 79% and is below the target of 80%.
- According to Almi's owner instruction (adopted at an EGM in August 2020) the target is for the growth of net sales in Almi's customer and portfolio companies to exceed the corresponding growth among Swedish micro businesses and small and medium-sized enterprises. The target for the share of women and persons with foreign backgrounds is that it is to be higher than the share among Swedish micro businesses and small and medium-sized enterprises whose sales have increased by more than 10% per year on average over a three-year period.

### Financial targets and tracking



Chair: Monica Caneman

CEO: Britta Burreau

State holding: 100%

Board and auditor elected for 2021/2022

**Chair:** Monica Caneman **Directors:** Ulrika Geeraedts, Hanna Lagercrantz, Pia Sandvik, Anna Söderblom, Emad Zand and Jacob Dalborg. New election of Jan Sinclair at EGM in August 2020 and Petter Arneback at 2021 AGM, with Anders Byström stepping down **Employee reps:** Matilda Lembke, Emil Nordlander **Employee alts:** Karl Grudén, Sebastian van den Bergen **Auditor:** Henrik Nilsson (Deloitte)

The fee paid to the board chair is SEK 230 (230) thousand. The fee paid to directors elected by the AGM is SEK 112 (112) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

#### Income statement, SEK m

	2020	2019
Net sales	1 107	1 016
Operating profit	29	25
Profit before tax	82	74
Net profit	82	74
- of which, minority interests	19	4

#### Balance sheet, SEK m

	2020	2019
Total assets	12 493	8 895
Non-current assets	7 221	5 714
Equity	11 080	7 648
- of which, minority interests	227	208
Net debt	-11 230	-7 839
Operating capital	-150	-191

#### Other key indicators

	2020	2019	
Operating margin, %	2.6	2.5	
Return – equity, %	0.9	1.0	
Return – operating capital, %	-17.0	-21.0	
Net debt/equity ratio, multiple	-1.0	-1.0	
Equity/assets ratio, %	88.7	86.0	
Gross investments, SEK m	3 501	2 236	
Appropriation, SEK m	319	279	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	8	21
tCO <sub>2</sub> e	Scope 2	-	-
Sickness absence, %	2.6	2.4	
Average no of employees	514	495	

Reported in compliance with GRI Yes

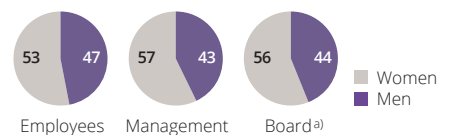
Externally assured GRI report Yes

Reports in compliance with IFRS No

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



Apotek Produktion & Laboratorier AB (APL) develops, produces and supplies extemporaneous pharmaceuticals and stock preparations. APL delivers extemporaneous pharmaceuticals to all pharmacy companies in the outpatient care market and to inpatient care on equal and non-discriminatory terms. Swedish health care has a strong focus on individualised care and pharmaceutical treatment. Individualised extemporaneous pharmaceuticals are an important complement to drugs supplied by the pharmaceutical industry.

**Important events in 2020**

- APL assisted health care by developing and scaling up production to meet new needs or to supply medical products where there were shortages.
- APL received capital contributions of SEK 150m from the State to be able to perform its public policy assignment and finance essential investments.
- A new Ordinance on state payments to APL for a service of general economic interest (2020:1010) entered into force on 1 January 2021.

**Targets and tracking**

**Financial targets**

- **Profitability:** Return on equity exceeding 8% per year. The return on equity was negative.
- **Capital structure:** Equity/assets ratio of 40–50%. The equity/assets ratio was strengthened thanks to shareholder contributions and amounted to 36%.
- **Dividend:** At least 50% of profit for the year after tax, taking account of the capital structure target and implementation of the group’s strategy/investment needs. No dividend was paid for 2020.

The targets are long-term and are assessed over a business cycle, around five to seven years. The owner’s target has not been achieved over the past seven-year period.

**Targets for sustainable value creation**

- Reduce indirect carbon dioxide emissions. Outcome: In total, indirect emissions have decreased by 46%. Emissions from district heating have decreased by 70%, partly as a result of moving large-scale production from Gothenburg to Malmö. Emissions

- via business travel have decreased by almost 80%, mostly due to the pandemic effect.
- No (0) critical deviations in SHE (safety/health/environment). Outcome: 0.
- No cases of discrimination (zero tolerance). APL is to be a gender-equal workplace with no form of discrimination or harassment. Outcome: 0 cases.
- Reduce number of risk suppliers where human rights are not upheld. Outcome: Around 5% of risk suppliers have not signed the enterprise’s Code of Conduct.

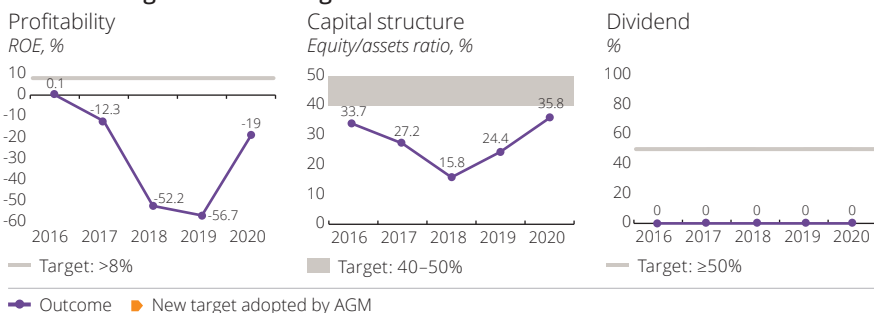
**Public policy assignment**

APL is to:

- develop and supply a medically appropriate and quality-assured range of extemporaneous pharmaceuticals and stock preparations in close cooperation with specialists and prescribers, government agencies and other stakeholders.
- offer extemporaneous pharmaceuticals and stock preparations on equal and non-discriminatory terms to all companies responsible for supplying pharmaceuticals to inpatient and outpatient care providers. In doing so, the enterprise has a particular responsibility to produce and deliver extemporaneous pharmaceuticals and stock preparations on request from outpatient pharmacies.
- ensure that information about extemporaneous pharmaceuticals and stock preparations is easily available, that ordering procedures are simple and user-friendly and that extemporaneous pharmaceuticals and stock preparations are delivered in an efficient manner according to agreed delivery times.

APL has no adopted public policy targets.

**Financial targets and tracking**



**Chair:** Johan Assarsson **CEO:** Jan Erneberg

**State holding:** 100%  
**Board and auditor elected for 2021/2022**  
**Chair:** Johan Assarsson **Directors:** Agneta Edberg, Lotta Medelius Bredhe, Göran Stiernstedt, Kjell Johansson and Malin Sandquist. Eugen Steiner stepped down at 2021 AGM  
**Employee rep:** Susann Danielsson **Employee alt:** Hanna Enwald **Auditor:** Ingrid Hornberg Román (KPMG)  
 The fee paid to the board chair is SEK 272 (265) thousand. The fee paid to directors elected by the AGM is SEK 136 (130) thousand.

Key indicators	2020	2019
<b>Income statement, SEK m</b>		
Net sales	1 448	1 298
Operating profit	-41	-82
Profit before tax	-44	-85
Net profit	-44	-83
- of which, minority interests	0	0

<b>Balance sheet, SEK m</b>		
Total assets	800	739
Non-current assets	449	429
Equity	286	180
- of which, minority interests	0	0
Net debt	325	370
Operating capital	611	550

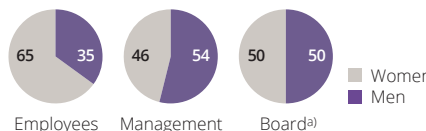
<b>Other key indicators</b>			
Operating margin, %	-2.8	-6.3	
Return – equity, %	-19.0	-56.7	
Return – operating capital, %	-7.0	-15.6	
Net debt/equity ratio, multiple	1.1	2.1	
Equity/assets ratio, %	35.8	24.4	
Gross investments, SEK m	90	100	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	0	0
tCO <sub>2</sub> e	Scope 2	71	243
Sickness absence, %	6.3	6.3	
Average no of employees	489	475	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

**Priority Global Goals**



**Gender distribution, %**



a) Elected for 2021/2022





Apoteket AB offers medical products, pharmacy products and health services that contribute to healthy living. Apoteket operates in a competitive market on a commercial basis. Its activities are to be run in a way that promotes good provision of pharmaceuticals in Sweden. In the retail pharmacy market, the enterprise supplies prescription and non-prescription medicines, traded goods, health services, and information and advice to private individuals through around 400 pharmacies in Sweden. The enterprise also has a well-developed e-commerce business and conducts agency operations. Through its operations, Apoteket also plays an important role for multi-dose packaged medicines. In the health care market Apoteket offers regions, municipalities and private companies the supply of medicinal products, the operation of hospital pharmacies and pharmacy services.

### Important events in 2020

- Focus on reducing community transmission and dealing with changes in customer behaviour.
- Better operating profit despite a very turbulent period.
- Invests in a new, automated e-commerce warehouse.

### Targets and tracking

#### Financial targets

- **Profitability:** Operating margin of at least 3%. For 2020 the operating margin increased to 2.0% (1.8%), mainly as a result of enhanced margins in e-commerce and efficiency measures in shops and at central level.
- **Capital structure:** Debt/equity ratio of 40–80% of pension-adjusted equity. At year-end 2020 the debt/equity ratio was 0%, including lease commitments according to IFRS 16, a reduction partly due to a change of financing model.
- **Dividend:** 40–60% of profit for year adjusted for earnings and tax related to pension assets and pension commitments. No dividend was proposed to the 2021 AGM.

#### Targets for sustainable value creation

- As regards the health target, the Health Index, which measures how customers view the enterprise as a health actor, is to be at least 80 in the long term. For 2020 the index was 68 and was unchanged from 2019.

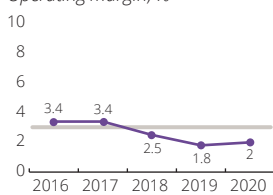
- The customer offer target is expressed as an increase in the number of suppliers of non-prescription medicines and other traded goods that have signed Apoteket's Code of Conduct. The long-term target is 100%. Out of Apoteket's suppliers of non-prescription medicines and other products, 96% (80%) have accepted the Code of Conduct.
- In the environmental area a target is set for how many customers use Apoteket's environmental bonus, which is obtained when left-over medicines are returned at the enterprise's pharmacies. The target is an annual increase of 3% in the bonus used. The outcome in 2020 was -16%. The decrease is due to the pandemic contributing to fewer visitors to physical pharmacies.
- The employee target is that the share of motivated employees is to be at least 80%. No staff survey was conducted during the year on account of an ongoing evaluation of the survey method.

#### Public policy assignment

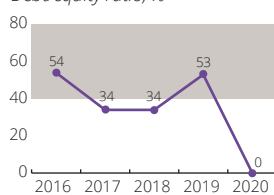
No specifically adopted public policy assignment. Under its owner instruction, the enterprise has the assignment of retaining existing pharmacy agents to the extent necessary to maintain good provision of pharmaceuticals in the community where the agent operates. At year-end Apoteket had 593 pharmacy agents across Sweden.

### Financial targets and tracking

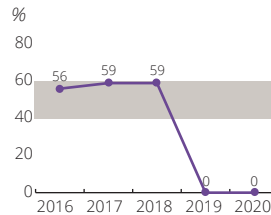
Profitability  
Operating margin, %



Capital structure  
Debt/equity ratio, %



Dividend  
%



— Target: ≥3%    ■ Target: 40–80%    ■ Target: 40–60%

● Outcome    ● New target adopted by AGM



Chair: Ingrid Bonde



CEO: Ann Carlsson

State holding: 100%

Board and auditor elected for 2021/2022

Chair: Ingrid Bonde **Directors:** Barbro Fridén, Pia Gideon, Lars Nilsson, Erik Sandstedt and Per Uebel **Employee reps:** Tiina Declercq and Katarina Rabe **Employee alts:** Daniel Magnusson and Britt-Marie Brink

**Auditor:** Camilla Samuelsson (PwC)

The fee paid to the board chair is SEK 397 (370) thousand. The fee paid to directors elected by the AGM is SEK 188 (176) thousand. No fee is paid to directors employed by the Government Offices.

Key indicators      2020    2019

#### Income statement, SEK m

Net sales	19 536	20 321
Operating profit	397	365
Profit before tax	377	417
Net profit	285	332
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	9 028	8 588
Non-current assets	4 546	3 804
Equity	5 294	4 291
- of which, minority interests	0	0
Net debt	3	1 273
Operating capital	5 297	5 564

#### Other key indicators

Operating margin, %	2.0	1.8
Return – equity, %	6.5	8.2
Return – operating capital, %	6.8	6.8
Net debt/equity ratio, multiple	0.0	0.5
Equity/assets ratio, %	58.6	50.0
Gross investments, SEK m	242	223
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint    Scope 1	240	315
tCO <sub>2</sub> e    Scope 2	2 587	2 654
Sickness absence, %	6.2	5.2
Average no of employees	2 835	3 047

Reported in compliance with GRI    Yes

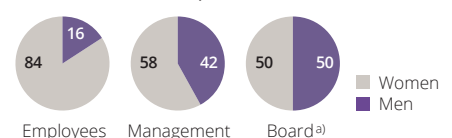
Externally assured GRI report    Yes

Reports in compliance with IFRS    Yes

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022



Arlandabanan Infrastructure AB (AIAB) owns and administers the Arlandabanan rail line. It also grants use of the line and certain rights for the operation of high-speed shuttle trains (Arlanda Express) between Arlanda Airport and Stockholm Central. AIAB manages contracts associated with Arlandabanan and is responsible for ensuring that the State's contractual rights and obligations are observed. The enterprise's contractual counterparty is A-Train AB and the contract is a concession. A-Train AB operates the Arlanda Express service, while also managing the infrastructure and being responsible for all the obligations this entails. The contracts give A-Train AB the right to use AIAB's traffic rights on the state-owned rail network and the right to use Arlandabanan and associated stations. Under certain conditions, the right of use also entails an obligation to grant use of the line and the station at Arlanda Airport to other rail companies.

#### Important events in 2020

- The number of rail passengers decreased by 59% on account of the pandemic.
- The market share of rail travel increased from 23 to 28%, measured as the number of passengers in relation to the number of air travel passengers at Arlanda Airport.

#### Targets and tracking

##### Financial targets

The enterprise has no financial targets.

##### Targets for sustainable value creation

- Increase ridership: 8 million trips per year in 2040; 1.8 million trips in 2020. The outcome in 2020 is passengers below the target on account of the pandemic.
- Financial commitments and earnings: Repay SEK 1.9bn in conditional loans. Royalty payments are estimated at SEK 4.0bn up until 2040, with a further SEK 3.5bn up until 2050. The royalty received in 2020 was SEK 46m.
- Reduce emissions of greenhouse gases: -182 000 tonnes net by 2040. Greenhouse gases -116 000 tonnes net until and including 2020.
- Better diversity and gender equality: More than 40% of each gender. Outcome: The share of women on the relevant enterprise boards was 39%.

- Impact on our neighbours: Comprehensive and detailed development plans. Outcome: Certain proposals for building permits and new detailed developments plans do not meet AIAB's requirements despite comments made in early consultations. Other proposals are well in line with AIAB's requirements.
- Countering corruption: Zero corruption. Outcome: Zero corruption.
- Competition under certain conditions: Competition-neutral. Outcome: Zero matters reported concerning competition.
- Legal and regulatory compliance: Various obligations. Outcome: No breaches of regulations.
- Customer health and safety: Zero fatalities/injuries. Outcome: No injured passengers. One suicide incident on the Swedish Transport Administration's track. The person died.
- Satisfied customers: 100% satisfied customers. Outcome: No measurement in 2020 on account of the pandemic. Punctuality improved in 2020.

##### Public policy assignment

No specifically adopted public policy assignment.



Chair: Jan Olson



CEO: Ulf Lundin

State holding: 100%

##### Board and auditor elected for 2021/2022

Chair: Jan Olson Directors: Britta Dalunde, Lars Erik Fredriksson and Malin Sundvall

Auditors: Jenny Jansson (KPMG)

The fee paid to the board chair is SEK 140 (135) thousand. The fee paid to directors elected by the AGM is SEK 70 (68) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	58	64
Operating profit	12	5
Profit before tax	19	6
Net profit	15	6
- of which, minority interests	0	0

#### Balance sheet, SEK m

	2020	2019
<b>Balance sheet, SEK m</b>		
Total assets	1 822	1 862
Non-current assets	1 734	1 804
Equity	31	16
- of which, minority interests	0	0
Net debt	-690	-683
Operating capital	-659	-667

#### Other key indicators

Operating margin, %	21.4	7.9
Return – equity, %	62.8	47.6
Return – operating capital, %	-1.9	-1.5
Net debt/equity ratio, multiple	-22.2	-42.1
Equity/assets ratio, %	1.7	0.9
Gross investments, SEK m	-32	639
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint	Scope 1	-
tCO <sub>2</sub> e	Scope 2	-
Sickness absence, %	-	-
Average no of employees	0	0

Reported in compliance with GRI Yes

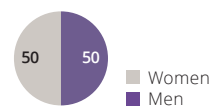
Externally assured GRI report Yes

Reports in compliance with IFRS No

#### Priority Global Goals



#### Gender distribution, %



Board<sup>a)</sup>

a) Elected for 2021/2022

# BILPROVNINGEN

Aktiebolaget Svensk Bilprovning (Bilprovningen) provides advice and inspections of vehicle safety, environmental impact and operating economy. Since 2013 Bilprovningen conducts commercial operations in a deregulated market. With 102 stations and 535 employees, Bilprovningen is the leading provider of motor vehicle inspection services in Sweden and the only market participant with a nationwide network of stations. Bilprovningen is the market participant with the best availability in terms of opening hours in the market and also offers a drop-in service. In 2020 Bilprovningen performed about 1.4 million inspections.

## Important events in 2020

- Bilprovningen reported an improved financial result and remains the market leader with a market share of 26%.
- In July and August inspection volumes were affected significantly by an EU Regulation on account of the pandemic. The Regulation meant that the inspection of all types of vehicles with a final inspection date between 1 February and 31 August 2020 could be postponed by up to seven months.
- New stations were opened in Klippan and Haninge. In addition, rental agreements were signed for new stations in Högdalen and Ljungsbro and reestablishments in Järfälla, Solna and Umeå that will be opened in 2021.
- In the Sustainable Brand Index survey, Bilprovningen was Sweden's most sustainable inspection company for the tenth successive year.

## Targets for sustainable value creation

- Increased traffic safety:** Bilprovningen's contribution to increased traffic safety to be 76%. Outcome: 78%.
- Attractive employer:** Employee turnover rate of 7% or less, at least 14% women inspection technicians, at least 17% employees with foreign backgrounds and share of approved certifications at least 92%. Outcome: Employee turnover 12.0% (7.3%), women technicians 13.7% (13.4%), employees with foreign backgrounds 16.2% (14.6%) and share of approved certifications 93% (92%).
- Reduced climate impact:** Climate impact to be reduced by 80% (2006–2030); renewable electricity to be 100%. Outcome: Reduction of climate impact in phase with long-term target for 2006–2030; renewable electricity is 100%.

## Public policy assignment

No specifically adopted public policy assignment.

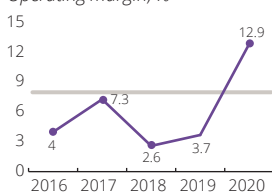
## Targets and tracking

### Financial targets

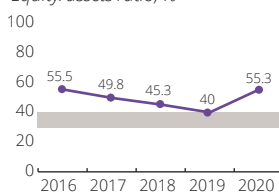
- Profitability:** Operating margin of at least 8%. The enterprise's operating margin for financial year 2020 was 12.9%.
- Capital structure:** Equity/assets ratio 30–40%. The equity/assets ratio was 55% at the end of 2020.
- Dividend:** At least 80% of profit for the year after tax. The dividend for financial year 2020 is SEK 58m.

## Financial targets and tracking

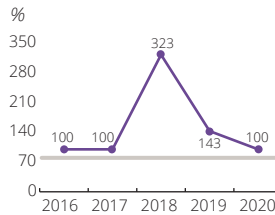
Profitability  
Operating margin, %



Capital structure  
Equity/assets ratio, %



Dividend  
%



— Target: ≥8%    ■ Target: 30–40%  
● Outcome    ■ New target adopted by AGM



**Chair:** Karin Strömberg    **CEO:** Andreas Myhrman

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Karin Strömberg **Directors:** Johan Ekessiö, Lena Larsson, Gunnar Malm, Anna Ullman Sersé and Ludvig Nauckhoff. New election of Lars Erik Fredriksson at 2021 AGM, with Måns Carlsson stepping down **Employee reps:** Bengt Lindblom, Joakim Rönnlund **Employee alts:** Malin Lindahl, Fredrik Walther **Auditor:** Didrik Roos (Deloitte)

The fee paid to the board chair is SEK 215 (200) thousand. The fee paid to directors elected by the AGM is SEK 102 (95) thousand. No fee is paid to directors employed by the Government Offices.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	653	647
Operating profit	84	24
Profit before tax	75	18
Net profit	58	13
- of which, minority interests	0	0

## Balance sheet, SEK m

	2020	2019
<b>Balance sheet, SEK m</b>		
Total assets	281	271
Non-current assets	49	53
Equity	103	64
- of which, minority interests	0	0
Net debt	0	0
Operating capital	103	64

## Other key indicators

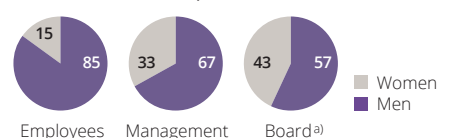
Operating margin, %	12.9	3.7	
Return – equity, %	44.1	11.7	
Return – operating capital, %	100.8	33.4	
Net debt/equity ratio, multiple	0.0	0.0	
Equity/assets ratio, %	55.3	40.0	
Gross investments, SEK m	11	10	
Appropriation, SEK m	0	0	
Dividend, SEK m	58	19	
Climate footprint	Scope 1	146	188
tCO <sub>2</sub> e	Scope 2	935	979
Sickness absence, %	5.9	4.6	
Average no of employees	527	543	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes (RFR 2)

## Priority Global Goals



## Gender distribution, %



a) Elected for 2021/2022

# DRAMATEN

Kungliga Dramatiska teatern AB (Royal Dramatic Theatre, or “Dramaten”) is the Swedish national stage for spoken theatre.

## Important events in 2020

- As of March Dramaten's activities have been dominated entirely by the pandemic. Instead of having around 230 000 physical visitors, the theatre has only received around 59 000 visitors during the year.
- Dramaten has mainly satisfied its audience's needs of theatrical experiences via digital channels such as Dramaten Play and has initiated digital cooperation, both nationally and internationally. The theatre has also met its audience through visits to care homes for older people and pre-school playgrounds, for instance.
- In March Mattias Andersson took up his appointment as Artistic Director of Dramaten. Maria Groop Russel is CEO, meaning that the Board's decision to split leadership between a CEO and an artistic director has been put into effect.
- Along with Operan, Dramaten has signed a contract for new workshops and archive and rehearsal premises in Flemingsberg in the Municipality of Huddinge. The new production building is expected to be ready for occupancy in 2024.

## Targets and tracking

### Financial targets

Dramaten's target is for the enterprise's equity to be SEK 28m over time on average over a running five-year period, and for it never to be less than SEK 20m. With positive earnings of SEK 5.2m (-8.9m), equity amounts to SEK 27.1m (21.9m).

*Targets for sustainable value creation (Dramaten formulated a new framework for sustainability work in 2020).*

- Development and engagement – theatrical art with impact. Dramaten upholds theatrical art and creates new forms. 5 (7) classic works and 13 (23) modern works; 12 (15) of them were Swedish and 6 (15) international works. New productions 10 (19). Dramaten creates social involvement and development, for instance through activities like audience talks. During the year 9 (13) projects and activities were implemented.
- Accessibility and diversity – theatre for the whole of Sweden. Dramaten works actively on its choice of repertoire and other activities for new audience groups. Own productions for children and young people. Number: 6 (6), number of performances: 79 (236); number attending: 7 967 (52 368).
- Sustainable workplace – staff and forms of production. Staff members' health and safety; Continuing professional development; Diversity, gender equality and non-discrimination at the workplace.
- Environment and climate – ecological footprint.

### Public policy assignment

- Dramaten is to be the leading theatrical institution in Sweden and is, as a national stage, to maintain the highest standards in terms of development, renewal and artistic quality, as well as of craftsmanship in its studios and workshops: Dramaten maintains high artistic quality and a varied dramatic repertoire featuring both broad and cutting edge theatre, as well as newly written and classic works. The craftsmanship in Dramaten's studios and workshops is of a high class and contributes to development in the area.
- Dramaten is to work in an international theatrical and cultural context and initiate partnerships and promote intercultural exchange. Dramaten is to cultivate and promote the Swedish language and the national cultural heritage in the area of theatre: There are international exchanges that include guest performances and tours, with the Bergman Festival as an important feature. By performing and adapting classic and modern works, Dramaten has worked continuously on the cultivation and development of the Swedish language and cultural heritage.



**Chair:** Ulrika Årehed Kågström



**CEO:** Maria Groop Russel

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Ulrika Årehed Kågström **Directors:** Jesús Azpeitia Seron, Maria Eka, Aris Fioretos, Raoul Grünthal, Angelica Hadzikostas, Biljana Pehrsson and Tasso Stafiliadis **Employee reps:** Eva Strengbohm, Jens Thiman **Employee alts:** Lena Endre, Johan Holmberg **Auditor:** Jennifer Rock-Baley (EY)

The fee paid to the board chair is SEK 82.5 (75) thousand. The fee paid to directors elected by the AGM is SEK 40 (37.5) thousand.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	278	288
Operating profit	5	-11
Profit before tax	5	-9
Net profit	5	-9
- of which, minority interests	0	0

## Balance sheet, SEK m

Total assets	135	133
Non-current assets	66	55
Equity	27	22
- of which, minority interests	0	0
Net debt	-4	-5
Operating capital	23	16

## Other key indicators

Operating margin, %	1.7	-3.9	
Return – equity, %	21.1	-33.9	
Return – operating capital, %	24.2	-101.9	
Net debt/equity ratio, multiple	-0.2	-0.2	
Equity/assets ratio, %	20.0	16.5	
Gross investments, SEK m	18	21	
Appropriation, SEK m	264	244	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	-	-
tCO <sub>2</sub> e	Scope 2	-	-
Sickness absence, %		-	3.3
Average no of employees		234	276

Reported in compliance with GRI Yes

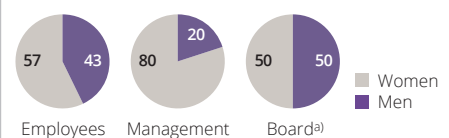
Externally assured GRI report Yes

Reports in compliance with IFRS No

## Priority Global Goals



## Gender distribution, %



a) Elected for 2021/2022



Green Cargo AB is Sweden's largest operator in sustainable rail logistics and an important logistics partner for Swedish business. The enterprise offers transport services in a network throughout Sweden and in Norway, and with partners it reaches thousands of places on the European continent. Green Cargo's system has around 5 000 wagons, 360 locomotives and staff in the whole of Scandinavia to meet the transport needs of business. The enterprise's customers are in basic industries, where forest, steel and paper dominate, as well as in industries like chemistry/energy, engineering, the automotive industry and convenience goods. Electric trains, with almost zero climate impact, account for 94% of Green Cargo's transport work.

### Important events in 2020

- The Riksdag authorised the Government to make a capital contribution of not more than SEK 1 400m to the enterprise.
- In cooperation with Schenker AS new refrigerated wagons for transporting temperate goods were tested in the autumn.
- In December Green Cargo started operating the first Eurodual locomotives in the Nordic Region.
- New transport contracts, worth around SEK 530m, were signed with e.g. Josef Lindberg AB, BillerudKorsnäs, DB Cargo and TT-Line.

### Targets and tracking

#### Financial targets

- Profitability:** Return on operating capital of 10%. The return on operating capital in 2020 was negative.

- Capital structure:** Net debt/equity ratio, multiple of 0.6–0.9. The net debt/equity ratio was 6.0 as a multiple (excluding IFRS 16). The deterioration of the net debt/equity ratio is mainly explained by the group's negative earnings.
- Dividend:** 50% of profit for the year after tax taking account of the net debt/equity ratio. The enterprise did not pay a dividend in 2020.

#### Targets for sustainable value creation

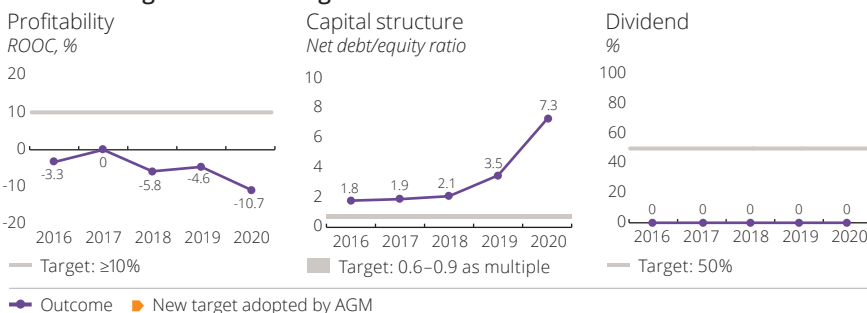
Green Cargo's board has adopted long-term objectives to ensure a socially, environmentally and economically sustainable business. The baseline year, where relevant, is 2019 and all targets have to be achieved by 2030 unless otherwise stated. See the table below.

#### Public policy assignment

No specifically adopted public policy assignment.

		Outcome 2020	Targets for 2020	Outcome 2019	Targets for 2030
<b>Sustainability targets</b>					
<b>Safety</b>	Traffic-safety index	95.5	95.7	95.4	98
	Sickness absence, %	4.1	4.5	4.1	n/a
<b>Employees</b>	Engagement index, Green Cargo AB	78	76	74	85
	Leadership index, Green Cargo AB	74	70	68	n/a
	Share women, Green Cargo AB	19	18	18	30
<b>Environment</b>	Gram CO <sub>2</sub> e/tonne-km	2.96	2.66	3.09	n/a
	kWh/tonne km electric rail traffic	0.036	0.035	0.037	0.030
<b>Customer &amp; Quality</b>	Customer satisfaction, selected customers, (scale 1–5)	3.75	3.50	3.33	n/a
	Punctuality to customers, loaded wagons to customer within hour promised, %	91.6	95	90.7	95
	Regularity, share of all trains completed (rolled-out plan), %	96.3	95.5	96.0	n/a
<b>Finance</b>	Operating result, Green Cargo AB, SEK m (parent)	-206	n/a	-107	n/a
	Net sales, SEK m (parent)	3 714	n/a	3 738	n/a
	Return on operating capital, % (group)	-10.7	n/a	-4.6	n/a
	Net debt/equity ratio (group)	7.3	n/a	3.5	n/a

### Financial targets and tracking



Chair: Jan Sundling



CEO: Ted Söderholm

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Jan Sundling **Directors:** Anna Elgh, Catarina Fritz, Charlotte Hansson, Henrik Höjsgaard Crister Fritzzon and Michael Thorén  
**Employee reps:** Donny Sjöberg, Jonas Blomqvist  
**Employee alts:** Jerker Liljeberg, Anders Gustavsson **Auditor:** Linda Corneliussen (PwC)

The fee paid to the board chair is SEK 425 (415) thousand. The fee paid to directors elected by the AGM is SEK 174 (170) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	4 040	4 096
Operating profit	-222	-93
Profit before tax	-229	-129
Net profit	-229	-129
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	3 170	3 035
Non-current assets	2 374	2 407
Equity	243	473
- of which, minority interests	0	0
Net debt	1 778	1 668
Operating capital	2 021	2 141

### Other key indicators

Operating margin, %	-5.5	-2.7
Return – equity, %	-64.2	-24.1
Return – operating capital, %	-10.7	-4.6
Net debt/equity ratio, multiple	7.3	3.5
Equity/assets ratio, %	7.7	15.6
Gross investments, SEK m	339	168
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint Scope 1	21 502	22 896
tCO <sub>2</sub> e Scope 2	3 086	3 186
Sickness absence, %	4.1	4.1
Average no of employees	1 836	1 771

Reported in compliance with GRI Yes

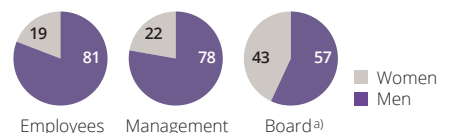
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



AB Göta kanalbolag operates and manages Göta Canal in a way that preserves its value as a structure of cultural historical importance and as a tourist attraction. Today Göta Canal is one of the most important engines in the Swedish visitor industry with more than three million visitors each year. The canal is mainly navigated by leisure boats and cruise ships. The enterprise also conducts extensive maintenance and upgrading of the canal and adjacent properties. For this, the enterprise receives appropriation funding from the State. Most of its properties are let as housing or as business premises. Its specifically adopted public policy assignment covers all operations except the enterprise's forestry business.

### Important events in 2020

- The number of land visitors increased by 10%, reaching the highest level since the enterprise started its measurements of land visitors.
- The Göta Canal 2.0 renovation project continued in the winter season.

### Targets and tracking

#### Financial targets

- **Profitability:** EBT margin of at least 0%. The outcome was 0.1%. The EBT margin is calculated as profit before tax divided by sales.
- **Capital structure:** Net debt/equity ratio of -10 to +50%. The net debt/equity ratio was -148.9% and is explained by SEK 58.8m being held in cash and cash equivalents at year-end for the projects carried out in winter 2020–21.

#### Targets for sustainable value creation

In its new business plan the enterprise is continuing to work with three overall targets – an income target, an attractiveness target and a safety target – as well as three main goals from the 2030 Agenda: clean water and sanitation, sustainable energy for all, and decent work and economic growth. The targets and activities in these areas have been adopted in the enterprise's updated business plan.

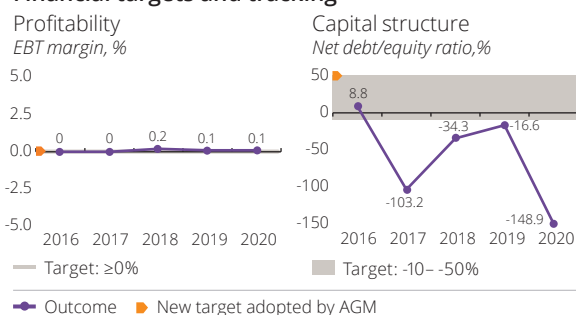
#### Public policy assignment and targets

Public policy targets were adopted by the owner at the 2016 AGM for the following areas:

- Sufficient boat traffic to maintain attractiveness

- Preservation
- Customer satisfaction
- Ecotourism.
- Regular passenger boat traffic (cruise ship traffic) has been hit hard due to COVID-19 with, for instance, restrictions in the maximum number of passengers. Traffic has only been conducted on certain sections of the canal. Travel restrictions for international guests affect the number of leisure boats, 1 622, which was below the target of 1 700, with 399 boats in the booking season compared with the target of at least 400.
- The canal was navigable 94.8% of the time during the canal season and no accident occurred due to the state of the works. Of the preserved lock-keeper and bridge master's homes, the outcome has increased to 98% of the houses being of year-round standard since Duvkullen Övre has been renovated.
- The target is a minimum score of 4.0 out of a possible 5.0 for customer satisfaction. The target was met for land visitors (4.7), leisure boats (4.5) and shipping companies (4.0). The outcome for corporate members of Official Partners was 3.7.
- Maintaining the avenue trees alongside the canal and working to restore the avenue to the original number, 16 000 avenue trees, is a way to promote ecotourism, and 130 trees were planted during the year. All municipalities have inventoried their sections so as to establish a national cycle path along the canal jointly with AB Göta kanalbolag. Each municipality has carried out activities to secure their sections through land owner agreements for example. The financing of the cycle path is in place and an application has been made to the Swedish Transport Administration and is being processed.

### Financial targets and tracking



Chair: Magnus Hall

CEO: Roger Altsäter

State holding: 100%

#### Board and auditor elected for 2021/2022

**Chair:** Magnus Hall **Directors:** Göran Carlberg, Anna Ernestam, Bengt-Olov Gunnarson, Jenny Lahrin, Amer Mohammed, Magnus Ling and Johanna Palmér **Employee reps:** Therese Sjöberg **Auditor:** Joakim Mårbring (Grant Thornton)

The fee paid to the board chair is SEK 96.5 (88) thousand. The fee paid to directors elected by the AGM is SEK 65 (60) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	43	39
Operating profit	0	0
Profit before tax	0	0
Net profit	0	0
- of which, minority interests	0	0

#### Balance sheet, SEK m

	2020	2019
<b>Balance sheet, SEK m</b>		
Total assets	121	70
Non-current assets	51	53
Equity	39	39
- of which, minority interests	0	0
Net debt	-59	-7
Operating capital	-19	33

#### Other key indicators

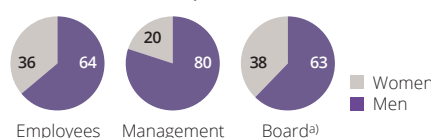
	2020	2019
Operating margin, %	0.3	0.4
Return – equity, %	0.1	0.1
Return – operating capital, %	1.8	0.5
Net debt/equity ratio, multiple	-1.5	-0.2
Equity/assets ratio, %	32.5	56.4
Gross investments, SEK m	2	2
Appropriation, SEK m	13	13
Dividend, SEK m	0	0
Climate footprint Scope 1	-	-
tCO <sub>2</sub> e Scope 2	-	-
Sickness absence, %	2.8	2.3
Average no of employees	39	42

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes (RFR 2)

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022

# INFRANORD

Infranord AB is the leading rail contractor in Sweden and one of the biggest actors in Norway. Infranord delivers railway services in track, electrical, signal and telecommunications engineering. The enterprise also conducts operations in measurement services and manufacture and renovate railway components. It focuses on maintaining and modernising the railways of today and developing and building the rail track of the future. Through its operations Infranord enables climate-adapted transport. This makes the enterprise part of the sustainable transport solutions of the future. The enterprise's mission is to enable safe, punctual and sustainable rail transport to the benefit of its customers and owner and of society. Infranord has a comprehensive offer and employees with high technical skills and great knowledge of railways.

## Important events in 2020

- Continued structured work in safety – including better incident reporting – despite leadership challenges on account of the pandemic.
- The improvement in the group's profit is mainly explained by efficiencies in Infranord Maskin, a reinforced Norwegian subsidiary, and lower administrative costs.
- The Inquiry on rail maintenance in the future presented its report to the Government on 31 March 2020.

## Targets and tracking

### Financial targets

- Profitability:** Return on equity to be at least 16%. The return was 0.3%.
- Capital structure:** Equity/assets ratio at least 33%. The equity/assets ratio was 30.3%.
- Dividend:** 50–75% of profit after tax. The dividend for financial year 2020 was SEK 0m (0m).

### Targets for sustainable value creation

Infranord has a tool, the sustainability compass, where targets for Infranord's significant sustainability areas are set and tracked. These sustainability areas include:

- Health and safety:** The accident rate target is less than 3.0 in 2024, measured as the total number of work injuries (sick listing of 1 day or more) divided by the number of millions of hours worked. Infranord is working on strengthening its internal safety culture. The overall target is for the

number of serious accidents to be zero.

To achieve that target, action is being taken in training, procedures and safety systems. The outcome for 2020 was 4.2 (1.9).

- Non-discrimination:** Employee Satisfaction Index (ESI) of at least 76 in 2024. Infranord is undergoing a generational shift and needs to develop and recruit new employees. Large retirement volumes in the next few years are a challenge. The enterprise's skills provision plan is intended to deliver common, uniform and systematic recruitment, induction, employee development, skills transfer and succession. Infranord's enterprise culture is to be inclusive and inspiring. The ESI outcome for 2020 was 64 (69).
- Quality in deliveries:** The Swedish Transport Administration's supplier evaluation (UppLev) to be at least 4.0 in 2024. The enterprise will develop its services in well-defined areas of technology and will work for contract models that are favourable to both industry participants and society as a whole. Railway digitalisation is a trend that creates business opportunities. The outcome for 2020 was 3.4 (3.6).

### Public policy assignment

No specifically adopted public policy assignment.



Chair: Jan Bardell



CEO: Henrik Löfgren

**State holding:** 100%

### Board and auditor elected for 2021/2022

**Chair:** New election of Jan Bardell<sup>a)</sup> at 2021 AGM, with Eva Färnstrand stepping down **Directors:** Sven-Erik Bucht, Ulrika Danielsson, Magnus Jonasson and Agneta Kores. New election of Lucien Herly and Kia Orback-Pettersson at 2021 AGM, with Måns Carlsson stepping down **Employee reps:** Håkan Englund, Henrik Eneroth **Employee alts:** Lars-Erik Mott, Frederick Linderos **Auditor:** Helena Nilsson (KPMG)

The fee paid to the board chair is SEK 420 (402) thousand. The fee paid to directors elected by the AGM is SEK 205 (197) thousand. No fee is paid to directors employed by the Government Offices.

a) Former director.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	4 014	3 816
Operating profit	14	-75
Profit before tax	6	-81
Net profit	2	-57
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	2 406	2 274
Non-current assets	991	1 032
Equity	728	736
- of which, minority interests	0	0
Net debt	426	484
Operating capital	1 154	1 220

### Other key indicators

Operating margin, %	0.3	-2.0	
Return – equity, %	0.3	-7.2	
Return – operating capital, %	1.2	-5.8	
Net debt/equity ratio, multiple	0.6	0.7	
Equity/assets ratio, %	30.3	32.4	
Gross investments, SEK m	68	158	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	7 827	8 808
tCO <sub>2</sub> e	Scope 2	-	-
Sickness absence, %	3.2	2.8	
Average no of employees	1 840	1 869	

Reported in compliance with GRI Yes

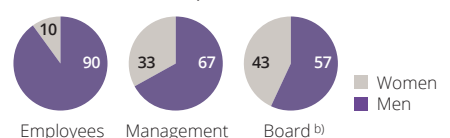
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



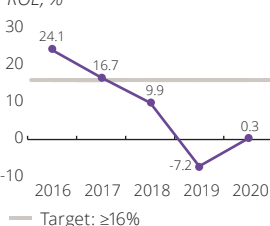
### Gender distribution, %



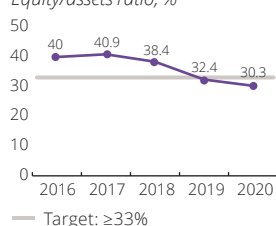
b) Elected for 2021/2022

## Financial targets and tracking

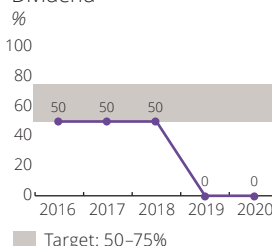
### Profitability



### Capital structure



### Dividend



◆ Outcome ◆ New target adopted by AGM



Jernhusen AB owns, develops and manages stations, rail yards, maintenance depots and freight and intermodal terminals along the Swedish railways. Jernhusen serves an important purpose by managing and developing a number of properties with a key function for rail traffic on a competition-neutral and commercial basis.

### Important events in 2020

- The pandemic has resulted in a drastic decrease in travel, which has affected Jernhusen's activities, mainly through rent rebates given, lower variable revenue and a negative impact on property values totalling SEK 600m.
- The market value of properties was SEK 17 973m.
- The detailed development plan for the first phase of Region City in Gothenburg (the West Link's station at Gothenburg Central Station) was approved and gained legal force in early 2021.

### Targets and tracking

#### Financial targets

- Profitability:** Total return of at least 6.0% over a business cycle. The outcome was 1.7%. The average return in the past 10 years was 6.8%.
- Capital structure:** Loan-to-value ratio of 45–55%, outcome: 45.9%. Interest coverage ratio, minimum multiple of 2.0, outcome: 4.9.
- Dividend:** Ordinary dividend of 40–70% of profit for the year after tax (after reversal of changes in value and associated deferred tax). The annual dividend decisions are to take account of the implementation of the enterprise's strategy, its financial position and the capital structure target. No dividend was paid for 2020.

#### Targets for sustainable value creation

##### Sustainable transport:

- More new groups to be attracted to travel by public transport by developing secure and pleasant station areas. 500 000 sq.m. of gross floor area (GFA) to be created in locations close to stations by 2030. During the year 60 000 sq.m. GFA has been created.

Traveller Satisfaction Index (TSI) to be above 75 and no station to be below 70 in 2020. No TSI measurement was made in 2020 (73 in 2018). 500 000 units to be handled in Jernhusen's intermodal terminals in 2026. 164 000 units were handled in 2020.

#### Sustainable properties:

- Halve the use of purchased energy in properties by 2030 compared with 2008. This use was 29% lower than in the baseline year.
- All built properties to have environmental classification or certification by 2020. The whole stock is certified; the target has been achieved.
- Zero instances of soil contamination with a negative impact on human health or the environment by 2025. 6 properties were secured in 2020 and several decontaminations are under way according to plan.

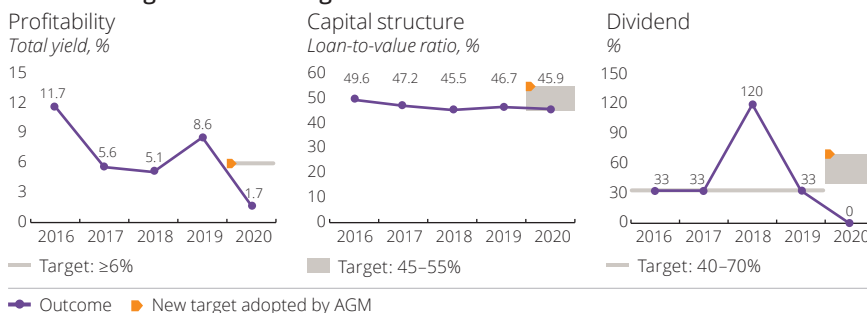
#### Sustainable business:

- 80% of the purchase volume to be quality assured for sustainability through supplier tracking in 2019. In 2020, 60%, corresponding to 260 suppliers, were quality assured. In addition, 74 suppliers have undergone an internal evaluation.
- All new/renewed rental leases to be green. 100% green leases signed in 2020.
- Customer Satisfaction Index (CSI) to be above 75 in 2030. In 2020 the outcome was 64.
- Top 3 in Nyckeltalsinstitutet's Attractive Employer Index in 2020. For the third successive year Jernhusen took first place.
- Result > 1 above average in employee Net Promoter Score (eNPS). Scored 33 in eNPS in 2019, 21 above average.

#### Public policy assignment

No specifically adopted public policy assignment.

### Financial targets and tracking



Chair: Anette Asklin CEO: Kerstin Gillsbro

State holding: 100%

#### Board and auditor elected for 2021/2022

**Chair:** New election of Anette Asklin<sup>a)</sup> at 2021 AGM, with Kjell Hassler stepping down  
**Directors:** Kjell-Åke Averstad, Louise König and Lotta Mellström. New election of Magnus Jacobson, Agneta Kores, Martin Lindgren and Katarina Wåhlin Alm at 2021 AGM, with Jakob Grinbaum and Anders Kupsu stepping down  
**Employee reps:** Charlotte Mattsson, Mari Therus **Employee alt:** Ellen Hjelmgren  
**Auditor:** Helena Ehrenborg (PwC)

The fee paid to the board chair is SEK 272 (260) thousand. The fee paid to directors elected by the AGM is SEK 131 (125) thousand. No fee is paid to directors employed by the Government Offices.

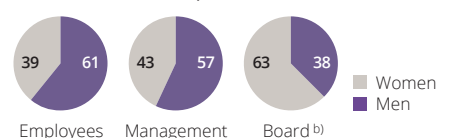
a) Former director.

Key indicators	2020	2019
<b>Income statement, SEK m</b>		
Net sales	1 446	1 622
Changes in value	-361	686
Operating profit	302	1 479
Profit before tax	167	1 343
Net profit	137	1 126
- of which, minority interests	9	4
<b>Balance sheet, SEK m</b>		
Total assets	19 345	18 955
Non-current assets	18 215	18 181
Equity	8 013	8 094
- of which, minority interests	34	25
Net debt	8 257	8 378
Operating capital	16 270	16 472
<b>Other key indicators</b>		
Operating margin, %	20.9	91.2
Return – equity, %	1.7	14.3
Return – operating capital, %	1.8	11.6
Net debt/equity ratio, multiple	1.0	1.0
Equity/assets ratio, %	41.4	42.7
Gross investments, SEK m	427	484
Appropriation, SEK m	0	0
Dividend, SEK m	0	219
Climate footprint Scope 1	101	10
tCO <sub>2</sub> e Scope 2	2 114	3 162
Sickness absence, %	2.1	2.4
Average no of employees	189	199
Reported in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

#### Priority Global Goals



#### Gender distribution, %



b) Elected for 2021/2022





Lernia is one of Sweden's leading matching actors with services in adult education, staffing, recruitment, matching and transitioning. With a broad range of services, the enterprise works to meet skills needs in the whole of the labour market. Lernia operates in around 60 places all over Sweden and is certified as a staffing, training, recruitment and transitioning company by the relevant industry associations. The enterprise's services are aimed both at individuals and customers in the private business sector and at customers in the public sector. In 2020 Lernia was the fifth largest staffing company overall in Sweden, and the second largest actor in the segment of staffing of "blue-collar" consultants. In the adult education segment, Lernia is the second largest actor after Academedia AB.

### Important events in 2020

- The year was dominated by the pandemic and its consequences for operations, customers and employees.
- Lernia started and ended the year at a better level of earnings thanks to savings and efficiencies in previous years.
- Lernia received a capital contribution of SEK 150m from the State; together with a better level of earnings this provides financial stability for continued action to strengthen Lernia's delivery in staffing, adult education and matching.

### Targets and tracking

#### Financial targets

- **Profitability:** Lernia's return on equity to be at least 20%.
- **Capital structure:** Equity/assets ratio of 30–50%, target value 40%.
- **Dividend:** Ordinary dividend of at least 50% of profit for the year.

The loss for the year was SEK -11m. The equity/assets ratio was 31%. No dividend is proposed for 2020.

#### Targets for sustainable value creation

- **Self-support:** More individuals to become self-supporting. Share in training procured by Arbetsförmedlingen [Swedish Public Employment Service] who have employment 90 days after training >36%. Share in higher vocational education programmes who have employment 6 months after programme >90%. Share in support and matching programmes who have employment 120 days after training >25%.
- **Business ethics:** A sustainable, ethical approach to business that stands up to full scrutiny.
- **Diversity:** Increase diversity by valuing people's differences and different competencies. At least 40% of each gender among employees. No unwarranted pay differences linked to gender.
- **Outcome for Self-support:** Share in training procured by Arbetsförmedlingen who have employment 90 days after training 26%. Share in higher vocational education programmes who have employment 6 months after programme 91%.
- **Outcome for Business ethics:** 0 corruption incidents.
- **Outcome for Diversity:** Total of 33% women, women's pay as a percentage of men's pay 97%.

#### Public policy assignment

No specifically adopted public policy assignment.



Chair: Kjell Hasslert



CEO: Anders Uddfors

**State holding:** 100%

#### Board and auditor elected for 2021/2022

**Chair:** Kjell Hasslert **Directors:** Niklas Flyborg, Gunilla Rittgård, Erika Rönnquist Hoh, Gunilla Spongh, Karin Strömberg and Michael Thorén. New election of Tommy Ohlström at 2021 AGM

**Employee rep:** Fadime Cayirli Falk

**Auditor:** Ingrid Hornberg Román (KPMG)

The fee paid to the board chair is SEK 330 (305) thousand. The fee paid to directors elected by the AGM is SEK 154 (142) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

2020 2019

#### Income statement, SEK m

Net sales	2 029	2 627
Operating profit	-5	-66
Profit before tax	-10	-71
Net profit	-11	-55
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	968	925
Non-current assets	216	213
Equity	296	169
- of which, minority interests	0	0
Net debt	155	202
Operating capital	452	370

#### Other key indicators

Operating margin, %	-0.3	-2.5
Return – equity, %	-4.9	-26.7
Return – operating capital, %	-1.2	-22.4
Net debt/equity ratio, multiple	0.5	1.2
Equity/assets ratio, %	30.6	18.2
Gross investments, SEK m	2	9
Appropriation, SEK m	0	1
Dividend, SEK m	0	0
Climate footprint Scope 1	97	142
tCO <sub>2</sub> e Scope 2	-	-
Sickness absence, %	5.0	3.1
Average no of employees	3 377	4 613

Reported in compliance with GRI Yes

Externally assured GRI report Yes

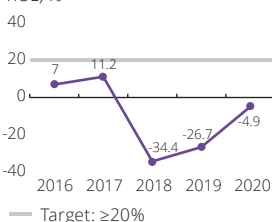
Reports in compliance with IFRS Yes

#### Priority Global Goals

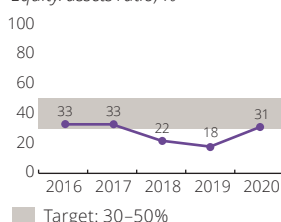


### Financial targets and tracking

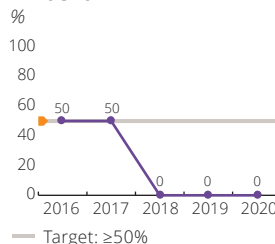
Profitability  
ROE, %



Capital structure  
Equity/assets ratio, %

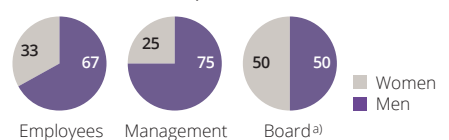


Dividend  
%



— Outcome — New target adopted by AGM

#### Gender distribution, %



a) Elected for 2021/2022



Luossavaara-Kiirunavaara Aktiebolag, LKAB, is an international high-tech mining and minerals group and a world-leading producer of processed iron ore products for steel production. LKAB produces and supplies processed iron ore products and services to customers worldwide. Its operations can also include other closely related products and services that are based on LKAB's expertise and that support its main business. LKAB should be seen by its customers as the supplier that provides the most added value and is therefore leading in its chosen market segments. For LKAB, high and consistent product quality and cost efficiency are critical factors in withstanding competition.

### Important events in 2020

- Strong profit influenced by rising iron ore prices but also by lower listed pellet premiums. Higher delivery volumes and stable production volumes despite the extensive seismic event in the Kiruna Mine.
- LKAB launched its new strategy for the future, which lays out the path to zero emissions of carbon dioxide from its own processes and products by 2045 and secures the enterprise's operations beyond 2060. One crucial part is to take steps forward in the value chain and gradually switch to production of carbon dioxide-free DRI (Direct Reduced Iron).
- In HYBRIT, a pilot plant was opened in Luleå, where development and testing will be carried out in 2020–2024.
- A preliminary study was started for the construction of a fossil free industrial park for the recycling of mining waste and the production of critical raw materials.
- Intensified prospecting work continued, and mineral assets increased by half a billion tonnes during 2020.

### Targets and tracking

#### Financial targets

- **Profitability:** Return on equity above 12%. The outcome was 20.8%.
- **Capital structure:** Net debt/equity ratio of 0–30%. The outcome was -3.0%.
- **Dividend:** 40–60% of profit for the year. The target was achieved. The dividend for 2020 was SEK 5.85bn.

#### Targets for sustainable value creation

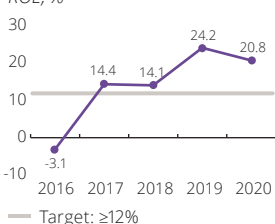
- LKAB is to reduce discharges of nitrogen to water by 20% by 2021 compared with 2015. The outcome for 2020 was 20%.
- LKAB is to reduce point-source emissions of particulates to air from scrubbing equipment by 40% by 2021 compared with 2015. The outcome for 2020 was 29%.
- LKAB is to reduce carbon dioxide emissions by at least 12% per tonne of finished product by 2021 compared with 2015, while reducing emissions of nitrogen to air. The target for 2020 was achieved regarding nitrogen while carbon dioxide emissions decreased by 8.1%.
- LKAB is to reduce energy intensity (kWh per tonne of finished product) by at least 17% by 2021 compared with 2015. The outcome for 2020 was 4.2%.
- Women are to make up at least 25% of employees and managers at LKAB in 2021. In 2020 the share of women in the enterprise was 24.7% and the share of women managers was 23.2%.
- The rate of accidents resulting in absence is to be no more than 3.5 per million hours worked in 2021. The outcome for 2020 was 6.3 per million hours worked.
- LKAB complies with its Code of Conduct and has a well-functioning dialogue with stakeholders. The target for 2020 was achieved.

#### Public policy assignment

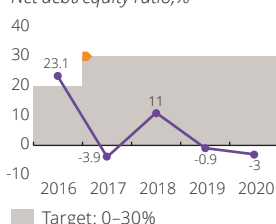
No specifically adopted public policy assignment.

### Financial targets and tracking

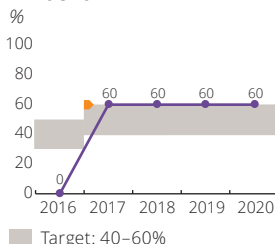
Profitability  
ROE, %



Capital structure  
Net debt/equity ratio, %



Dividend  
%



— Outcome — New target adopted by AGM



Chair: Göran Persson



CEO: Jan Moström

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Göran Persson **Directors:** Gunnar Axheim, Eva Hamilton, Bjarne Moltke Hansen, Lotta Mellström, Ola Salmén, Gunilla Saltin and Per-Olof Wedin. New election of Catrin Fransson at 2021 AGM **Employee reps:** Anders Elenius, Tomas Larsson, Björn Åström **Employee alts:** Emil Lantto, Peter Nordström, Stefan Tallfjärd **Auditor:** Helena Arvidsson Älgne (KPMG)

The fee paid to the board chair is SEK 680 (650) thousand. The fee paid to directors elected by the AGM is SEK 303 (290) thousand. No fee is paid to directors employed by the Government Offices.

**Key indicators** 2020 2019

Income statement, SEK m	2020	2019
Net sales	33 914	31 260
Operating profit	11 654	11 788
Profit before tax	12 452	12 924
Net profit	9 757	10 173
- of which, minority interests	0	0

Balance sheet, SEK m	2020	2019
Total assets	75 269	74 681
Non-current assets	43 514	41 331
Equity	48 412	45 528
- of which, minority interests	0	0
Net debt	-1 470	-415
Operating capital	46 943	45 113

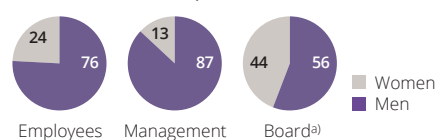
Other key indicators	2020	2019
Operating margin, %	34.4	37.7
Return – equity, %	20.8	24.2
Return – operating capital, %	23.8	24.6
Net debt/equity ratio, multiple	-0.0	-0.0
Equity/assets ratio, %	64.3	61.0
Gross investments, SEK m	2 763	2 373
Appropriation, SEK m	0	0
Dividend, SEK m	5 850	6 104
Climate footprint Scope 1	676 139	739 415
tCO <sub>2</sub> e Scope 2	566	557
Sickness absence, %	4.4	3.5
Average no of employees	4 535	4 348

Reported in compliance with GRI Yes  
Externally assured GRI report Yes  
Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022

## LKAB – urban transformation in consensus

### Background

Securing access to ore after the present main levels are estimated to be exhausted is crucial for the future. The present mineral assets are estimated to be sufficient for production up until 2035, and LKAB must secure sufficient reserves to enable extraction to continue in the longer term. Uncertainty about the range of the deposits has resulted in increased prospecting efforts; work that is being intensified and that has effects on communities that must move. That is the challenge facing LKAB and the Malmfälten area if LKAB is to be able to continue to mine iron ore and be a world-leading export company. LKAB's ambition is to facilitate the transition and provide compensation for the impact that the urban transformations have on the people and communities affected.

### Events in 2020

The development of the communities of Kiruna and Gällivare is in an intensive phase with projects for closing and moving selected heritage buildings, the preparation of land, infrastructure in development areas for new construction of housing and other important properties that must be replaced. In Kiruna the results of prospecting work have shown that the ore body extends into the rock in a different way from previously believed. LKAB was therefore able, during the year, to set a clearer limit and to say what property units will be affected up until 2035. In 2020 the Municipality of Kiruna adopted a detailed development plan for the 2:4 area in Gruvstadspark 2 in Kiruna for transformation of the area into a mining industry area. LKAB is creating added value by developing various community functions when new buildings are constructed, and in 2020 LKAB, Samhällsbyggnadsbolaget i Norden AB and the Swedish Police Authority reached agreement on building a new police station in central Kiruna. To meet the Authority's long-term needs the premises will be expanded and developed in a single property instead of at two different places. Another milestone during the year was the opening of the second phase of the E10 through Kiruna, marking an end to a project started in 2017. The road construction ensures access to land for continued mining operations, while securing the communications to Kiruna's new town centre.

In Malmberget winding-up work has continued at the same time as densification and expansion are taking place in Gällivare. In 2020 the Municipality of Gällivare adopted detailed development plans for

phases 3 and 5:1 for western and eastern Malmberget for the transformation of the areas into mining industry areas. However, the Municipality of Gällivare has not adopted an essential detailed development plan amendment regarding eastern Malmberget, and this risks delaying the timetable for the area being wound down, thereby limiting future production. The Knowledge Building in the centre of Gällivare was opened, bringing adult education and all upper secondary school programmes under one roof. The investment in the Knowledge Building is part of action to promote academic development and ensure the provision of skills in the region. An important phase of housing construction was started in Bryggeribacken in Gällivare with rented housing for LKAB Fastigheter and replacement of detached homes for residents in Malmberget where the first households have now moved in.

### Responsibilities

The development of LKAB and the communities that are home to the mining operations depends on a well-functioning dialogue and collaboration between the parties affected. According to an opinion poll by the SIFO polling organisation more than 80% of residents in these two communities have great confidence in LKAB. Confidence in LKAB's ability to take responsibility for its part of the urban transformation has been stable over the past 10 years at around 80%.

LKAB is continually measuring the impact caused by mining operations and has a central role in the processes of change. Along with the municipalities, LKAB reaches agreements on the timetables for the urban transformations. The municipalities decide what the new communities will be like, and under the Minerals Act (1991:45) it is LKAB that finances the costs that arise when mining operations make the transformations necessary. LKAB is an active party, both as an orderer of new properties and as a partner, so as to contribute to providing choice in the matter of housing. It is important to note that LKAB does not have a specifically adopted public policy assignment in relation to the urban transformations in Malmfälten, and is, instead, acting on the basis of its commercial role and the applicable legislation.

The municipalities are responsible for urban planning and for legislation like the Planning and Building Act and the Environmental Code being followed. They have the sole right to plan new urban neighbourhoods and decide what the communities will be like. The municipalities also have a

responsibility for building infrastructure and conducting planning work so that land ready for building is available when needed. Central government authorities are also involved when needed; examples are the county administrative board, the Swedish Transport Administration, the Office of the Mining Inspectors and the National Property Board of Sweden. Construction and civil engineering companies then participate in building up the new communities. The principle of development before the move-out, i.e. that important community functions are ready or being built up before any move from earlier urban development, is a guiding star for the urban transformations.

In the communities, those affected by the changes include property- and home-owners, tenants and business. Important consultations are also being held with the Sami villages. To minimise the negative impact on the Sami villages and reindeer husbandry, LKAB has entered into an agreement on collaboration with the three Sami villages directly affected by its operations and the expansion in Kiruna and Gällivare. Where applicable, the agreements are based on the principle of Free Prior and Informed Consent (FPIC) that has been expressed in international law on the rights of indigenous peoples.

### Risks and risk management

LKAB's impact on the communities in Malmfälten means that LKAB needs to have access to the land affected by mining operations at the right time so that mining production does not need to be restricted or stopped. The main risk for LKAB is unpredictable and protracted detailed development plan processes in the municipalities leading to delays in the process; another risk is that the costs of the urban transformation will be higher than estimated.

To manage these risks LKAB is making sure that it continually adapts its mining plans to land-use permit issues. Good advance planning in the timetables for the acquisition processes and the application processes at public authorities has high priority. Moreover, the compensation rules for settling losses have been drafted to ensure that persons affected can go through the process without incurring a loss while LKAB avoids paying too much compensation. LKAB has major undertakings linked to its responsibility for the impact resulting from mining production and secures them through buffer capital for the urban transformation and after-treatment.



Metria AB was formed on 1 May 2011 in conjunction with the corporatisation of a division of Lantmäteriet (the Swedish cadastral authority). Metria's direction and business concept are to supply products and services related to the collection, analysis, processing and application of geographical information and real property data. Its customers are in banking and insurance, telecom, energy, infrastructure and forestry as well as in municipalities and the rest of the public sector. Metria has around 260 employees and is represented at some 20 places throughout Sweden. Its head office is in Gävle.

### Important events in 2020

- Income totalled SEK 417.1m (401.4m). The year has been characterised by high activity, efficiencies in operations and stable demand in the market.
- Metria's operations in geoinformation have developed positively. Growth has been greatest in the product areas of map services and visualisation.
- In the analysis area Metria has implemented several large projects in 2020 that contribute to greater knowledge about nature values, digitalisation of wetland inventorying, national map data for the national strategy for sustainable wind power expansion and geographical data showing where wild bees have their nesting habitats and foraging grounds.
- In the autumn a programme of savings was implemented to improve profitability.

### Targets for sustainable value creation

- Attractive employer:** The target is to have a positive trend. The employee Net Promoter Score was -3 (-5).
- Increased revenues from products with positive environmental impact:** The outcome for the year was 34% (32%). The target for 2021 was to increase this share to 35%.
- Lower environmental impact of travel, grammes of CO<sub>2</sub> from business travel/krona of income:** The outcome was 0.57 (0.96). With a year characterised by a pandemic, the number of business trips decreased sharply, -86%. This has resulted in Metria exceeding its environmental target of reducing grammes of CO<sub>2</sub> from business travel/krona of income.

### Public policy assignment

No specifically adopted public policy assignment.

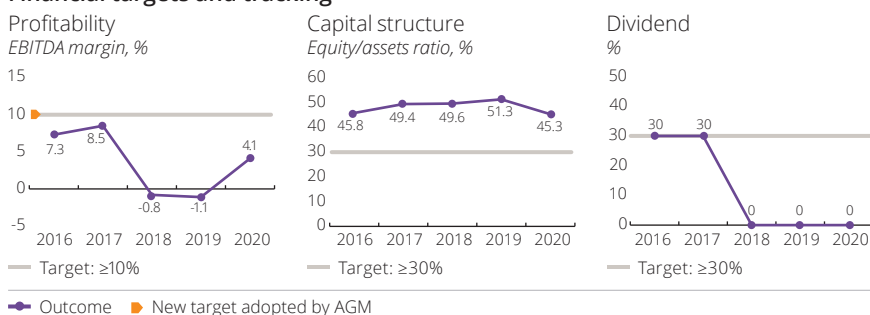
### Targets and tracking

#### Financial targets

- Profitability:** EBITDA margin of at least 10%.
- Capital structure:** Equity/assets ratio of at least 30%.
- Dividend:** At least 30% of profit for the year.

Only the target for the equity/assets ratio target was achieved. The equity/assets ratio was 45.3%. No dividend is proposed for 2020.

### Financial targets and tracking



Chair: Eva Gidlöf



CEO: Anders Hugosson

**State holding:** 100%

### Board and auditor elected for 2021/2022

**Chair:** Eva Gidlöf **Directors:** Katarina Burton, Michael Thorén, Peter Uddfors and Karl Wistrand. New election of Margaretha Alestig at 2021 AGM, with Pia Gideon stepping down

**Employee reps:** Per-Åke Jureskog, Henrik Bylund

**Employee alts:** Henrik Sarri, Olle Furberg

**Auditor:** Jennifer Rock-Baley (EY)

The fee paid to the board chair is SEK 220 (200) thousand. The fee paid to directors elected by the AGM is SEK 109 (100) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

#### Income statement, SEK m

	2020	2019
Net sales	417	401
Operating profit	-8	-24
Profit before tax	-8	-24
Net profit	-8	-19
- of which, minority interests	0	0

#### Balance sheet, SEK m

	2020	2019
Total assets	174	169
Non-current assets	26	48
Equity	79	87
- of which, minority interests	0	0
Net debt	-53	-32
Operating capital	25	55

#### Other key indicators

Operating margin, %	-1.9	-6.0
Return - equity, %	-9.7	-19.9
Return - operating capital, %	-20.2	-41.4
Net debt/equity ratio, multiple	-0.7	-0.4
Equity/assets ratio, %	45.3	51.3
Gross investments, SEK m	4	13
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint Scope 1	264	252
tCO <sub>2</sub> e Scope 2	64	45
Sickness absence, %	2.4	2.7
Average no of employees	262	289

Reported in compliance with GRI Yes

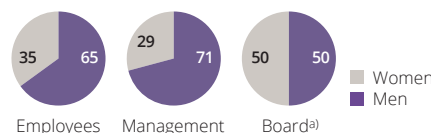
Externally assured GRI report Yes

Reports in compliance with IFRS No

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



Miljömärkning Sverige AB is tasked by the Government with administering the Nordic Swan ecolabel and the EU Ecolabel (the EU Flower). The enterprise participates in work on the design and development of criteria for various goods and services and licenses products that meet the criteria. A licensed product may be labelled. The purpose is to make it easier, by means of voluntary labelling, for companies to develop their products taking account of the environment and climate and to communicate this in a simple way to consumers so that they can then choose more environment friendly goods and services. In this way, Miljömärkning Sverige contributes to more sustainable production and consumption. The Nordic Swan is a very strong brand – 97% of the public recognise the label. Awareness of the EU Ecolabel is lower but rising. Studies show that consumers see ecolabels as the best tool for making sustainable choices.

### Important events in 2020

- The pandemic has placed great strain on several customer groups, which has also resulted in challenges for ecolabelling.
- To a great extent, customer meetings and inspection visits have been held digitally.
- The “Swanning” marketing campaign, as a positive collective term for sustainable acts, was started and received positive reactions from both consumers and customers.
- The first liquid packaging for food products was given a Swan label.
- The number of Swan labelled investment funds in the Nordic market increased to 50; together they manage almost SEK 200bn. A Swedish survey showed that, on average, Swan-labelled funds in the Swedish market have lower charges than non-Swan-labelled funds.
- New sustainability criteria make it possible to stipulate in public procurement that cleaning chemicals must be labelled with the Nordic Swan or the EU Flower and that cleaning services must be Swan-labelled.
- The Swan's new criteria for furniture and interior design focus on promoting circular material flows, good quality and long useful life.

### Targets and tracking

#### Financial targets

The enterprise's operations are not intended to make a profit.

#### Targets for sustainable value creation

The following targets apply to 2020–2022:

- Swan-labelled products: Increase sales of Swan-labelled products by 30%.
- Swan-labelled services: Increase revenue from licenses for Swan-labelled services by 60%.
- EU flower-labelled products: Increase sales of EU flower-labelled products from suppliers who have applied for licences in Sweden by 30%.

- Climate footprint of activities: Net zero climate footprint by 2045 with milestone target of reducing climate emissions by 30% by 2022. The target was adopted by the board at the end of 2020.
- Outcome – Swan-labelled products: Sales of Swan-labelled products were unchanged in 2020 compared with 2019.
- Outcome – Swan-labelled services: Revenue decreased by 7.1% compared with 2019. This is mainly explained by great drops in revenue from the visitor industry and paused construction projects on account of the pandemic.
- Outcome – EU ecolabelled products: Sales of EU ecolabelled products in the EU from companies applying for licences in Sweden increased by 4% compared with 2019, mainly due to increased sales in the tissue paper product group.
- Outcome – Climate footprint of activities: No tracking possible since the target was adopted at the end of 2020.

#### Public policy assignment

Miljömärkning Sverige has a specifically adopted public policy assignment to stimulate, through voluntary ecolabelling, the development and use of products that are better from an environmental perspective than other products comparable in other respects. An appropriation in the central government budget, corresponding for 2020 to about 6% of income, may be used for grants for the development of ecolabelling criteria for consumer products and, when required, to spread information about the labelling. Operations are tracked through owner dialogues and audit of the enterprise's official reports. The enterprise is considered to have fulfilled its public policy assignment well in 2020 under the circumstances. Targets according to the public policy targets process have not yet been developed.



**Chair:** Annika Helker Lundström



**CEO:** Ragnar Unge

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Annika Helker Lundström **Directors:** Thomas Andersson, Anders Bagge, Jan Peter Bergkvist, Anita Falkenек and Jörgen Olofsson. New election of Naznoush Habashian at 2021 AGM, with Malin Forkman stepping down

**Employee reps:** Ulla Sahlberg, Lotten Wesslén

**Auditor:** Joakim Söderin (Grant Thornton)

The fee paid to the board chair is SEK 160 (155) thousand. The fee paid to directors elected by the AGM is SEK 58 (53) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	70	69
Operating profit	-1	-3
Profit before tax	0	-3
Net profit	0	-3
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	34	33
Non-current assets	10	12
Equity	17	17
- of which, minority interests	0	0
Net debt	-3	-3
Operating capital	14	14

#### Other key indicators

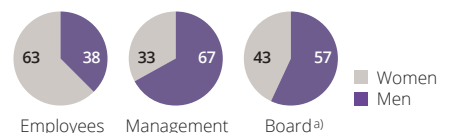
Operating margin, %	-1.3	-5.1	
Return – equity, %	-2.4	-15.5	
Return – operating capital, %	-6.6	-22.1	
Net debt/equity ratio, multiple	-0.2	-0.2	
Equity/assets ratio, %	50.0	52.2	
Gross investments, SEK m	0	0	
Appropriation, SEK m	4	4	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	0	-
tCO <sub>2</sub> e	Scope 2	6	0
Sickness absence, %	2.5	3.6	
Average no of employees	64	66	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022



Kungliga Operan Aktiebolag (Royal Swedish Opera, or ‘Operan’) is Sweden’s national stage for opera and ballet.

### Important events in 2020

- As of mid-March Operan’s activities have been dominated entirely by the pandemic. This has meant that instead of having around 300 000 physical visitors at performances and activities, as in 2019, Operan has only had around 77 000 physical visitors. Operan has held small appearances by Operan’s soloists, choir and Hovkapell (Royal Court Orchestra), at care homes for older people, special housing and schools.
- Operan also launched its digital charge-free channel Operan Play the week before the restrictions concerning public gatherings were introduced in March 2020. Since then Operan Play has functioned as a stage for all activities and enabled Operan to continue to communicate with its audience.
- Along with Dramaten, Operan has signed a contract for new workshops and archive and rehearsal premises in Flemingsberg in the Municipality of Huddinge. The new production building is expected to be ready for occupancy in 2024.

### Targets and tracking

#### Financial targets

Equity is to provide a stable financial foundation for operations. The profit for 2020 was SEK 20.8m (4.6m), resulting in an increase in equity to SEK 60.0m (39.2m).

#### Targets for sustainable value creation

- Operan is working actively to increase the size and range of its audience: Greater digitalisation through a range of digital transmissions and a number of new digital channels. These new channels enable Operan to broaden its audience. The size of the digital audience was 864 910 (662 000), the first-time audience share was 20% (8%). Under 40 years: 26% (15%). Visitors to Operan’s activities for children, families and young people: 22 000 (47 000).
- To be one of Sweden’s most attractive workplaces that is characterised by transparency, participation and dialogue at all levels of the organisation: In 2018 Operan signed a new cooperation agreement with an external supplier of employee surveys and snapshot measurements. Operan has

moved from ESI measurements (Employee Satisfaction Index) to the eNPS (employee Net Promoter Score), and the new measurement tool enables Operan to also carry out more customised surveys based on operational needs. The outcome of the annual employee survey was positive and the eNPS15 score had risen from 2 to 17 in relation to the previous year’s measurement, to be compared with a benchmark of 12.

- Participate actively in discussions and deeper exploration of current social issues that can be related to Operan’s repertoire: Activities linked to the performances, such as audience talks and newspaper opinion pieces, were carried out during the year. Number of activities per section: Opera 5 (9), Ballet 2 (7) and Young People at the Opera 0 (1).
- Achieve diversity and gender equality in the productions (artistic teams): The gender distribution in the artistic teams during the year was 67/33 for women/men (71/29).

#### Public policy assignment

- Operan is to be the leading institution for opera and ballet in Sweden and, as a national stage, is to maintain the highest standards in terms of development, renewal and artistic quality, as well as of craftsmanship in its studios and workshops: Operan’s activities maintain a high level of artistic quality and there is craftsmanship at Operan’s studios and workshops that contributes to the preservation and development of an important part of Swedish cultural heritage.
- Operan is to work in an international opera and dance context, initiating partnerships and fostering intercultural exchange: International partnerships through, for example, guest appearances and tours are leading to renewal, inspiration and development and contributing to Operan’s good international reputation.
- Operan’s opera and ballet repertoire is to be characterised by both innovative and broad art: Operan offers a varied and wide-ranging repertoire of opera and ballet, including both new and classic works. Operan’s performers received numerous prizes and awards during the year.



Chair: Lena Olving



CEO: Birgitta Svendén

State holding: 100%

#### Board and auditor elected for 2021/2022

**Chair:** Lena Olving **Directors:** Anders Bäck, Chrissie Faniadis, Eva Halvarsson, Kasper Holten and Örjan Wikforss (Vice Chair). New election of Andreas Carlgren at 2021 AGM, with Olov Carlsson stepping down **Employee reps:** Frida Hambræus, Anna Norrby **Employee alternates:** Carin Ringmar, Maria Nyström **Auditor:** Jennifer Rock-Baley (EY)

The fee paid to the board chair is SEK 82.5 (75) thousand and the fee paid to vice chair is SEK 68 (65) thousand. The fee paid to directors elected by the AGM is SEK 40 (37.5) thousand.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	573	621
Operating profit	22	6
Profit before tax	21	5
Net profit	21	5
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	332	320
Non-current assets	202	186
Equity	60	39
- of which, minority interests	0	0
Net debt	4	25
Operating capital	64	64

#### Other key indicators

Operating margin, %	3.8	1.0
Return – equity, %	41.9	12.6
Return – operating capital, %	33.8	9.9
Net debt/equity ratio, multiple	0.1	0.6
Equity/assets ratio, %	18.0	12.3
Gross investments, SEK m	31	12
Appropriation, SEK m	525	508
Dividend, SEK m	0	0
Climate footprint Scope 1	36	71
tCO <sub>2</sub> e Scope 2	99	168
Sickness absence, %	4.1	4.3
Average no of employees	588	602

Reported in compliance with GRI Yes

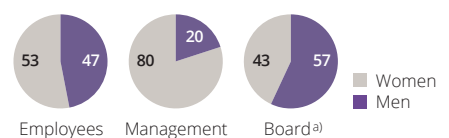
Externally assured GRI report Yes

Reports in compliance with IFRS No

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022



Orio AB sells vehicle parts and accessories for Saab cars and provides logistics services. The enterprise was formed in 2009 when Saab Automobile AB applied for a loan from the European Investment Bank (EIB), with the Swedish State as its guarantor. The subsidiary Saab Automobile Parts AB was pledged as collateral and was taken over from the bankruptcy estate by the Swedish State after Saab Automobile had applied for bankruptcy. The enterprise is fully owned by the Swedish State since 2012. Orio supplies the Saab cars in around 60 markets globally with Saab Genuine Parts. The enterprise also provides logistics services in everything concerning storage, distribution, information management, export/import, transport, refinement and management of goods.

### Important events in 2020

- Despite major challenges in 2020 given the pandemic, the Orio group delivered a strong improvement in earnings.
- Growth continued in the Logistics business area thanks to further development of existing customers and implementation of new customers.
- Profitability improved in the Parts business area during the year despite the negative impact of the pandemic.

### Targets and tracking

#### Financial targets

No financial targets adopted by the owner.

#### Targets for sustainable value creation

The following targets apply to 2021:

- As a long-term vision, 80% of transports to Orio's customers and from suppliers to run on fossil-free fuels or be climatecompensated. Outcome: The share of transports run on biofuels/electricity or climate-compensated was 3%.
- Orio's annual sickness absence to be less than 5%, and the number of work-related injuries leading to absence to be zero. Outcome: Sickness absence in the group was 4.6%. There was one (1) work-related injury leading to absence.

- In the period 2019–2021 all suppliers receiving the rating of “considerable risk” in a risk assessment and the suppliers that account for 80% of Orio's purchase volume to be audited regarding social, economic and environmental issues. Outcome: As of 2020 suppliers accounting together for 84% of the total purchase volume have had their documents examined. 94% of the suppliers judged to have a considerable risk have had their documents examined.
- In 2021 the Orio group is to achieve profitability of 4.5% and an occupancy rate at its facilities of 85%. Outcome: Profitability was 2.0% and the occupancy rate was 42%.

#### Public policy assignment

No specifically adopted public policy assignment.



Chair: Charlotte Hansson



CEO: Gustaf Ljunggren

State holding: 100%

#### Board and auditor elected for 2021/2022

**Chair:** Charlotte Hansson **Directors:** Catrina Ingelstam, Nils Pärletun, Erik Tranaeus, Sophie Öhrström. New election of Benny Thöggersen at 2021 AGM, with Anders Nilsson stepping down

**Employee reps:** Ingemar Sandberg, Dan Samuelsson **Auditor:** Camilla Samuelsson (PwC)

The fee paid to the board chair is SEK 235 (225) thousand. The fee paid to directors elected by the AGM is SEK 114 (110) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

##### Income statement, SEK m

	2020	2019
Net sales	392	504
Operating profit	6	-10
Profit before tax	4	-10
Net profit	-6	-29
- of which, minority interests	0	0

##### Balance sheet, SEK m

	2020	2019
Total assets	363	394
Non-current assets	79	98
Equity	288	300
- of which, minority interests	0	0
Net debt	-118	-75
Operating capital	170	225

##### Other key indicators

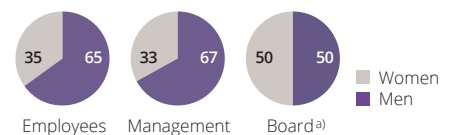
Operating margin, %	1.5	-2.0	
Return – equity, %	-2.1	-9.6	
Return – operating capital, %	3.2	-4.5	
Net debt/equity ratio, multiple	-0.4	-0.3	
Equity/assets ratio, %	79.3	76.1	
Gross investments, SEK m	3	3	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	1 006	1 226
tCO <sub>2</sub> e	Scope 2	0	0
Sickness absence, %	4.6	5.4	
Average no of employees	148	187	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022

# postnord

PostNord AB offers communications and logistics solutions in the Nordic Region. The parent company PostNord AB, which owns the subsidiaries Post Danmark A/S and PostNord group AB, is a Swedish public limited company owned 40% by the Danish State and 60% by the Swedish State. Votes are allocated 50/50 between the owners. PostNord AB is the largest communications and logistics services company in the Nordic Region. Its markets range from distribution of physical letters and parcels to partly or fully electronic services. PostNord provides nationwide postal service to millions of households in Sweden and Denmark. In 2020 PostNord handled around 200 million parcels and 2.6 billion letters and other items of mail. PostNord delivers letters and parcels to other Nordic countries and the rest of the world via its network of subsidiaries and partners. PostNord has more than 8 000 distribution points across the Nordic Region.

## Important events in 2020

- PostNord reported a stronger financial result and achieved the target of reducing its climate footprint by 40% since 2009.
- During this year's Black Week PostNord handled 9.1 million parcels in the Nordic Region, an increase of 31% compared with the preceding year.
- The group's net sales rose marginally since a further decline in letter volumes in Sweden and Denmark was offset by logistics operations growth.
- The enterprise carried out tests of every other day delivery and decided to introduce every other day delivery throughout the country in the coming years.

## Targets and tracking

### Financial targets

- **Profitability:** Return on operating capital of 10.5%. The profitability target was achieved during the year.
- **Capital structure:** Net debt/equity ratio of 10–50% (excl. lease debts). Outcome: 38% (102%), 164% (259%) incl. lease debts.
- **Dividend:** 40–60% of profit for the year after tax. No dividend decided for 2020.

### Targets for sustainable value creation

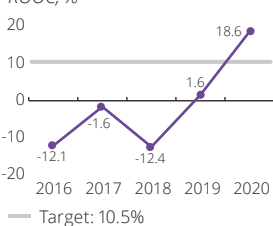
- The group has a long-term target of reducing carbon dioxide emissions by 40% by 2020 from the baseline year of 2009. The outcome was -40%, so the target was achieved during the year.
- The group has a target of having women in 40% of managerial positions by 2020. The target was not achieved during the year; the outcome was 33% (32%).
- In the long term all significant suppliers have to accept and comply with PostNord's Supplier Code of Conduct. The target for 2020 is 80%. The target was achieved during the year.

### Public policy assignment

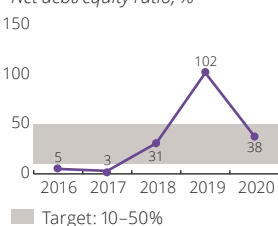
No specifically adopted public policy assignment. The enterprise has an assignment to provide postal services for all areas of society, linked to its permit to conduct postal operations. The delivery quality requirement in 2020 was that 95% of first class letters had to be delivered within two working days. The delivery quality target for first class letters was achieved during the year.

## Financial targets and tracking

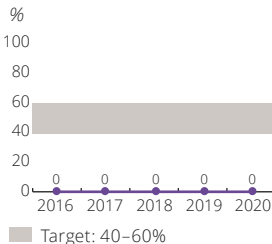
### Profitability



### Capital structure



### Dividend



— Outcome — New target adopted by AGM



**Chair:** Christian Johansson



**CEO:** Annemarie Gardshol

**State holding:** 60%

**Board and auditor elected for 2021/2022**

**Chair:** Christian Jansson **Directors:** Sonat Burman Olsson, Christian Frigast (vice chair), Susanne Hundsbæk-Pedersen, Peder Lundquist, Ulrica Messing and Charlotte Strand. New election of Erik Sandstedt at 2021 AGM, with Måns Carlsson stepping down

**Employee reps:** Bo Fröström, Sandra Svensk

**Employee alts:** Jess Sloth Hansen, Dzevad Ramic, Per-Arne Lundberg

**Auditor:** Tomas Gerhardsson (KPMG)

The fee paid to the board chair is SEK 685 (670) thousand. The fee paid to directors elected by the AGM is SEK 305 (295) thousand. No fee is paid to directors employed by the Government Offices.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	38 729	38 278
Operating profit	2 421	184
Profit before tax	2 153	-111
Net profit	1 711	-239
- of which, minority interests	2	2

## Balance sheet, SEK m

Total assets	30,489	28 891
Non-current assets	17 350	18 826
Equity	4 906	3 654
- of which, minority interests	2	2
Net debt	8 064	9 454
Operating capital	12 970	13 108

## Other key indicators

Operating margin, %	6.3	0.5	
Return – equity, %	40.0	-5.4	
Return – operating capital, %	18.6	1.6	
Net debt/equity ratio, multiple	1.6	2.6	
Equity/assets ratio, %	16.1	12.6	
Gross investments, SEK m	1 074	1 356	
Appropriation, SEK m	19	19	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	96 151	85 500
tCO <sub>2</sub> e	Scope 2	12 867	13 054
Sickness absence, %		6.2	5.3
Average no of employees		28 006	28 627

Reported in compliance with GRI Yes

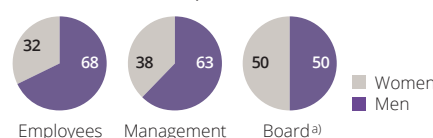
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

## Priority Global Goals



## Gender distribution, %



a) Elected for 2021/2022





RISE Research Institutes of Sweden AB is an independent state research institute that offers unique expertise and around 130 testbeds and demonstration facilities for future-proofed technologies, products and services. In international cooperation with companies, the academic world and the public sector, the enterprise is contributing to a competitive business sector and a sustainable society. RISE's assignment is set out in the government bills on research and innovation. They state that the overall objective of RISE is to be internationally competitive and to work for sustainable growth in Sweden by strengthening competitiveness and renewal in the Swedish business sector and promoting the renewal of the public sector and its capacity to contribute to solutions to society's challenges along with the business sector.

### Important events in 2020

- RISE established the Swedish Node for Accelerating Cybersecurity Research and Innovation and created the Cyber Range testbed where organisations can simulate cyber attacks.
- Additional funding of SEK 350m from the Government enables RISE to upgrade its testbeds for biorefineries. Moreover, RISE's budget appropriation was increased as part of the government bill on research and innovation policy presented in the autumn.

### Targets and tracking

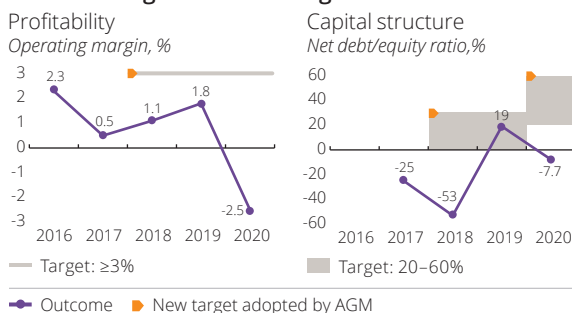
#### Financial targets

- **Profitability:** RISE is profit-making but does not pay a dividend. The enterprise's operating margin to be at least 3% as of 2020. This target has not been achieved.
- **Capital structure:** Net debt/equity ratio of 20–60%. This target has not been achieved.

#### Targets for sustainable value creation

- **Responsibility target:** In 2020, 100% of client contracts to have sustainability declarations and be linked to one of the global Sustainable Development Goals. Outcome: 83%.
- **Business target:** In 2020 a third of sales are to be generated as a direct result of sustainability work. Outcome: 26%.
- **Attraction target:** In 2020 RISE is to be one of the 20 most attractive employers in the category of engineering students, and one of the 5 in the category of young engineering graduates. Outcome: 19 and 8.

### Financial targets and tracking



- **Climate target:** RISE is to reduce its climate impact each year and to be a climate-neutral operation in 2025. Outcome: 3 068 tonnes CO<sub>2</sub>e.

#### Public policy assignment and targets

The owner instruction sets out the enterprise's public policy targets and the reporting requirements applied to RISE regarding operations financed with strategic competence funds. RISE made a report to the Government Offices as instructed in March 2021 and the report is available on the enterprise's website.

1. Turnover from competitively acquired research funding in RISE is to be at least 30% of total turnover, excluding strategic competence funds. Outcome: 39%.
2. Business income from SMEs as a share of total business sector income is to exceed 35%. Outcome: 35%.
3. Turnover from projects with interdisciplinary involvement as a share of total turnover from RISE's project portfolio to reach a certain minimum level, in per cent, to be set at AGM 2021.
4. Utilisation rate at RISE's testbeds and demonstration facilities is to be within the interval of 60–80%. Outcome: 61%.
5. In RISE's customer survey the index for "Innovation Partner Capacity" is to attain at least 78% positive responses. Outcome: 73%.
6. In RISE's customer survey the Customer Satisfaction Index (CSI) is to attain at least 75% positive responses. Outcome: 72%.



Chair: Jan Wäreby



CEO: Pia Sandvik

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Jan Wäreby **Directors:** Klas Bendrik, Elena Fersman, Torbjörn Holmström, Hanna Lagercrantz, Anna-Karin Stenberg, Fredrik Winberg and Sven Wird **Employee reps:** Johan Berglund, Linda Ikatti, Ulf Nordberg

**Employee alts:** Helena Björk, Magnus Hillergren, Marie Sjölander

**Auditor:** Ingrid Hornberg Román (KPMG)

The fee paid to the board chair is SEK 365 (355) thousand. The fee paid to directors elected by the AGM is SEK 182 (178) thousand. No fee is paid to directors employed by the Government Offices.

**Key indicators** 2020 2019

Income statement, SEK m	2020	2019
Net sales	3 396	3 568
Operating profit	-84	63
Profit before tax	-106	54
Net profit	-85	47
- of which, minority interests	8	9

Balance sheet, SEK m	2020	2019
Total assets	3 918	3 749
Non-current assets	1 978	2 019
Equity	948	1 041
- of which, minority interests	77	70
Net debt	70	200
Operating capital	1 018	1 241

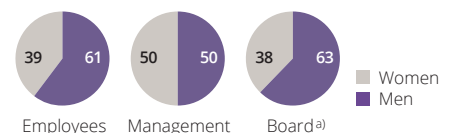
Other key indicators	2020	2019	
Operating margin, %	-2.5	1.8	
Return – equity, %	-8.9	4.6	
Return – operating capital, %	-7.5	5.3	
Net debt/equity ratio, multiple	0.1	0.2	
Equity/assets ratio, %	24.2	27.8	
Gross investments, SEK m	115	205	
Appropriation, SEK m	1 577	1 571	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	502	868
tCO <sub>2</sub> e	Scope 2	1 218	1 287
Sickness absence, %	2.8	2.8	
Average no of employees	2 828	2 662	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022

# samhall

As part of Swedish labour market policy, Samhall Aktiebolag produces goods and services for which there is demand, thereby creating meaningful and enriching jobs for people with disabilities that entail reduced work capacity. The enterprise holds a leading position in Sweden when it comes to work-based development for people with disabilities. Samhall has some 25 000 employees at almost 600 places in Sweden. Its owner sees Samhall as an effective labour market tool that creates jobs for people with disabilities resulting in reduced work capacity. Samhall offers employees jobs in a number of different areas including workplace and property service, warehousing and logistics, cleaning and laundry, manufacturing and services for older people.

## Important events in 2020

- Samhall offered a total of 7 447 people employment or a work placement start.
- Adjustment of activities at several places to deal with the pandemic.
- The owner's targets were achieved in most cases but transitions to other employers were adversely affected by the pandemic.

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of 5%. The outcome was 16% (6%), which is mainly explained by compensation for sick pay costs during the pandemic and some increase in gross profit.
- **Capital structure:** Equity/assets ratio of at least 30%. The outcome was 39%.
- **Dividend:** The profit generated is carried forward to promote the enterprise's continued operations.

### Targets for sustainable value creation

- **Employees in work (EIW factor):** Long-term factor target 2.5. In 2020 the target was to continue reducing EIW. Outcome: 3.2 (3.3), which means that the target was achieved.
- **Engagement index:** Target over time at least 71. The 2020 survey only included salaried staff (every other year all employees). Outcome: 80. For all employees the outcome was 71 in 2019.
- **Accidents at work:** Target: -50% as number in 2023 compared with 2018. Outcome: -45% (-19%).

- **Recruitment cooperation:** Target that at least 50% of transitions take place through recruitment cooperation by 2025. Outcome: 24% (15%).
- **Halve environmental impact:** Target to reduce carbon dioxide emissions by 50% by 2025 compared with 2018. Outcome: -7% (-1%).
- **Fossil free vehicle fleet:** Target of a 100% fossil free vehicle fleet by 2030. Outcome: 27% (25%).
- **Customer satisfaction:** Target of 8.5 by 2025. Outcome: 7.8 (7.7) in the enterprise's annual customer survey.
- **Responsible supplier chains:** Target of 100% by 2023. Outcome: 77% (55%). To be measured by the share undergoing sustainability analysis in the past three years.

### Public policy assignment and targets

Has a specifically adopted public policy assignment. The assignments from the owner for 2020 comprised:

- The number of jobs for people with disabilities to equal at least 32.7 million paid hours. Outcome: 32.6.
- Samhall has to offer temporary employment with wage subsidy for development jobs amounting to at least 4.07 million paid hours. Outcome: 4.04.
- Share of recruitment from prioritised groups to be at least 40%. Outcome: 63%.
- At least 1 500 individuals to transition to other employers from jobs in the core assignment and development jobs. Outcome: 1 137 transitions, which is an effect of the pandemic which has had a negative impact on the possibilities of recruitment cooperation.

## Financial targets and tracking



Chair: Cecilia Schelin Seidegård



CEO: Sara Revell Ford

State holding: 100%

### Board and auditor elected for 2021/2022

**Chair:** Cecilia Schelin Seidegård **Directors:** Bertil Carlsén, Hillevi Engström, Lars Engström, Angelica Frithiof, Leif Ljungqvist and Ylva Thörn. New election of Ylva Berg and Lars Täuber at 2021 AGM, with Helen Fasth Gillstedt stepping down **Employee reps:** Ann-Christin Andersson, Hans Abrahamsson, Pia Litbo **Employee alts:** Kenneth Hasselberg, Maria Sköld **Auditor:** Anneli Pihl (Deloitte)

The fee paid to the board chair is SEK 335 (320) thousand. The fee paid to directors elected by the AGM is SEK 162 (155) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	9 406	9 130
Operating profit	282	16
Profit before tax	297	77
Net profit	232	74
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	4 188	3 794
Non-current assets	613	262
Equity	1 578	1 346
- of which, minority interests	0	0
Net debt	-2 818	-2 802
Operating capital	-1 240	-1 456

### Other key indicators

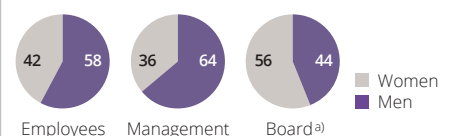
Operating margin, %	3.0	0.2
Return – equity, %	15.6	5.6
Return – operating capital, %	-20.9	-1.2
Net debt/equity ratio, multiple	-1.8	-2.1
Equity/assets ratio, %	38.9	35.5
Gross investments, SEK m	103	114
Appropriation, SEK m	6 293	6 080
Dividend, SEK m	0	0
Climate footprint Scope 1	3 012	3 114
tCO <sub>2</sub> e Scope 2	52	102
Sickness absence, %	16.3	14.3
Average no of employees	20 699	20 654

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes (RFR 2)

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



Saminvest AB finances innovative enterprises with high growth potential through indirect investments (in investment funds). The funds have to be privately managed, primarily by new teams in the venture capital market, and Saminvest invests in the funds along with private capital. Saminvest is also charged with the responsible management and exit from previously made investments in its subsidiaries Inlandsinnovation and Fouriertransform. Saminvest's investments in funds are financed by capital from the state-owned enterprises Inlandsinnovation and Fouriertransform, which were transferred to Saminvest on 1 January 2017 as subsidiaries. These subsidiaries, which primarily made direct investments in unlisted companies, have stopped making new investments, and Saminvest is responsible for winding up the businesses.

### Important events in 2020

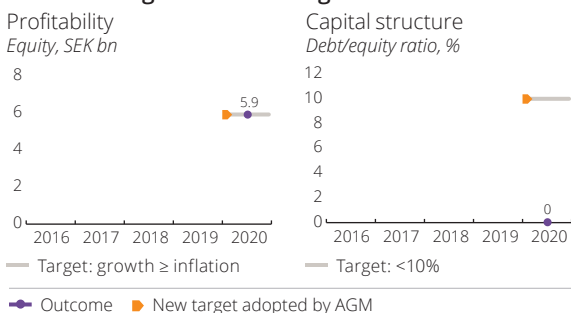
- During the year SEK 846m has been committed to new investments in funds.
- On account of the pandemic a platform has been created for co-investments with selected funds through Annexstruktur Coinvest, as an alternative when there are no syndication partners. During the year two funds have signed agreements with Annexstruktur Coinvest for a total of SEK 150m.
- A total of 219 investments in individual companies have been made by the funds and business angel programmes that Saminvest has invested in since starting, with 98 being made in 2020.
- 11 of the subsidiaries' holdings have been divested, the aggregate exit payments and dividends corresponded to SEK 1 579m.

### Targets and tracking

#### Financial targets

- **Profitability:** Equity to grow in pace with inflation over a rolling ten-year period. Equity was SEK 5.9bn on 31 December 2021 and was SEK 5.0bn when Saminvest started.
- **Capital structure:** Interest-bearing liabilities or credit facilities entered into to be at most 10% of total assets. There were no interest-bearing liabilities or credit facilities entered into at the end of the financial year.
- **Dividend:** No ordinary dividend is paid.

### Financial targets and tracking



### Targets for sustainable value creation

Saminvest's strategy for promoting sustainable growth through investments in innovative companies rests on three pillars that help Saminvest to evaluate investments and create value. Responsible investor, active ecosystem development and financial stability – ever-green. In the responsible investor area the enterprise focuses on the following areas:

- **Climate perspective:** Share of funds reporting which holdings contribute to solving the climate challenges (measured as of 2021) and Saminvest's own climate footprint.
- **Business ethics and transparency,** where the number of significant incidents regarding Saminvest's own organisation, funds or business angel programme are tracked. The target of zero incidents was achieved in 2020.

### Public policy assignment and targets

Saminvest's investments are to complement the market, meaning that, at the time when Saminvest's investment was made, sufficient private capital was not available. The purpose of Saminvest is to develop and renew Swedish business and create more growing companies throughout Sweden. As Saminvest's investments stimulate private capital to invest in new segments and mainly in new teams, Saminvest will contribute to the development of the venture capital market and the ecosystem for the financing of innovative companies with high growth potential. When investing in 'seed funds', Saminvest is able to waive the requirement for private co-financing. Targets according to the process for public policy targets were adopted at the enterprise's AGM in 2020 and are stated in its annual report.



**Chair:** Marianne Dicander Alexandersson



**CEO:** Peder Hasslev

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Marianne Dicander Alexandersson

**Directors:** Mengmeng Du, Alexandra Nilsson, Ulrika Nordström, Anders Wiger, Hans Ek and Lennart Jacobsson

**Auditor:** Magnus Svensson Henryson (PwC)

The fee paid to the board chair is SEK 420 (415) thousand. The fee paid to directors elected by the AGM is SEK 210 (207) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

#### Income statement, SEK m

	2020	2019
Net sales	2	2
Operating profit	-521	386
Profit before tax	401	564
Net profit	384	566
- of which, minority interests	0	0

#### Balance sheet, SEK m

	2020	2019
Total assets	5 973	5 581
Non-current assets	842	1 603
Equity	5 942	5 558
- of which, minority interests	0	0
Net debt	-27	-11
Operating capital	5 915	5 548

#### Other key indicators

	2020	2019	
Return – equity, %	6.7	10.7	
Return – operating capital, %	-9.1	7.3	
Net debt/equity ratio, multiple	0.0	0.0	
Equity/assets ratio, %	99.5	99.6	
Gross investments, SEK m	389	147	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	3	-
tCO <sub>2</sub> e	Scope 2	76	-
Sickness absence, %	2.0	1.2	
Average no of employees	12	13	

Reported in compliance with GRI Yes

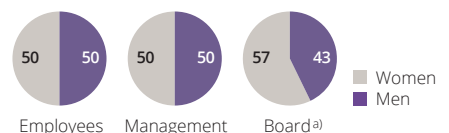
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



SAS AB is the leading airline in Scandinavia. SAS was formed in 1946 when the national airlines of Sweden, Norway and Denmark agreed to operate as a consortium. To enable SAS to operate under the same conditions as other airlines in the international market, its holding structure was changed in 2001. Shares in the national companies were exchanged for shares in a new single parent company, SAS AB. After the sale of shares corresponding to 4.2 percentage points in autumn 2016, the new share issue in autumn 2017 and the recapitalisation implemented in 2020, the Swedish State owns 21.8% of the votes in SAS. SAS is part of the Star Alliance network. SAS is listed in Stockholm, Copenhagen and Oslo. SAS's strategic priorities are to: 1) Be the first-choice airline for Scandinavian frequent travellers. 2) Ensure full competitiveness in the enterprise's operating model. 3) Ensure a uniform aircraft fleet. 4) Show global leadership in sustainable travel.

### Important events in 2020

- Travel restrictions resulting from the pandemic have led to greatly reduced demand for air travel during the year.
- SAS has taken extensive measures to adapt its operations and cost structure to a market with lower demand.
- A recapitalisation plan has been implemented, resulting in the enterprise increasing its liquidity by SEK 12bn and its equity by SEK 14.25bn.
- The pace of work to reduce carbon dioxide emissions has increased, and the enterprise's objective of reducing total carbon dioxide emissions by 25% (compared with 2005) is now to be achieved in 2025, five years earlier than planned.

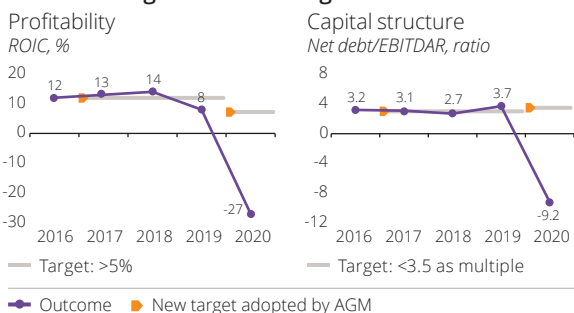
### Targets and tracking

#### Financial targets

No financial targets have been adopted by the owners. The board has adopted the following financial targets:

- **Profitability:** ROIC above 5% over a business cycle. The outcome was -27%.
- **Capital structure:** Net debt/EBITDAR below 3.5 as multiple. The outcome was -9.2 as multiple.
- **Financial preparedness:** Cash and cash equivalents and available credit facilities to exceed 25% of fixed costs. The outcome was 67%.

### Financial targets and tracking



### Targets for sustainable value creation

- Reduce total carbon dioxide emissions by 25% (compared with 2005). Since 2005 total carbon dioxide emissions have decreased by 57.6%.
- SAS targets for 2030 include:
  - Blending of sustainable aviation fuel corresponding to all of SAS's domestic traffic (18% on average in the past five years). In 2019/2020 around 670 tonnes of sustainable aviation fuel were used
  - Reducing noise by 50% compared with 2010.
- Reducing carbon dioxide emissions by 50% (compared with 2005) by 2050. SAS has identified potential to reduce carbon dioxide emissions by 50% by 2030 if the conditions are right and a supportive regulatory framework is in place.

### Public policy assignment

No specifically adopted public policy assignment.



Chair: Carsten Dilling



CEO: Anko Van der Werff (incoming)

State holding: 22%

### Board and auditor elected for 2021/2022

**Chair:** Carsten Dilling **Directors:** Monica Caneman, Lars-Johan Jarnheimer, Kay Kratky and Oscar Stege Unger. New election of Nina Bjornstad, Henriette Hallberg Thygesen and Michael Friisdahl at 2021 AGM, with Dag Mejdell, Liv Fiksdahl and Sanna Suvanto-Harsaae stepping down **Employee reps:** Christa Ceré, Endre Røros, Cecilia van der Meulen

**Auditor:** Tomas Gerhardsson (KPMG)

The fee to the board chair is SEK 630 (630) thousand and to the vice chair SEK 420 (420) thousand. The fee paid to directors elected by the AGM is SEK 320 (320) thousand.

### Key indicators

#### Income statement, SEK m

	2020	2019
Net sales	20 513	46 112
Operating profit	-9 549	1 166
Profit before tax	-10 151	794
Net profit	-9 275	621
- of which, minority interests	0	0

#### Balance sheet, SEK m

	2020	2019
Total assets	57 433	34 012
Non-current assets	45 101	22 281
Equity	10 490	5 372
- of which, minority interests	0	0
Net debt	18 899	328 <sup>a)</sup>
Operating capital	29 389	5 700

#### Other key indicators

	2020	2019	
Operating margin, %	-46.6	2.5	
Return – equity, %	-427.0	14.0	
Return – operating capital, %	-54.4	22.1	
Net debt/equity ratio, multiple	1.8	0.1	
Equity/assets ratio, %	18.3	15.8	
Gross investments, SEK m	7 622	6 207	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	1.8M	4.2M
tCO <sub>2</sub> e	Scope 2	8 600	9 800
Sickness absence, %	4.2	5.7	
Average no of employees	7 568	10 445	

Reported in compliance with GRI Yes

Externally assured GRI report Yes

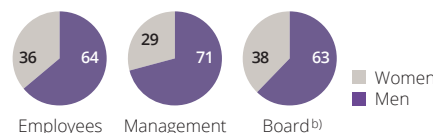
Reports in compliance with IFRS Yes

### Priority Global Goals



a) Excl. IFRS 16.

### Gender distribution, %



b) Elected for 2021/2022

# SBAB!

SBAB Bank AB (publ) offers loans and savings to private individuals, housing cooperative associations and property companies in Sweden. SBAB is one of the largest niche banks in Sweden, and since autumn 2014 the bank's strategy has been to focus on its core product, mortgage loans, supplemented with a savings account. The strategy has been successful so far and the bank has won market shares in the consumer segment.

## Important events in 2020

- Strengthening SBAB's capital base with the entire profit for 2019 and not paying any dividend increased and secured SBAB's possibilities of continuing to take responsibility for a well-functioning housing market during the pandemic.
- SBAB had Sweden's most satisfied customers in 2020 regarding both home mortgages to private individuals and property loans to companies and housing cooperative associations according to Svenskt Kvalitetsindex (SKI).

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of at least 10%. The return on equity was 10.8%
- **Capital structure:** Total capital ratio under normal circumstances to be at least 0.6 percentage points above the capital requirement communicated by Finansinspektionen. Common equity Tier 1 capital ratio (CET1) under normal circumstances to be at least 0.6 percentage points above the CET1 requirement communicated by Finansinspektionen. The targets for both the total capital ratio and CET1 were exceeded, by 5.4 and 5.4 percentage points respectively.
- **Dividend:** At least 40% of profit for the year after tax. No dividend decided for financial year 2020 so as to strengthen SBAB's capital base against the background of considerable uncertainty about future capital requirements and continued growth of lending.

### Targets for sustainable value creation

The following targets applied to 2020:

- **Sound finances:** Correspond to the financial targets adopted by the AGM.
- **Responsibility and transparency:**
  - Target 1 – Responsibility:* SBAB's ranking in Sustainability Index: top 3. Actual ranking was top 2.
  - Target 2 – Transparency:* Share of customers who find SBAB's offering straightforward and easy to understand: 90%. The outcome was 83%.
  - Target 3 – Customer satisfaction:* Sweden's most satisfied housing mortgage and property loan customers according to Swedish Quality Index: top 3 and top 3. The outcome was 1st and 1st.
- **Attractive workplace**
  - Target 1 – Gender equality & diversity:* Equality between women/men in management positions (within the range): 45–55%. Actual outcome was 49/51%.
  - Target 2 – Employee experience:* Percentage of employees who consider SBAB a very good workplace to work: > 90%. The outcome was 94%.
  - Target 3 – Committed employees:* Total Trust Index: >85%. The outcome was 87%.

### Public policy assignment

No specifically adopted public policy assignment.



Chair: Jan Sinclair



CEO: Klas Danielsson

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Jan Sinclair **Directors:** Lars Börjesson, Inga-Lill Carlberg, Daniel Kristiansson, Jane Lundgren-Ericsson, Johan Prom, Leif Pagrotsky and Synnöve Trygg **Employee reps:** Anders Heder, Margareta Naumburg **Employee alts:** Kristina Ljung, David Larsson

**Auditor:** Patrick Honeth (Deloitte)

The fee paid to the board chair is SEK 505 (475) thousand. The fee paid to directors elected by the AGM is SEK 244 (230) thousand. No fee is paid to directors employed by the Government Offices.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net interest income	3 747	3 473
Net commission income	-24	-14
Net income, financial items	-38	26
Other operating income	43	36
Total income	3 728	3 521
Operating profit	2 361	2 308
Profit before tax	2 361	2 308
Net profit	1 839	1 788
- of which, minority interests	0	0

## Balance sheet, SEK m

Total assets	511 359	475 532
Lending to the public	422 835	383 807
Equity	23 639	21 581
- of which, minority interests	0	0

## Other key indicators

Level of loan losses, %	-0.0	-0.0
Return – equity, %	10.8	11.7
Common equity Tier 1 capital ratio, %	13.4	13.1
Total capital ratio, %	17.6	20.1
Dividend, SEK m	0	0
Climate footprint Scope 1	1	12
tCO <sub>2</sub> e Scope 2	54	40
Sickness absence, %	3.6	3.1
Average no of employees	734	683

Reported in compliance with GRI Yes

Externally assured GRI report Yes

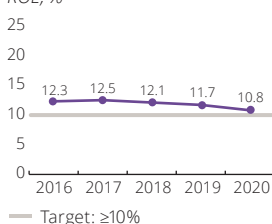
Reports in compliance with IFRS Yes

## Priority Global Goals

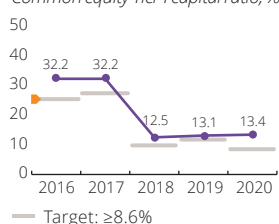


## Financial targets and tracking

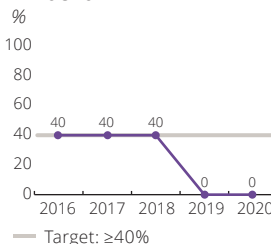
**Profitability**  
ROE, %



**Capital structure**  
Common equity Tier 1 capital ratio, %

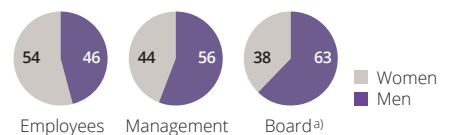


**Dividend**  
%



— Outcome — New target adopted by AGM

## Gender distribution, %



a) Elected for 2021/2022

# SEK

Aktiebolaget Svensk Exportkredit (SEK) has the assignment of conducting lending operations on commercial and sustainable terms to promote Swedish exports. SEK is to complement the market and endeavour to cooperate with other state export promoters and with banks and other financial institutions. Administering the Swedish CIRR (Commercial Interest Reference Rate) system for government supported export credits is a specifically adopted public policy assignment.

## Important events in 2020

- New lending, at SEK 125bn, was the second highest lending volume in the enterprise's history. Net interest income reached its highest ever level, SEK 1946m.
- The credit facility that SEK has in the Swedish National Debt Office was increased from SEK 125bn to SEK 200bn, of which SEK 15bn is for SEK's commercial lending as a crisis measure to meet the export industry's increased financing needs.
- The enterprise entered the market for green bonds in Swedish kronor and issued five green bonds.

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of at least 6% over time; in 2020 it was 4.9%. In the past four years the resolution fee, which was SEK 86m (169m) in 2020, has been a burden on profitability.
- **Capital structure:** Total capital ratio between 2 and 4 percentage points above the requirement communicated by Finansinspektionen (15.0%), and Common Equity Tier 1 capital ratio at least 4 percentage points above its requirement (9.5%). The outcome for the targets was 6.8% and 12.3% above the requirement.
- **Dividend:** 30% of net profit, taking account of the capital structure target, future capital requirements and investments.

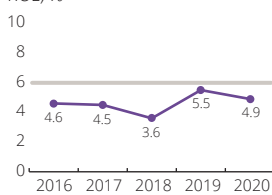
New financial targets were adopted by the owner at the AGM in March 2021.

### Targets for sustainable value creation

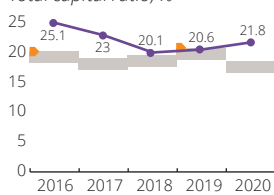
- **Green financing:** The target for the number of green loans in 2020 was 12 and the outcome was 11.

## Financial targets and tracking

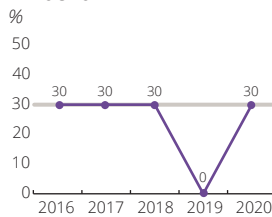
Profitability  
ROE, %



Capital structure  
Total capital ratio, %



Dividend  
%



— Target: ≥6%  
— Target: 17.0–19.0%  
— Target: 30%

◆ Outcome ◆ New target adopted by AGM

- **Sustainable workplace:** SEK measures and tracks two indices to ensure a sustainable workplace. The target for the year was that *Empowerment* (which includes motivation and authority) would exceed an index value of 80. For *Attractive employer* the target was a value above 85. The outcomes were 77 and 81. These results show a positive movement towards a sustainable workplace even though the ambitious targets were not achieved during the year.

**Public policy assignment and targets**  
Administration by SEK of the Swedish CIRR (Commercial Interest Reference Rate) system is a public policy assignment specifically adopted by the Riksdag. The benefit to the Swedish economy of performing the assignment is assessed through (a) measurement of the value added by SEK as regards export credits (where CIRR is one part) and (b) through completion of a stakeholder dialogue by the enterprise. The target is for SEK's export credits to help strengthen the competitiveness of Swedish export companies; for customers to feel that SEK meets their expectations; and for the Swedish export credit system to be as competitive as the systems in the most important competitor countries.

- The customer survey, which is conducted every two years, was held in 2020 and showed that 80% (target > 60%) of customers who engaged SEK regarding export credits feel that credits from SEK contributed (highly) significantly to the completion of their export deals. 80% state that cooperation with SEK exceeded their expectations and 67% consider that the Swedish export credit system is better than the systems in important competitor countries.
- Ongoing stakeholder dialogues have been conducted during the year, for instance SEK and EKN held a common stakeholder dialogue with the participation of NGOs and owner representatives.



**Chair:** Lars Linder-Aronson



**CEO:** Magnus Montan (incoming)

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Lars Linder-Aronson **Directors:** Anna Brandt, Reinhold Geijer, Hanna Lagercrantz, Hans Larsson and Eva Nilsagård. New election of Lennart Jacobsen at 2021 AGM, with Cecilia Ardström and Ulla Nilsson stepping down

**Auditor:** Anneli Granqvist (PwC)

The fee paid to the board chair is SEK 505 (485) thousand. The fee paid to directors elected by the AGM is SEK 244 (233) thousand. No fee is paid to directors employed by the Government Offices.

**Key indicators** 2020 2019

Income statement, SEK m	2020	2019
Net interest income	1 946	1 717
Net commission income	-42	-33
Net income, financial items	83	226
Other operating income	0	0
Total income	1 987	1 910
Operating profit	1 238	1 304
Profit before tax	1 238	1 304
Net profit	968	1 027
- of which, minority interests	0	0

**Balance sheet, SEK m**

Total assets	335 399	317 296
Lending to the public	171 562	163 848
Equity	20 064	19 082
- of which, minority interests	0	0

**Other key indicators**

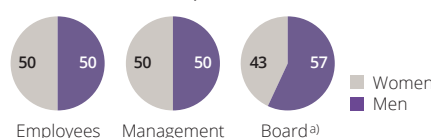
Level of loan losses, %	0.1	0.0
Return – equity, %	4.9	5.5
Common equity Tier 1 capital ratio, %	21.8	20.6
Total capital ratio, %	21.8	20.6
Dividend, SEK m	290	0
Climate footprint Scope 1	0	0
tCO <sub>2</sub> e Scope 2	9	16
Sickness absence, %	2.1	2.5
Average no of employees	248	241

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

**Priority Global Goals**



**Gender distribution, %**



a) Elected for 2021/2022



SJ AB was formed in 2001 in conjunction with the corporatisation of Statens Järnvägar, a public enterprise. SJ is the largest operator of rail passenger services in Sweden. SJ mainly operates in the market for regional and long-distance travel in Sweden and Norway and to Copenhagen. The enterprise operates two types of traffic services: commercial services and contracted services (which are contracted competitively by the Swedish Transport Administration or regional transport services authorities). SJ operates both commercial services and contracted services on a commercial basis in competition with other train operators as well as car, air and bus travel. Sustainable business is a natural and integrated part of SJ's business model. On the basis of its vision, business concept and core values, SJ ensures social, environmental and economic responsibility through measurement and tracking of six control areas. Working to improve punctuality is one of the targets.

### Important events in 2020

- The year started with strong passenger growth, but since mid-March this has been countered by a deep decrease in travel on account of the pandemic and the measures taken by the authorities to reduce the spread of infection.
- Monica Lingegård was appointed new CEO of SJ as of 17 August.
- During the year SJ started its services in Norway, where SJ is responsible for rail services between Oslo and Trondheim. These services, called Trafikpaket Nord, are SJ's first procured contract wholly outside Sweden.
- SJ started to operate the Öresund rail services in December.
- SJ was given responsibility for the Krösa rail services, as of December 2021, at the same time as SJ stops running rail services in the region around Lake Mälaren.
- SJ trains in Sweden had the highest punctuality since the industry's target of 95% punctuality was set in 2013.
- To further enhance its liquidity and increase its financial flexibility, SJ has signed an agreement for a credit facility of SEK 1500m, and to part-finance purchases of new high-speed trains it has raised a loan of SEK 1500m.

### Targets and tracking

#### Financial targets

- Profitability:** Return on operating capital to be at least 7% on average. Outcome: -41.5%.
- Capital structure:** Net debt/equity ratio of 0.5–1.0 as multiple in the long term. Outcome: 0.19 as multiple.
- Dividend:** To be between 30 and 50% of profit for the year over the long term. No dividend decided for 2020.

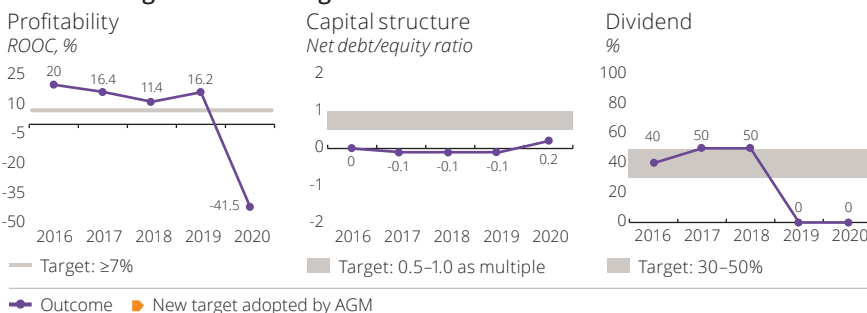
#### Targets for sustainable value creation

- Punctuality:** Punctuality for SJ's long-distance trains was 88%. The target for 2020 was 95%. Punctuality for medium-distance trains was 94%. The target for 2020 was 95%. Punctuality for short-distance trains was 95%. The target for 2020 was 95%.
- Diversity, share of employees with foreign backgrounds according to Statistics Sweden's definition:** The target for 2020 was 18% and the outcome was 18%.
- Threats and violence, share of employees who have experienced threats or violence:** In 2020 half of all train hosts stated that they had been subjected to threats or violence in the past year. According to SJ, the increase in the share of employees subjected to threats and violence is unacceptable, and the enterprise has further strengthened its focus on reducing threats and violence by passengers.
- Market share compared with air travel:** Target and outcome not stated for competition reasons.

#### Public policy assignment

No specifically adopted public policy assignment.

### Financial targets and tracking



Chair: Siv Svensson

CEO: Monica Lingegård

State holding: 100%

#### Board and auditor elected for 2021/2022

**Chair:** Siv Svensson **Directors:** Ulrika Dellby, Lennart Käll, Per Matses, Ulrika Nordström and Klas Wåhlberg. New election of Ulrik Svensson at 2021 AGM **Employee reps:** Per Hammarqvist, Hans Pilgaard, Stefan Zetterlund **Auditor:** Peter Ekberg (Deloitte)

The fee paid to the board chair is SEK 442 (420) thousand. The fee paid to directors elected by the AGM is SEK 193 (180) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	5 529	8 602
Operating profit	-1 867	772
Profit before tax	-1 875	776
Net profit	-1 491	619
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	9 282	9 729
Non-current assets	6 168	6 381
Equity	3 652	5 170
- of which, minority interests	0	0
Net debt	703	-747
Operating capital	4 355	4 423

#### Other key indicators

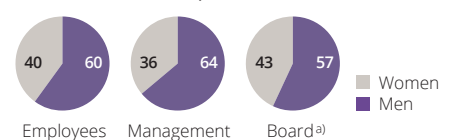
Operating margin, %	-31.5	9.0	
Return – equity, %	-33.8	12.5	
Return – operating capital, %	-41.5	16.2	
Net debt/equity ratio, multiple	0.2	-0.1	
Equity/assets ratio, %	39.3	53.1	
Gross investments, SEK m	674	649	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	18 986	4 183
tCO <sub>2</sub> e	Scope 2	33	40
Sickness absence, %	6.5	4.9	
Average no of employees	3 940	3 794	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022



SOS Alarm Sverige AB's main task is to be responsible, as an assignment from the State, for the emergency response (SOS) service in Sweden by receiving and forwarding alerts to the 112 emergency number and offering municipalities and regions routing and prioritisation of ambulance, fire and other services. SOS Alarm's central role in connection with emergencies is an important link in public emergency preparedness. It also provides other types of customised security and out-of-hours services.

### Important events in 2020

- The pandemic resulted in many more incoming calls to SOS Alarm than in the previous year.
- The extra workload during the year did not have an adverse effect on the enterprise financially, and its profit was better than in the preceding year, with increased sales on account of new contracts and higher payment for handling the 113 13 information number.

### Targets and tracking

#### Financial targets

- **Profitability:** Group operating margin of at least 2%. Outcome: 4.9%.
- **Capital structure:** Group equity/assets ratio of 25–35% with a benchmark of 30%. Outcome: 52%.
- **Dividend:** Over the long term, ordinary dividends to correspond to at least 50% of profit after tax, taking account of capital structure target, strategy and investment needs. Outcome: Dividend in respect of 2020 according to policy (50% of profit for the year) corresponding to SEK 27.3m.

#### Targets for sustainable value creation

- We are proud and competent employees. Measured via ambassadorship (eNPS) with target for 2022 ≥ 20. Outcome: 21.
- We deliver accuracy and quality. Measured via customer satisfaction (index) with target for 2022 ≥ 80. Outcome: 75.
- We deliver innovative solutions that provide added value for our customers. Measured via customer satisfaction (index) with target for 2022 ≥ 80. Outcome: 72.

- We develop the next generation IT platform. Measured via defined deliverables with target of 2022 for achieving deliverables. Outcome: Yes, the deliverables for 2020 have been performed.
- We have high confidence among the public. Measured via public confidence (index) with target for 2022 ≥ 85. Outcome: 85.

#### Public policy assignment and targets

##### Response time 112:

- Average response time of no more than 8 seconds. Outcome: 9.2 seconds, target not achieved.
- Average response time for 92% of calls of no more than 15 seconds. Outcome: Response to 83% of calls within 15 seconds, target not attained.
- Maximum response time of 30 seconds. Outcome: Response to 95% of calls within 30 seconds, target not achieved.

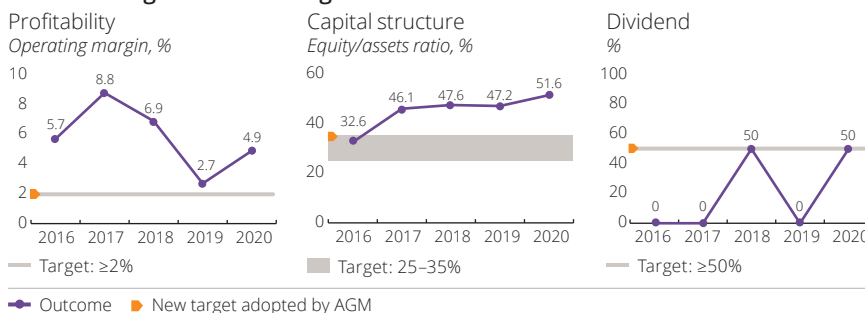
##### Time to identify need of assistance:

- Time from when the call by the person seeking assistance reaches the call queue for 112 to when the operator indexes the 112 case (need of assistance identified) to be no more than 40 seconds on average by 2019. Outcome: 24 seconds, the target was achieved.

##### Customer satisfaction in public policy assignment:

- Customer Satisfaction Index (CSI) to be a minimum of 71 in the area of Emergency Calls and Response. Outcome: 75, the target was achieved.
- Public confidence index to be at least 70. Outcome: 85, the target was achieved.

### Financial targets and tracking



Chair: Ulrica Messing CEO: Maria Khorsand

**State holding:** 50%

**Board and auditor elected for 2021/2022**

**Chair:** Ulrica Messing **Directors:** Lena Dahl, Alf Jönsson, Inge Lindberg, Erik Tranaeus, Marie Ygge, Peter Olofsson, Hampus Magnusson and Ann Persson Grivas **Employee reps:** Mats Lundgren, Lars Thomsen **Employee alts:** Johan Magnusson, Eva Lundmark

**Auditor:** Ingrid Hornberg Román (KPMG)

The fee paid to the board chair is SEK 222 (205) thousand. The fee paid to directors elected by the AGM is SEK 104 (96) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	1 324	1 257
Operating profit	65	33
Profit before tax	68	36
Net profit	53	28
- of which, minority interests	2	1

#### Balance sheet, SEK m

Total assets	746	706
Non-current assets	371	359
Equity	385	333
- of which, minority interests	4	4
Net debt	-336	-376
Operating capital	49	-43

#### Other key indicators

Operating margin, %	4.9	2.7	
Return – equity, %	15.9	8.4	
Return – operating capital, %	2 285.5	-97.3	
Net debt/equity ratio, multiple	-0.9	-1.1	
Equity/assets ratio, %	51.6	47.2	
Gross investments, SEK m	187	122	
Appropriation, SEK m	317	305	
Dividend, SEK m	27	0	
Climate footprint	Scope 1	0	311
tCO <sub>2</sub> e	Scope 2	-	-
Sickness absence, %	7.0	5.8	
Average no of employees	1 113	1 096	

Reported in compliance with GRI Yes

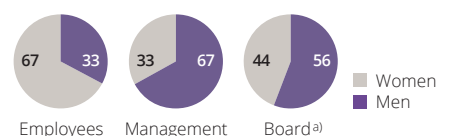
Externally assured GRI report Yes

Reports in compliance with IFRS No

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022





Specialfastigheter Sverige Aktiefbolag owns, develops and manages properties for customers with high security requirements and is the market leader in the high-security properties segment. Operations are conducted in three business areas: prison and probation services; defence and justice; institutional care and other special operations. Its largest customers are the Swedish Prison and Probation Service, the Swedish Police Authority, the National Board of Institutional Care, the Armed Forces and the Swedish Defence Materiel Administration. Its main target group is Swedish central government customers, as well as other customers with security requirements. Customers, and the enterprise's some 165 employees, are located all around the country. The enterprise's head office is split between Linköping and Stockholm. Specialfastigheter's operations are conducted on a long-term and commercial basis and are characterised by long leases, which creates stability in financial performance.

### Important events in 2020

- Good financial development due to continuation of stable rental income and better operating profit.
- Active and close cooperation with the Swedish Prison and Probation Service in order to help them solve their shortage of places.
- The pandemic has had a very limited impact on the enterprise.

### Targets and tracking

#### Financial targets

- **Profitability:** Return on equity of 8%, based on profit after tax and after reversal of changes in value and deferred tax. Outcome: 9.9%.
- **Capital structure:** Equity/assets ratio of 25–35%. Outcome: 39.5%.
- **Dividend:** 50% of profit for the year after tax and after reversal of changes in value for the year and associated deferred tax, taking account of future investment needs and financial position. Outcome: Dividend in respect of 2020 according to policy (50% of profit/loss for the year) corresponding to SEK 604m.

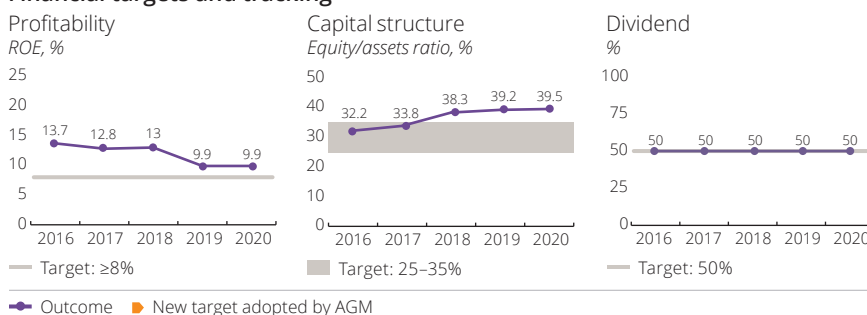
#### Targets for sustainable value creation

- Active skills provision (carry out at least one activity per unit that fosters equal treatment). Target for 2020: 100% of units to have carried out at least one activity. Outcome: 80%.
- Best at security (retain ISO certificate for information security). Target for 2020: Retain certification for information security. Outcome: Retained certification.
- Create value for customers (invest minimum amount). Target for 2020: Invest SEK 1.2bn. Outcome: SEK 1.041bn.
- Responsibility for the environment and climate: Reduce carbon dioxide emissions from purchased energy by 75% between 2012 and 2030. Target for 2020: Reduction of 59% (base year 2012). Outcome: -67%.

#### Public policy assignment

No specifically adopted public policy assignment.

### Financial targets and tracking



Chair: Eva Landén

CEO: Åsa Hedenberg

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Eva Landén **Directors:** Mikael Lundström, Pierre Olofsson, Erik Tranaeus, Maj-Charlotte Wallin and Åsa Wirén. New election of Sanela Ovcina at 2021 AGM, with Carin Götblad stepping down **Employee reps:** Tomas Edström, Erik Ydreborg **Employee alternates:** Kajsa Marsk Rives, Roger Törngren

**Auditor:** Helena Ehrenborg (PWC)

The fee paid to the board chair is SEK 280 (270) thousand. The fee paid to directors elected by the AGM is SEK 134 (130) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

2020 2019

#### Income statement, SEK m

	2020	2019
Net sales	2 393	2 261
Changes in value	-403	726
Operating profit	1 276	2 302
Profit before tax	1 138	2 170
Net profit	888	1 717
- of which, minority interests	0	0

#### Balance sheet, SEK m

	2020	2019
Total assets	31 454	30 814
Non-current assets	30 573	29 982
Equity	12 409	12 091
- of which, minority interests	0	0
Net debt	13 125	12 991
Operating capital	25 534	25 081

#### Other key indicators

Operating margin, %	53.3	101.8
Return – equity, %	9.9	9.9
Return – operating capital, %	5.0	9.5
Net debt/equity ratio, multiple	1.1	1.1
Equity/assets ratio, %	39.5	39.2
Gross investments, SEK m	1 249	1 235
Appropriation, SEK m	0	0
Dividend, SEK m	604	570
Climate footprint Scope 1	161	922
tCO <sub>2</sub> e Scope 2	3 101	3 602
Sickness absence, %	1.8	1.6
Average no of employees	153	158

Reported in compliance with GRI Yes

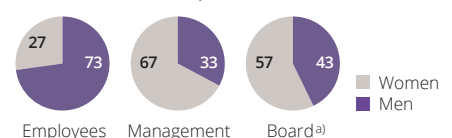
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



Svenska Rymdaktiebolaget (Swedish Space Corporation, SSC) is responsible for the operation of the Esrange Space Center (Esrange) and provides advanced space services to the global space market. SSC is a global group, with some 500 employees and is represented in eleven countries. Its operations are conducted in three divisions:

- **Science Services** offers launching services for sounding rockets and stratospheric balloons with scientific or technical instruments for research and technical development as well as development of experiments and commercial payloads. This Division corresponds to the SSC's public policy assignment of handling the operation and development of Esrange Space Center.
- **Satellite Management Services (SaMS)** sells services in satellite communication and satellite control. SSC is the owner of one of the world's largest networks of ground stations for satellite communication.
- **Spacecraft Operations and Engineering Services** provides engineering services for space organisations such as the European Space Agency (ESA) and the German Aerospace Center (DLR).

### Important events in 2020

- On 14 October Space Minister Matilda Ernkrans opened the testbed that the Government decided to part-finance in 2018. At the opening ceremony the minister announced that the Government had decided to go ahead with the plans to further develop Esrange by giving it the ability to launch satellites.
- In December SSC introduced an initiative for a new service segment to make better and simpler use of space data to foster sustainable development. A new company – GlobalTrust – has been set up in the UK.

- SSC to reduce its carbon dioxide emissions in accordance with the goal of the Paris Agreement to limit the temperature increase to 1.5 degrees.
- SSC to be a market leader (ranked 1–2) in all business segments the enterprise operates in and to be recognised as a respected actor in the industry.
- SSC to be an attractive employer.

### Public policy assignment and targets

- For Science Services:
  1. Capacity utilisation rate at the Esrange Space Center.
  2. Quality index regarding the Esrange Space Center and related services.
- For SSC: SSC is to ensure with the aid of a special stakeholder dialogue that its operations are designed to promote Swedish interests in the best way possible.
- In 2020 the capacity utilisation rate at the Esrange Space Center was 17%, target at least 70.
- In 2020 measurements were carried out on one occasion to assess quality of delivery; an overall quality index of 100% was achieved, target: at least 80%.

### Targets and tracking

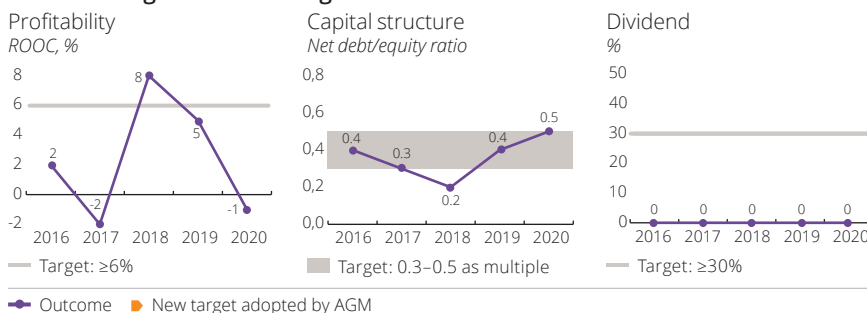
#### Financial targets

- **Profitability:** Return on operating capital of at least 6%.
- **Capital structure:** Debt/equity ratio of 0.3–0.5 with stable earnings.
- **Dividend:** At least 30% of profit after tax. The board proposed that no dividend be paid for 2020.

#### Targets for sustainable value creation

- SSC's services contribute to the 2030 Agenda and generate profitable growth. By doing so we deliver value both for SCC and for society as a whole.
- Esrange to be developed into the world's most versatile and sustainable space centre.

### Financial targets and tracking



Chair: Monica Lingegård



CEO: Stefan Gardefjord

State holding: 100%

### Board and auditor elected for 2021/2022

**Chair:** Monica Lingegård **Directors:** Anne Gynnerstedt, Gunnar Karlsson, Anna Kinberg Batra, Per Lundkvist, Olle Norberg, Maria Palm and Joakim Reiter. New election of Gunilla Rudebjer at 2021 AGM, with John Paffett stepping down **Employee reps:** Petrus Hyvönen, Alf Vaerneus **Employee alts:** Maria Snäll, Mariann Tapani **Auditor:** Camilla Samuelsson, for the companies in Sweden (PwC)

The fee paid to the board chair is SEK 297 (270) thousand. The fee paid to directors elected by the AGM is SEK 148.5 (135) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	1 001	1 013
Operating profit	-5	30
Profit before tax	-18	23
Net profit	-31	10
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	1 378	1 355
Non-current assets	914	861
Equity	431	475
- of which, minority interests	0	0
Net debt	235	190
Operating capital	666	665

### Other key indicators

Operating margin, %	-0.5	3.0	
Return – equity, %	-6.7	2.1	
Return – operating capital, %	-0.7	5.0	
Net debt/equity ratio, multiple	0.5	0.4	
Equity/assets ratio, %	31.3	35.1	
Gross investments, SEK m	205	171	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	-	352
tCO <sub>2</sub> e	Scope 2	-	1 656
Sickness absence, %		1.4	1.7
Average no of employees		530	488

Reported in compliance with GRI Yes

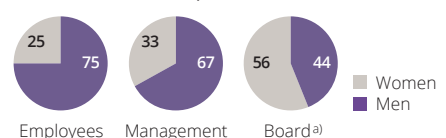
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022

# Sbo

## Statens Bostadsomvandling AB

Statens Bostadsomvandling AB Sbo (Sbo) acquires, develops, owns and winds down properties taken over from municipalities or municipal housing companies. The focus is on assisted living and housing for older people. Sbo has a public policy assignment to provide practical assistance in the restructuring process needed to achieve balance in the housing market in communities with a declining population. These communities often have a great need of housing that is accessible and adapted to older people. The restructuring process contributes to lower costs for care of older people and generates chains of moves in the housing market. When the local housing market is in balance, the properties are sold on market terms in the open market.

### Important events in 2020

- In December Sbo received a capital contribution of SEK 300m.
- Five properties were sold and one was acquired.
- Ongoing conversions in seven municipalities resulting in 130 homes. A number of preliminary studies are also under way.

### Targets and tracking

#### Financial targets

Sbo's financial targets have been set by the enterprise, but not at the AGM.

- **Profitability:** At least 37% of aggregate project costs to be recovered when projects are completed. The assessment is that approximately 58% of project costs (including impairments) have been recovered.
- In at least 80% of projects, restructuring of the properties is to be completed and the properties should be sold within eight years on market terms in the open market. In 2010-2020 Sbo sold 29 different types of properties in 15 communities. Most of the properties Sbo currently owns and manages were acquired in 2008 or later.
- **Dividend:** The enterprise is not to pay a dividend to the owner.

#### Targets for sustainable value creation

In its work for more sustainable development, Sbo is to offer more people a good residential environment in modern and accessible homes in cooperation with the municipality concerned by:

- Transforming properties and bringing at least 300 modern homes for seniors to weak housing markets by 2022. In 2017-

2020, 102 homes were completed. To date 1 040 new homes and modern premises for preschool services have been delivered in some 30 municipalities. Ongoing dialogues are judged to be able to add a further 60 new modern homes in 2021 and properties containing around 60 new homes are being investigated.

- To achieve, after conversion, an estimated average annual energy consumption of 85 and 80 kWh/sq.m. and year for housing and premises respectively. For the most recently completed properties, an average estimated annual energy consumption of 91 kWh/sq.m. and year was achieved with an average reduction of 48% after the implementation of rehabilitation measures.
- The enterprise is to achieve a net operating margin of at least 62%. The outcome was 64%.

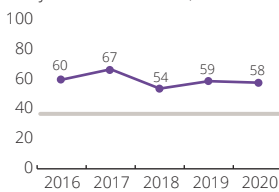
#### Public policy assignment

Has a specifically adopted public policy assignment to provide practical assistance in achieving housing market balance in communities where the population is declining. The public policy assignment is tracked by the owner in owner dialogues with the enterprise and by reviewing the enterprise's official reports. In 2020 Sbo continued to transform properties into modern and accessible flats, primarily for elderly and senior housing in communities with a weak housing market. Additional properties were developed and completed during the year. Total investments in development projects increased strongly in 2020 and are expected to be at a high level in 2021-22. Overall, Sbo is considered to have fulfilled its public policy assignment satisfactorily in 2020. Targets according to the public policy targets process have not yet been developed.

### Financial targets and tracking

#### Profitability

Project costs recovered, %



— Target: ≥37%

— Outcome — New target adopted by AGM



Chair: Christel Wiman



CEO: Ann Eriksson

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Christel Wiman **Directors:** Lars Erik Fredriksson, Håkan Steinbüchel and Jan-Ove Östbrink. New election of Jessika Lundgren at 2021 AGM, with Brita Saxton stepping down

**Auditor:** Lars Helgesson (Deloitte)

The fee paid to the board chair is SEK 105 (99) thousand. The fee paid to directors elected by the AGM is SEK 52 (49.5) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	21	21
Operating profit	-17	24
Profit before tax	-16	25
Net profit	-16	25
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	833	548
Non-current assets	365	320
Equity	816	532
- of which, minority interests	0	0
Net debt	-466	-226
Operating capital	350	306

### Other key indicators

Operating margin, %	-82.9	110.8
Return – equity, %	-2.3	4.9
Return – operating capital, %	-5.3	8.5
Net debt/equity ratio, multiple	-0.6	-0.4
Equity/assets ratio, %	98.0	97.1
Gross investments, SEK m	113	69
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint	Scope 1	-
tCO <sub>2</sub> e	Scope 2	-
Sickness absence, %	0.0	0.0
Average no of employees	2	2

Reported in compliance with GRI Yes

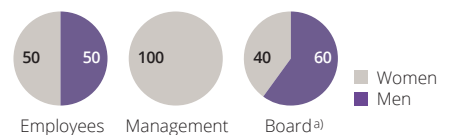
Externally assured GRI report Yes

Reports in compliance with IFRS No

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022

# SVEASKOG

Sveaskog AB is Sweden's largest forest-owner, managing a total of 4 million hectares of land. The enterprise's forest holdings are spread throughout Sweden but are concentrated in the north. Sveaskog is to be an independent actor in the timber market whose core business is forestry, and its operations are to be run on a commercial basis. Sveaskog manages 3.1m hectares of productive forest land, accounting for 14% of all forest land in Sweden. Forests are an important raw material for the forest industry, promote climate benefits and create employment and recreational opportunities. Sveaskog mainly sells timber, pulpwood and biofuel. The enterprise conducts long-term sustainable forestry, and as part of this it sets aside 20% of its productive forest land as nature conservation land. In this context the enterprise has also established a total of 37 ecoparks around Sweden.

## Important events in 2020

- A change of reporting method for forest assets has greatly increased asset values.
- Action is being taken to develop the enterprise's sustainable forestry.
- Lower prices of forest raw materials reduced the enterprise's sales and profit.

## Targets and tracking

### Financial targets

- **Profitability:** Dividend yield of at least 4.5% over time. The dividend yield decreased to 2.4%, mainly on account of higher values of forest assets and lower prices of forest raw materials.
- **Capital structure:** Debt/equity ratio of 0.3–0.6 as multiple. The debt/equity ratio decreased to 0.13 (0.30) as a result of the higher value of the enterprise's forest assets.
- **Dividend:** 65–90% of profit after tax, excluding changes in value not affecting cash flow. Dividend paid in line with policy.

### Targets for sustainable value creation

- First choice for employees and satisfied contractors and suppliers: Gender distribution target of at least 30% women by 2020 and target of 5% employees with another ethnic background by 2020. The share of women increased to 27% (26%) and the share of employees with another ethnic background to 4.0% (3.9%). The targets for the Confidence Index and Supplier

Satisfaction Index were 80 and 70; the outcomes were 78 (74) and 70. The Supplier Satisfaction Index target showed positive development in the areas of cutting, silviculture and plant. In logistics it was unchanged compared with the previous measurement.

- **Leader in innovation and efficiency:** The target is to increase total productivity by 2% per year until 2020. The outcome varies greatly between years, and productivity decreased by 2.9% for 2020, mainly due to delivery volumes.
- **Leader in sustainable forestry:** The target is to achieve, by 2020, 99% of environmental values in forestry without major impact, which is measured by the Consideration Index. Carbon dioxide emissions to decrease by at least 30% between 2010 and 2020. Carbon dioxide emissions in tonnes/delivered thousand m3 under bark to be 10 in 2020. For 2020 the value was 11.6. The Consideration Index was 97 (98).
- **To be the most profitable forestry company over the long and short term, while maintaining good ethical standards:** The dividend yield target of 4.5% over time was not reached for 2020. However, the target is evaluated over a business cycle.

### Public policy assignment

Sveaskog has a public policy assignment regarding its land sale programme with the objective of selling 10% of productive forest land with 2002 as the baseline year. At the end of 2020 some 27 000 ha remained to be sold. This target was not developed according to the public policy targets process.



Chair: Eva Färnstrand



CEO: Per Matses (acting)

State holding: 100%

### Board and auditor elected for 2021/2022

**Chair:** Eva Färnstrand **Directors:** Marie Berglund, Johan Kuylenstierna, Kerstin Lindberg Göransson, Leif Ljungqvist and Sven Wird. New election of Christina Lindbäck and Elisabet Salander Björklund at 2021 AGM; Annika Nordin stepped down in Dec. 2020 **Employee reps:** Kenneth Andersson, Sara Östh **Employee alts:** Lars Djerf, Thomas Esbjörnsson **Auditor:** Hans Warén (Deloitte)

The fee paid to the board chair is SEK 485 (470) thousand. The fee paid to directors elected by the AGM is SEK 197 (185) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	6 597	7 209
Changes in value	12 481	399
Operating profit	13 821	2 093
Profit before tax	13 668	1 963
Net profit	10 867	1 558
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	87 971	41 549
Non-current assets	84 154	38 168
Equity	59 493	23 574
- of which, minority interests	0	0
Net debt	7 613	7 149
Operating capital	67 106	30 722

### Other key indicators

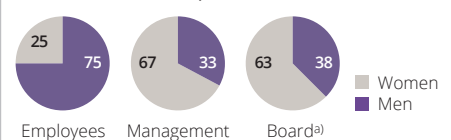
Operating margin, %	209.5	29.0	
Return – equity, %	26.2	6.7	
Return – operating capital, %	28.2	6.8	
Net debt/equity ratio, multiple	0.1	0.3	
Equity/assets ratio, %	67.6	56.7	
Gross investments, SEK m	271	451	
Appropriation, SEK m	0	0	
Dividend, SEK m	850	1 100	
Climate footprint	Scope 1	3 000	11 000
tCO <sub>2</sub> e	Scope 2	4	85
Sickness absence, %		3.1	3.0
Average no of employees		827	807

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

### Priority Global Goals



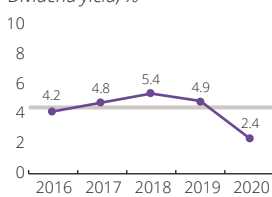
### Gender distribution, %



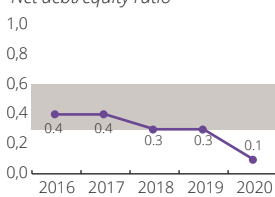
a) Elected for 2021/2022

## Financial targets and tracking

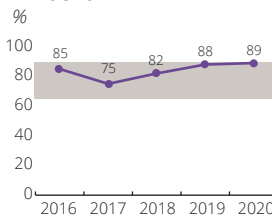
### Profitability Dividend yield, %



### Capital structure Net debt/equity ratio



### Dividend



— Target: ≥4.5%    ■ Target: 0.3–0.6 as multiple    ■ Target: 65–90%

— Outcome

■ New target adopted by AGM



Svedab (Svensk-Danska Broförbindelsen SVEDAB AB) owns and manages the 50% Swedish interest in the Öresund Bridge through its partnership in the Öresund Bridge Consortium. The Consortium owns the 16 km toll-financed coast-to-coast link that includes both road and rail traffic. Svedab also owns and manages the Swedish land connections to the bridge, 10 km of motorway and 20 km of railway.

#### Important events in 2020

- Share of profit in the Øresund Bridge Consortium was significantly poorer on account of the pandemic, SEK 536m (926m).
- In 2020 the enterprise's costs decreased by SEK 2m.

#### Targets and tracking

##### Financial targets

- **Capital structure:** Equity of at least SEK 500m.
- **Dividend:** The ordinary dividend is to correspond to at least 50% of the profit after tax over the long term.
- The enterprise is to use distributable funds adopted by the general meeting that may be held by the enterprise in the following order:
  - a) phase out claim for conditional shareholder contributions;
  - b) phase out interest claim for conditional shareholder contributions;
  - c) place at the disposal of the general meeting through proposed dividend to the shareholder.

All these points are to be carried out while taking account of the dividend policy adopted by the general meeting. Point c) is to be carried out after the enterprise's loans with the Swedish National Debt Office have been repaid in full.

##### Targets for sustainable value creation

- Svedab is to contribute to a cohesive Öresund Region. Over the years Svedab has therefore participated in a number of initiatives all intended to develop, adapt and make the facility available as new needs arise.

- 100% of energy consumption is to be renewable. Since 2014 all energy consumption has been renewable.
- Svedab is to reduce its energy consumption in the long term. Energy consumption decreased by 4% during the year.
- Svedab wishes to engage suppliers that share the values expressed in its Code of Conduct. Two new suppliers were contracted during the year.
- Zero tolerance of bribes and corruption. No incidents that can be linked to corruption in 2020.
- No deaths or serious injuries at Svedab's facilities, and none did occur during the year either.
- The enterprise is responsive to views about facilities management. All views and questions are to be welcomed and replied to. As of 2016, its website can be used to communicate views about Svedab and the operation and maintenance of the facility.

##### Public policy assignment and targets

Has a specifically adopted public policy assignment. Operations that are financed by appropriations in the central government budget within the framework of the public policy assignment are tracked. The following public policy targets apply to the part of the enterprise's operations relating to rail and road links to the Öresund Link:

- a) road: target value 100% accessibility.
- b) rail: target value at least 99.6% accessibility excluding track works.

Both accessibility targets were reached during the year.



Chair: Bo Lundgren



CEO: Ulf Lundin

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Bo Lundgren **Directors:** Lars Erik Fredriksson, Malin Sundvall and Ulrika Hallengren

**Auditor:** Johan Rasmusson (KPMG)

The fee paid to the board chair is SEK 136 (136) thousand. The fee paid to directors elected by the AGM is SEK 68 (68) thousand. No fee is paid to directors employed by the Government Offices.

**Key indicators** 2020 2019

Income statement, SEK m		
Net sales	10	12
Operating profit	475	866
Profit before tax	433	832
Net profit	340	653
- of which, minority interests	0	0

Balance sheet, SEK m		
Total assets	6 269	6 531
Non-current assets	6 196	6 473
Equity	906	1 341
- of which, minority interests	0	0
Net debt	4 310	3 496
Operating capital	5 216	4 837

Other key indicators		
Operating margin, %	4 665.6	6 954.0
Return – equity, %	30.3	55.9
Return – operating capital, %	9.5	19.4
Net debt/equity ratio, multiple	4.8	2.6
Equity/assets ratio, %	14.2	20.5
Gross investments, SEK m	414	634
Appropriation, SEK m	0	0
Dividend, SEK m	253	653
Climate footprint Scope 1	-	-
tCO <sub>2</sub> e Scope 2	-	-
Sickness absence, %	0.0	0.0
Average no of employees	3	3

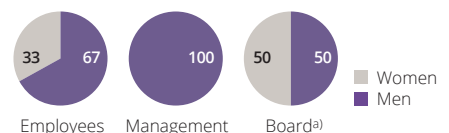
Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No <sup>a)</sup>

##### Priority Global Goals



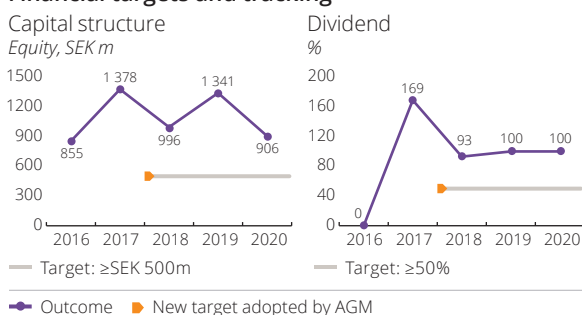
- a) Svedab applies BFNAR 2012:1 Annual and consolidated accounts (K3) while the Øresund Bridge Consortium applies IFRS.

##### Gender distribution, %



a) Elected for 2021/2022

#### Financial targets and tracking



# SVENSKA SKEPPSHYPOTEK

Svenska skeppshypotekskassan (Swedish Ships Mortgage Bank, Skeppshypotek) was founded in 1929 with the task of facilitating financing for Swedish shipping companies and assisting in the rejuvenation of the Swedish merchant fleet. Skeppshypotek is not a limited company, but is a unique form of association under public law. Its operations are regulated in the Swedish Ships Mortgage Bank Act (1980:1097). The task of Skeppshypotek is to assist in the rejuvenation and modernisation of the Swedish merchant fleet. Skeppshypotek finances Swedish-owned shipping operations and foreign-owned operations with substantial Swedish interests and mainly provides long-term loans, solely against collateral in Swedish or foreign vessels. On behalf of the Swedish Transport Administration, Skeppshypotek also administers the Board for Shipping Support.

## Important events in 2020

- New lending amounted to SEK 169m (1 522m) during the year.
- Net interest income fell by just over 13%.
- The volume of lending at year-end was SEK 6.9bn (9.2bn).

## Targets and tracking

### Financial restrictions

The Swedish Ships Mortgage Bank Act (1980:1097) does not contain any financial targets. However, the board of directors has set restrictions for its operations regarding:

- Equity/assets ratio, at least 10%. The equity/assets ratio was 27.4% (22.3%).
- Total capital ratio, at least 12%. Total capital ratio was 28.5% (22.1%).

### Targets for sustainable value creation

- Sustainable ship financing: Skeppshypotek is to evaluate and manage the sustainability risks that arise in connection with lending to the shipping sector and work at the same time to finance projects that contribute to more environment-friendly shipping.
- Business ethics and anti-corruption: Skeppshypotek is to meet international standards in the areas of business ethics, environmental and social responsibility and preventing corruption and other financial crime.

- Own environmental impact: Skeppshypotek is to reduce its own environmental impact, with the target being to continue to maintain carbon dioxide emissions at a low level. A high level of employee engagement is important in relation to own environmental impact. If Skeppshypotek does not act responsibly, it is difficult to impose external demands.
- Outcome for sustainable ship financing: Skeppshypotek's work starts from the classification "Turn down", "Influence" and "Select" depending on the operations of the shipping company applying for credit.
- Outcome for business ethics and anti-corruption: Skeppshypotek's staff have been trained in anti-corruption and anti-money laundering and will be given supplementary training in these areas as needed. A system for screening of sustainability risks such as politically exposed individuals and sanction lists has been acquired. When required, these issues can also be partly controlled by an external party.
- Outcome for own environmental impact: Since 2010 the enterprise has offset the carbon dioxide emissions it generates. Whenever practicable, the enterprise chooses environmentally certified products ahead of others.

### Public policy assignment

Operations are governed by the Swedish Ships Mortgage Bank Act (1980:1097).



Chair: Michael Zell



CEO: Arne Juell-Skielse (incoming)

State holding: 100%

### Board and auditors elected for 2021/2022

**Chair:** Michael Zell **Directors:** Lars Höglund, Elizabeth Kihlbom, Ragnar Johansson, Rolf Mählkvist, Kenny Reinhold and Anna Öberg  
**Alternates:** Tiziana Cavalli De Lonti, Anders Thyberg, Ann-Catrine Zetterdahl **Auditors:** Mikael Ekberg (KPMG), Sigge Kleen (KPMG)

The fee paid to the board chair is SEK 156 (140) thousand. The fee paid to directors elected by the AGM is SEK 62.4 (55) thousand.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net interest income	131	151
Operating profit	109	118
Profit before tax	109	118
Net profit	109	118
- of which, minority interests	0	0

## Balance sheet, SEK m

Total assets	8 637	10 177
Lending to shipping companies	6 883	9 226
Equity	2 371	2 266
- of which, minority interests	0	0

## Other key indicators

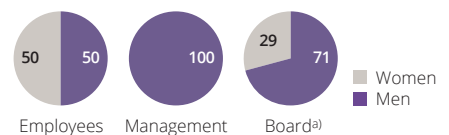
Level of loan losses, %	0.0	-0.1
Return – equity, %	4.7	5.4
Common equity Tier 1 capital ratio, %	28.5	22.1
Total capital ratio, %	28.5	22.1
Climate footprint Scope 1	-	-
tCO <sub>2</sub> e Scope 2	-	-
Sickness absence, %	-	-
Average no of employees	8	8

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes (RFR 2)

## Priority Global Goals



## Gender distribution, %



a) Elected for 2021/2022



The Svenska Spel group is organised in three business areas with separate gambling accounts and customer databases. AB Svenska Spel has been granted a licence for lotteries and a licence for gambling on slot machines; its subsidiary Svenska Spel Sport & Casino AB has been granted a licence for commercial online gambling and betting; and Casino Cosmopol AB has been granted a licence for gambling at land-based casinos. Svenska Spel is certified in accordance with the standards for responsible gaming of the European Lotteries (EL) and World Lottery Associations (WLA). Casino Cosmopol is certified in accordance with the European Casino Association (ECA) Responsible Gaming Framework. The enterprise has the objective of being the industry leader in responsible gambling so as to safeguard its customers and contribute to a healthier gambling industry.

### Important events in 2020

- The Swedish Competition Authority's investigation of the complaint that Svenska Spel is abusing its dominant position has been completed and the case has been dismissed.
- All casinos closed temporarily as of March 2020 on account of the pandemic.
- The board decided to wind up casino operations in Sundsvall.
- SEK 133m in sponsorship of female athletes, corresponding to around 55% of the enterprise's sponsorship funding.

### Targets and tracking

#### Financial targets

- **Profitability:** Operating margin of at least 30%. Outcome: 31% (29%).
- **Capital structure:** Equity/assets ratio of 20–40%. Outcome: 54% (39%) since no dividend relating to the profit for 2019 had been paid to the owner at the time of the measurement.
- **Dividend:** At least 80% of net profit for the year after tax taking account of the capital structure target set so that, over time, the equity/assets ratio does not deviate from the target range. Outcome: The dividend for 2020 was SEK 3.2bn.

#### Targets for sustainable value creation

- More of the enterprise's customers to be aware of their gambling and make choices on that basis. Fewer of the enterprise's cus-

tomers to have or develop gambling addictions. Outcome of Gambling Awareness Index: 88<sup>a</sup>).

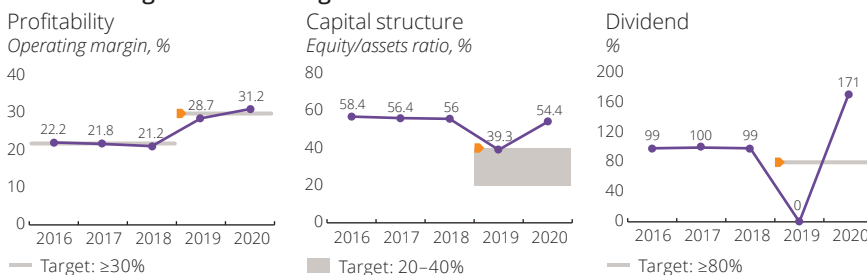
- 100% of employees to have completed training in enterprise's work on countering money laundering and financing of terrorism. Outcome: 95% (90%). In Casino Cosmopol 100% complete the training within three months of the start of their employment.
- Share of employees with foreign backgrounds in the group to be at least 30%. Outcome: 34% (34%).
- Gender balance among managers in the 45–55% range. Outcome: 38% (37%) women and 62% (63%) men.

#### Public policy assignment and targets

Under the Gambling Act (2018:1138) and the Gambling Ordinance, AB Svenska Spel or a fully owned subsidiary of AB Svenska Spel has to: offer gambling operations at land-based casinos and gambling on slot machines at places other than casinos. For these forms of gambling, Svenska Spel has to observe particular moderation regarding the marketing of gambling activities to consumers and have a focus in their marketing that is socially responsible so that it is not felt to be assertive beyond the requirements set out in the Gambling Act, the Gambling Ordinance (2018:1475) and regulations issued by the Swedish Gambling Authority regarding its duty of care; follow the development of problems related to exaggerated gambling and take measures to counter them. In 2019 new public policy targets were adopted for Svenska Spel; these targets and the outcomes are presented on page 27.

a) Measured using new target group definitions, new questionnaires and with a new method of calculation, so historical comparisons cannot be made.

### Financial targets and tracking



New definition of operating margin (target and outcome) applied as of 2019. Outcome is shown as a blue dot, and new target adopted by AGM is shown as an orange dot.



Chair: Erik Strand

CEO: Patrik Hofbauer

State holding: 100%

Board and auditor elected for 2021/2022

Chair: Erik Strand Directors: Eivor Andersson, Gunilla Herlitz, Lars Nilsson, Jens Schlyter, Johan Strid, Fredrik Åhlberg and Anne Årneby. Eva-Britt Gustafsson stepped down at AGM 2021

Employee reps: Peter Andersson, Martina Ravn, Johannes Gustafsson Employee alts: Veronica Krus, Angela Ankargren

Auditor: Daniel Wassberg (Deloitte)

The fee paid to the board chair is SEK 393 (360) thousand. The fee paid to directors elected by the AGM is SEK 181 (165) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net gambling income	7 674	8 579
Net sales	5 563	6 011
Operating profit	2 395	2 466
Profit before tax	2 386	2 487
Net profit	1 874	2 716
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	8 632	7 169
Non-current assets	3 245	3 640
Equity	4 694	2 820
- of which, minority interests	0	0
Net debt	-4 519	-2 450
Operating capital	175	371

### Other key indicators

Operating margin, %	31.2	28.7	
Return – equity, %	49.9	73.4	
Return – operating capital, %	878.2	452.7	
Net debt/equity ratio, multiple	-1.0	-0.9	
Equity/assets ratio, %	54.4	39.3	
Gross investments, SEK m	255	873	
Appropriation, SEK m	0	0	
Dividend, SEK m	3 200	0	
Climate footprint	Scope 1	239	250
tCO <sub>2</sub> e	Scope 2	132	203
Sickness absence, %	3.2	4.4	
Average no of employees	1 147	1 593	

Reported in compliance with GRI Yes

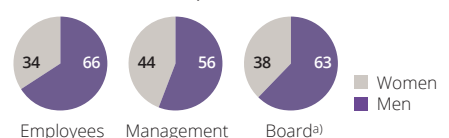
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022

# SVEVIA

Svevia AB was formed in 2009 when the National Roads Administration's production unit, Vägverket Produktion, was corporatised. The main reasons for corporatisation were to improve the conditions for competitive neutrality, eliminate the basis for suspicions of cross-subsidisation and increase productivity in the market. Svevia conducts contracting, service and leasing operations in the area of traffic, land, construction and civil engineering. The Swedish infrastructure market is valued at almost SEK 120bn, with new construction and improvement accounting for SEK 100bn and repairs, maintenance and operation for the remainder. Half the market is private, while public investments account for the other half. Svevia is the market leader in road operation and maintenance. In surfacing its offer covers ballast, asphalt manufacture and laying, and road marking. Civil Engineering offers road construction and improvement, foundation, land and rock and concrete work and soil decontamination. The Swedish Transport Administration is Svevia's largest customer, accounting for just over half its sales.

### Important events in 2020

- Net sales decreased slightly compared with the preceding year and were SEK 8 135m.
- Order bookings decreased from the preceding year and were SEK 8 661m (8 954m). However, the order stock increased and was SEK 9 015m (8 488m) on 31 December.
- The operating profit increased to SEK 338m (202m) and the operating margin improved to 4.2% (2.5%).

### Targets and tracking

#### Financial targets

- **Profitability:** Return on equity of at least 20%. The outcome was 18.9%.
- **Capital structure:** Equity/assets ratio of at least 20–30%. The equity/assets ratio was 33.4%.
- **Dividend:** Ordinary dividend to be equal to at least 50% of profit after tax, but with account taken of the group's future capital requirements and any investment and acquisition plans. A dividend of SEK 251m was paid, which is in line with policy.

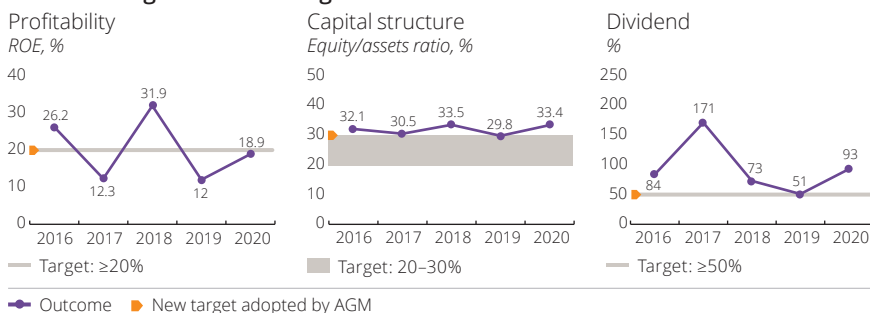
*Targets for sustainable value creation*  
See the table below.

#### Public policy assignment

No specifically adopted public policy assignment.

Sustainability targets		Outcome 2020	Outcome 2019	Objectives for 2023
Environment	Asphalt manufacture, kg of CO <sub>2</sub> e / tonne manufactured	4.3	8.7	1.0
	Transport CO <sub>2</sub> e/SEK m in sales	2.1	2.2	1.5
Sound business	All employees to have completed the business ethics training (new 2020)	89%	-	100%
	Contract adherence	81%	71%	85%
Attractive employer	Employee Net Promoter Score (eNPS)	+26	+27	20
Safety	Work injury rate	5.0	3.6	<3.5 and industry best

### Financial targets and tracking



**Chair:** Mats O Paulsson **CEO:** Anders Gustafsson

**State holding:** 100%

#### Board and auditor elected for 2021/2022

**Chair:** Mats O Paulsson **Directors:** Lars Erik Fredriksson, Carina Olson, Anna-Stina Nordmark Nilsson and Andreas Regnell. New election of Jeanette Reuterskiöld at 2021 AGM, with Charlotte Bergman stepping down **Employee reps:** Oscar Burlin, Thomas Skoog **Employee alt:** Håkan Dermark **Auditor:** Jonas Svensson (EY)

The fee paid to the board chair is SEK 440 (420) thousand. The fee paid to directors elected by the AGM is SEK 217 (210) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	8 135	8 181
Operating profit	338	202
Profit before tax	348	221
Net profit	272	172
- of which, minority interests	0	0

#### Balance sheet, SEK m

	2020	2019
<b>Balance sheet, SEK m</b>		
Total assets	4 578	4 543
Non-current assets	2 235	2 298
Equity	1 529	1 353
- of which, minority interests	0	0
Net debt	-891	-865
Operating capital	638	489

#### Other key indicators

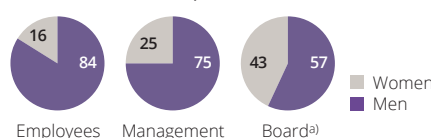
	2020	2019
Operating margin, %	4.2	2.5
Return – equity, %	18.9	12.0
Return – operating capital, %	60.0	70.1
Net debt/equity ratio, multiple	-0.6	-0.6
Equity/assets ratio, %	33.4	29.8
Gross investments, SEK m	363	610
Appropriation, SEK m	0	0
Dividend, SEK m	251	88
Climate footprint Scope 1	19 125	23 726
tCO <sub>2</sub> e Scope 2	-	700
Sickness absence, %	2.6	2.5
Average no of employees	1 875	1 902

Reported in compliance with GRI Yes  
Externally assured GRI report Yes  
Reports in compliance with IFRS Yes

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022





Swedavia AB operates and develops ten airports across Sweden, which the Government has determined make up Sweden's national basic infrastructure of airports. In addition to its airport operations, Swedavia conducts property operations with the task of owning, managing and developing properties and developable land at and around the airports. The enterprise also has an assignment to participate actively, on a commercial basis, in the development of the Swedish transport sector and to contribute to the transport policy objectives adopted by the Riksdag.

### Important events in 2020

- A total of 10.3 million passengers travelled to or from Swedavia's airports, a decrease of 74.5%.
- The pandemic made a deep impression on the aviation industry and Swedavia during the year. Swedavia made a number of savings that together reduce costs by around SEK 1bn and investments by as much. Most employees were on short-term layoffs and notice of redundancies amounting to 800 full-year equivalents was put into effect. Several large development projects at Arlanda have been paused.
- Swedavia received a shareholder contribution of SEK 2 500m in October 2020.
- All airports were completely fossil free at the end of 2020.

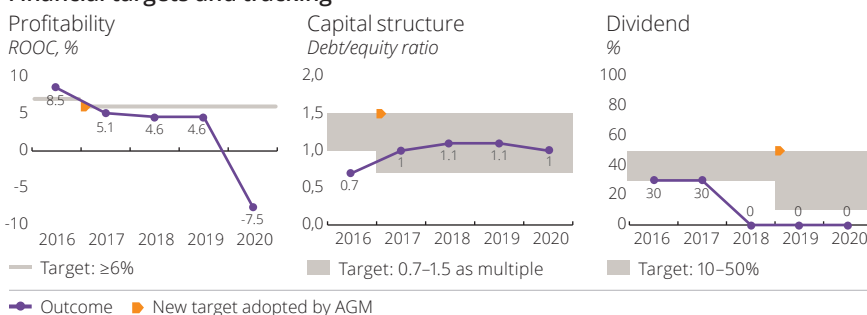
### Targets and tracking

#### Financial targets

- Profitability:** Return on operating capital of at least 6%. Outcome: -7.5%.
- Capital structure:** Debt/equity ratio of 0.7–1.5 as multiple. Outcome: 1.0 as multiple.
- Dividend:** The ordinary dividend is to be between 10 and 50% of the profit after tax. The annual dividend decisions are to take account of the enterprise's operations, the implementation of its strategy and the financial position. In making this evaluation, particular account is to be taken of the assessment of the enterprise's ability to achieve its capital structure target in the future. No dividend was paid for 2020.

a) Footprint per airport, including land transport and air traffic. The carbon dioxide footprint attributable to air traffic was 116 (330), to land transport was 50 (176) and to Swedavia's own operations was 0.1 (0.3).

### Financial targets and tracking



### Targets for sustainable value creation

- 85% satisfied customers in 2025. Outcome: 74%.
- 75% manager and employee engagement in 2025. In 2020 four snapshot measurements were carried out. Outcome: 77%.
- No (0) fossil-based carbon dioxide emissions from own operations at the end of 2020. Swedavia's own emissions decreased during the year to 83 tonnes and at the end of the year own emissions were 0 tonnes; the target was achieved.
- Share of renewable fuel to be at least 5% in 2025. Outcome: 0.15%, milestone target achieved.

### Public policy assignment and targets

According to its articles of association, Swedavia is to "participate actively, on a commercial basis, in the development of the Swedish transport sector and to contribute to the achievement of the transport policy objectives adopted by the Riksdag". Within the framework of the functional and consideration objectives of the transport policy, the enterprise has to measure and report outcomes for the following six public policy targets:

Tracking of public policy targets	2020	2019
Satisfied passengers, %	74	76
Number of passengers, domestic flights, millions	3.6	12.4
Number of passengers, international flights, millions	6.6	27.8
Number of international destinations	173	314
Number of accidents or serious incidents	2	3
Carbon dioxide footprint, kilotonnes <sup>a)</sup>	166	506



Chair: Åke Svensson



CEO: Jonas Abrahamsson

State holding: 100%

### Board and auditor elected for 2021/2022

**Chair:** Åke Svensson **Directors:** Tor Clausen, Nina Linander, Lotta Mellström, Lars Mydland, Eva Nygren, Per Sjödel, Lottie Svedenstedt and Annica Ånäs **Employee reps:** Agne Lindbom, Robert Olsson **Employee alts:** Conny Moholi, Mikael Nordenståhl

**Auditor:** Tomas Gerhardsson (KPMG)

The fee paid to the board chair is SEK 460 (450) thousand. The fee paid to directors elected by the AGM is SEK 230 (225) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	2 494	6 235
Operating profit	-1 539	856
Profit before tax	-1 672	736
Net profit	-1 282	583
- of which, minority interests	0	0

### Balance sheet, SEK m

	2020	2019
<b>Balance sheet, SEK m</b>		
Total assets	24 686	22 952
Non-current assets	21 934	21 038
Equity	10 533	9 440
- of which, minority interests	0	0
Net debt	10 231	10 688
Operating capital	20 764	20 128

### Other key indicators

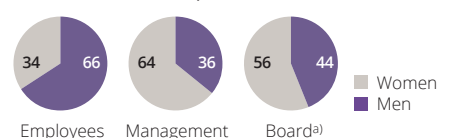
Operating margin, %	-63.9	11.4	
Return – equity, %	-12.8	6.7	
Return – operating capital, %	-7.5	4.6	
Net debt/equity ratio, multiple	1.0	1.1	
Equity/assets ratio, %	42.7	41.1	
Gross investments, SEK m	2 856	3 460	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	84	320
tCO <sub>2</sub> e	Scope 2	48	60
Sickness absence, %	3.7	4.4	
Average no of employees	2 600	3 050	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022

# Sweden House

AO Sweden House manages the “Sweden House” in St Petersburg, which has official, cultural and commercial functions. The Ministry for Foreign Affairs rents premises in the building for this purpose for the Consulate General of Sweden. The remaining premises are leased to enterprises with connections to Sweden and to Swedish and foreign companies. When it was established, a Sweden House in central St Petersburg was regarded as an aspect of developing relations between Sweden and Russia. It was considered important to give Swedish government agencies and Swedish business a natural base for their operations in St Petersburg. The project was to be implemented on commercial terms and have the long-term objective of independent financial viability. Since 2016, the enterprise pays a dividend to shareholders. The enterprise was formed through a tripartite agreement between the Swedish Government, the City of St Petersburg and Skanska. Skanska sold its 49% interest in the then AO Sweden House to CA Fastigheter in autumn of 2008. Sweden House is a Russian limited company owned 49% by Ladoga Holding AB (a subsidiary of CA Fastigheter), 36% by the Swedish State and 15% by the City of St Petersburg. Sweden House has the right to use the “Sweden House” complex, which contains around 4 400 sq.m. of lettable floor area, and the land for 49 years. Sweden House is in the centre of St Petersburg close to the main street, Nevsky Prospect. The favourable location, historical origin and design of the property make it attractive to potential tenants.

## Important events in 2020

- For large parts of 2020 restrictions of various kinds were in place in St Petersburg to deal with the pandemic situation. Despite this, the core activities of Sweden House were able to continue during the year.
- Its operating profit rose in 2020 compared with 2019 due to lower charges.
- At the end of the year all of the enterprise’s commercial premises were let and only one apartment was vacant. Demand for office space in central St Petersburg remains strong, but it is still unclear whether and, if so, how the pandemic will affect the market.

## Tracking

Competition has increased with the construction of new properties and renovation of the existing stock. In the next few years other construction projects in the city may lead to more office space coming on to the market. The effects of the pandemic on the market have been limited, which may change.



**Chair:** Jan Borekull

**CEO:** A management company performs the duties of the CEO.

**State holding:** 36%

**Board and auditor elected for 2021/2022**

**Chair:** Jan Borekull **Directors:** Lars Grundberg, Evgeny Grigoriev, Sofya Kiseleva and Lena Wedén

**Auditor:** Dmitry Mikhaylov (KBM Limited)

The fee paid to the board chair is USD 4 500 (4 500). The fee paid to directors elected by the AGM is USD 4 500 (4 500). No fee is paid to directors employed by the Government Offices or other persons who cannot accept such remuneration.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	11	11
Operating profit	6	6
Profit before tax	7	6
Net profit	5	5
- of which, minority interests	0	0

## Balance sheet, SEK m

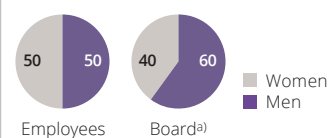
Total assets	31	25
Non-current assets	8	8
Equity	28	22
- of which, minority interests	0	0
Net debt	-23	-17
Operating capital	5	6

## Other key indicators

Operating margin, %	52.2	52.4
Return – equity, %	21.9	22.9
Return – operating capital, %	108.9	93.2
Net debt/equity ratio, multiple	-0.8	-0.7
Equity/assets ratio, %	89.2	88.0
Gross investments, SEK m	-	-
Appropriation, SEK m	0	0
Dividend, SEK m	5	0
Climate footprint	Scope 1	-
tCO <sub>2</sub> e	Scope 2	-
Sickness absence, %	3.0	0.0
Average no of employees	2	3

Reported in compliance with GRI	No
Externally assured GRI report	No
Reports in compliance with IFRS	No

## Gender distribution, %



a) Elected for 2021/2022

# Swedfund

Swedfund International AB, Swedfund, is a development finance institution tasked with helping to reduce poverty through sustainable business. Swedfund contributes venture capital, capacity support, start-up support and support for project development for investments in low- and middle-income countries. Together with its strategic partners, Swedfund establishes viable and commercially operated companies, mainly through direct investment in the form of equity or loans, but also indirectly through investments in funds. Investments are made in countries that qualify for development financing under the OECD/DAC's definition and contribute to attaining the objectives of Sweden's Policy for Global Development (PGD) and Swedish international development assistance. At the end of 2020 Swedfund had 65 investments in 16 countries; the majority of its portfolio was in Africa.

## Important events in 2020

- Swedfund's activities have been characterised by the pandemic and the multidimensional crisis it has contributed to creating.
- The contracted portfolio value at the end of the year was SEK 4 915m, corresponding to a decrease of around 12%.

## Targets and tracking

### Financial targets

- Profitability:** Operating profit (EBIT) to be positive, measured as an average over a five-year period. EBIT was SEK -372.6m (41.4m). The negative result is mainly affected by impairments and provisions for credit losses as well as effects of foreign currency translation.

### Targets for sustainable value creation, public policy assignment and public policy targets

Given Swedfund's special public policy assignment and public policy targets, which focus on value creation along with the 2030 Agenda, the board of Swedfund has decided that its public policy targets will also be Swedfund's strategic targets for sustainable value creation. Earnings growth in portfolio companies is reported with a lag of one year, which means that this year's report is based on the performance of the portfolio companies in 2019.

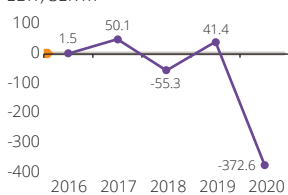
- Financially sustainable investments: Sales and profitability to increase in at least 60% of the enterprise's investments during the investment period. In 2019, 59% of Swed-

fund's direct holding showed an increase in both sales and profitability, while 25% showed a decrease in one or both parameters. Relevant data is not available for the remaining companies.

- The enterprise's additional role: Swedfund is to mobilise at least 30% in private capital in investments made. For 2020 Swedfund is estimated to have contributed private capital mobilisation corresponding to 42% of the total contracted value during the year.
- Sustainable investments in environmental and climate terms: The enterprise's investment portfolio to be climate neutral by 2045; this means zero net emissions of greenhouse gases from the portfolio according to the IPCC definition. Swedfund's investment portfolio displays a relatively high adaptation to the Paris Agreement. 90% of direct investments are considered to be in line with the Paris Agreement in both 2030 and 2045. Around 90% of indirect investments are considered to be in line with the Paris Agreement in 2030, with around 80% being so in 2045.
- Women's empowerment: Greater gender equality in the enterprise's investment portfolio in terms of the 2X Challenge criteria, or corresponding criteria, which are to be met in at least 60% of the enterprise's investments no later than three years after the investment. 52% of investments are judged to meet at least one of the 2X Challenge criteria based on 2019 data. Investments in the newer portfolio that meet the 2X criteria are already at the target level, 60%.
- Jobs with decent working conditions: Decent working conditions according to the ILO core conventions are to be complied with in 100% of the enterprise's investments no later than three years after the investment. 96% of portfolio companies held for a shorter period than three years are considered to have acted in compliance with the ILO core conventions in 2019. Of the portfolio companies held for a longer period than three years, 75% meet the requirements for acting in compliance with the ILO core conventions in Swedfund's assessment.

## Financial targets and tracking

Profitability  
EBIT, SEK m



— Target: >0 SEK m

● Outcome ● New target adopted by AGM



Chair: Göran Barsby



CEO: Maria Håkansson

**State holding:** 100%

**Board and auditor elected for 2021/2022**

**Chair:** Göran Barsby **Directors:** Fredrik Arp, Kerstin Borglin, Torgny Holmgren, Catrina Ingelstam, Daniel Kristiansson and Roshi Motman. New election of Jonas Eriksson at 2021 AGM, with Mikael Sandström stepping down

**Auditor:** Jennifer Rock-Baley (EY)

The fee paid to the board chair is SEK 233 (220) thousand. The fee paid to directors elected by the AGM is SEK 116 (110) thousand. No fee is paid to directors employed by the Government Offices.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	248	245
Changes in value	-432	-77
Operating profit	-373	41
Profit before tax	-376	35
Net profit	-375	41
- of which, minority interests	0	0

## Balance sheet, SEK m

	2020	2019
<b>Balance sheet, SEK m</b>		
Total assets	7 172	7 242
Non-current assets	2 900	3 191
Equity	6 094	5 669
- of which, minority interests	0	0
Net debt	-1 196	-639
Operating capital	4 897	5 029

## Other key indicators

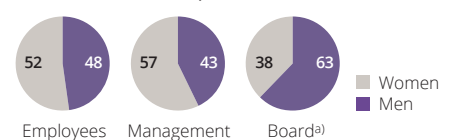
Operating margin, %	-150.3	16.9	
Return – equity, %	-6.4	0.8	
Return – operating capital, %	-7.5	0.8	
Net debt/equity ratio, multiple	-0.2	-0.1	
Equity/assets ratio, %	85.0	78.3	
Gross investments, SEK m	819	560	
Appropriation, SEK m	48	37	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	0	0
tCO <sub>2</sub> e	Scope 2	3	4
Sickness absence, %	1.2	1.0	
Average no of employees	46	41	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes (RFR 2)

## Priority Global Goals



## Gender distribution, %



a) Elected for 2021/2022



Systembolaget Aktiebolag has the sole right to conduct retail sales of strong beer, wine, spirits and alcoholic preparations to the public in Sweden. Its assignment is to sell responsibly, provide good service and inform people about the harm caused by alcohol. The aim is to improve public health by excluding private profit interests with retail sales and by restricting access. Systembolaget restricts access to alcohol by controlling the number and locations of stores as well as their opening hours and by ensuring that alcoholic drinks and preparations are not sold to people who are under the age of 20 or are noticeably intoxicated, or when there is reason to assume that the customer intends to sell the alcohol illegally. Systembolaget is to be a modern, effective retailer and to communicate a good drinking culture. The enterprise's operations are to be run in a way that ensures high quality in the performance of its assignment.

### Important events in 2020

- An increased share of customers made purchases via its online shop during the pandemic.
- The sales volume was SEK 569.1 (511.9) million litres. The main reason for the increase was that other purchasing channels were greatly restricted due to the pandemic.
- In March 2020 Systembolaget won the Confidence Barometer, in which 76% of Swedes thought that they have (very) high confidence in the enterprise.

### Targets and tracking

#### Financial targets

- **Profitability:** Return on equity to be the ten-year government bond rate plus 7 percentage points over the long term. The target was exceeded during the year.
- **Cost efficiency:** The ratio between total costs and sold volume to be  $\leq 2.3$ . The outcome was 2.3.
- **Capital structure:** Equity/assets ratio of 20–30%. The equity/assets ratio was in the target interval.
- **Dividend:** 80–100% of profit for the year. Dividend paid in line with policy.

#### Targets for sustainable value creation

- **Reduced climate impact:** Carbon dioxide emissions from drinks packaging, tonnes. Outcome was 182 500 tonnes CO<sub>2</sub>e, which was above the target of 165 800 tonnes, which is explained by increased sales in the wake of the pandemic. Carbon dioxide from distribution is a new key indicator,

and the objective is to decrease this over time.

- CSI Sustainability turned out to be 71.3, which is in line with the target. In the Sustainable Brand Index, a brand study focusing on sustainability, Systembolaget was placed as number 8 (12).

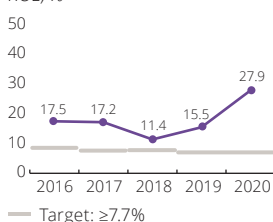
#### Public policy assignment and targets

Systembolaget's public policy assignment is to have the sole right to sell spirits, wine and strong beer and to do so responsibly, to provide good service and to inform the public about the harm caused by alcohol.

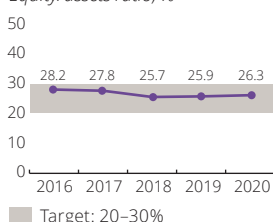
- Customer Satisfaction Index (CSI) not to be under 80 over time. CSI was 81.9 (85.1). The measurement method was changed during the period of the measurement; when this is taken into account, this year's result is in line with last year's.
- Alcohol consumption in Sweden: Systembolaget is to report total consumption and the percentage of the total volume purchased from Systembolaget. No target has been set for this assignment. Preliminary figures from the Swedish Council for Information on Alcohol and Other Drugs show that alcohol consumption was around 8.5 (9.0) litres per person. Systembolaget's share of consumption was 76% (65%) in 2020.
- The alcohol index, a measure of people's attitudes to alcohol in various situations, is to show a positive trend over time. A high score indicates a restrictive attitude. The alcohol index was 63.4 (62.8).
- Systembolaget is to check that sales staff make sure that the recipient is at least 20 years of age. The age check was 95.3% (95.1%) for 2020.

### Financial targets and tracking

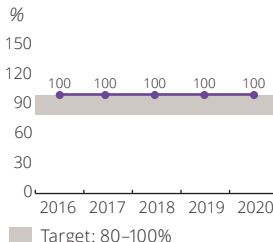
Profitability  
ROE, %



Capital structure  
Equity/assets ratio, %



Dividend  
%



— Target: ≥7.7%    — Target: 20–30%    — Target: 80–100%

◆ Outcome    ◆ New target adopted by AGM



Chair: Göran Hägglund



CEO: Magdalena Gerger

State holding: 100%

Board and auditor elected for 2021/2022

**Chair:** Göran Hägglund **Directors:** Viveca Bergstedt Sten, Robert Damberg, Cecilia Halle, Barbro Holmberg, Frida Johansson Metso, Håkan Leifman, Anders Ehrling and Ulrika Eriksson

**Employee reps:** Robert Adrell, Maria Nilsson

**Employee alts:** Karin Larsson, Nils Undall-Behrend **Auditor:** Didrik Roos (Deloitte)

The fee paid to the board chair is SEK 338 (308) thousand. The fee paid to directors elected by the AGM is SEK 167 (154) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
--	------	------

#### Income statement, SEK m

Net sales	36 737	32 211
Operating profit	525	262
Profit before tax	572	304
Net profit	471	240
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	6 815	6 107
Non-current assets	3 224	3 306
Equity	1 794	1 563
- of which, minority interests	0	0
Net debt	-4 646	-4 284
Operating capital	-2 852	-2 721

#### Other key indicators

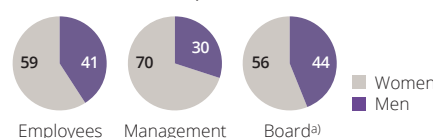
Operating margin, %	1.4	0.8
Return – equity, %	27.9	15.5
Return – operating capital, %	-18.9	-9.9
Net debt/equity ratio, multiple	-2.6	-2.7
Equity/assets ratio, %	26.3	25.9
Gross investments, SEK m	1 359	1 352
Appropriation, SEK m	0	0
Dividend, SEK m	471	240
Climate footprint Scope 1	161	304
tCO <sub>2</sub> e Scope 2	3 678	3 355
Sickness absence, %	5.9	4.5
Average no of employees	3 884	3 613

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes (RFR 2)

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



Telia Company AB offers telecom services through fixed and mobile telephony and through internet and data communication. Telia Company is one of the leading telecom companies in the Nordic and Baltic regions.

### Important events in 2020

- On 4 May 2020 Allison Kirkby took up the position of CEO and President.
- On 26 March 2020 the enterprise announced that its prospects for 2020 would not be achieved and that the enterprise would revert with an updated view of its prospects for 2020. This was related to greater uncertainty since the pandemic had impacted on the TV and Media segment. At the same time, the board adjusted the proposed dividend from the previous level of SEK 2.45 per share to SEK 1.80 per share.
- In October Telia Company reached an agreement with Polhem Infra on the sale of its international carrier operations, Telia Carrier, for SEK 9 450m on a debt-free basis.
- On 6 October 2020 it was announced that the board had decided to propose a further dividend of SEK 0.65 per share, returning the total dividend for 2019 to SEK 2.45 per share, as originally proposed in January 2020.

### Targets and tracking

On 29 January 2021 Telia Company held an investor presentation at which group management presented an update of Telia Company's future strategy, operational and functional ambitions and dividend policy.

### Financial targets

No financial targets have been adopted by the owners. The board has adopted the following financial targets:

- **Capital structure/credit rating target:** Solid long-term credit rating (A- to BBB+) and net debt in relation to EBITDA of 2.0–2.5 as a multiple. The enterprise's

credit rating was solid (BBB+) in the long term with stable prospects during the year, in line with the target, while net debt was 2.55 x EBITDA (2.33 x EBITDA pro forma for the sale of Telia Carrier).

- **Dividend:** Telia Company intends to follow a progressive dividend policy with a floor of SEK 2.00 per share, with an ambition of low to moderate single-figure percentage growth. The dividend proposed for 2020 is 2.00 per share.

### Targets for sustainable value creation

Telia Company has priority targets in the following areas:

- Environment
- Freedom of expression and surveillance privacy
- Customer privacy and information security
- Children's rights
- Health and well-being
- Responsible purchasing
- Anti-corruption

Telia Company has adopted new environmental targets to be achieved by 2030. The targets were presented at a capital market day in March 2019 and consist of three parts: zero CO<sub>2</sub> emissions and zero waste from own operations through full employee engagement.

### Public policy assignment

No specifically adopted public policy assignment.



**Chair:** Lars-Johan Jarnheimer



**CEO:** Allison Kirkby

**State holding:** 39%

### Board and auditor elected for 2021/2022

**Chair:** Lars-Johan Jarnheimer **Directors:** Ingrid Bonde, Rickard Gustafson, Jeanette Jäger, Nina Linander, Jimmy Maymann and Martin Tivéus. New election of Luisa Delgado at 2021 AGM, with Anna Settmann and Olaf Swantee stepping down  
**Employee reps:** Agneta Ahlström, Stefan Carlsson, Hans Gustavsson  
**Auditor:** Jan Nilsson (Deloitte)

The fee paid to the board chair is SEK 1 910 (1 825) thousand and the fee paid to the vice chair is SEK 900 (860) thousand. The fee paid to directors elected by the AGM is SEK 640 (610) thousand.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	89 191	85 965
Operating profit	-17 747	12 293
Profit before tax	-21 065	9 354
Net profit	-22 756	7 261
- of which, minority interests	156	167

### Balance sheet, SEK m

Total assets	226 683	264 072
Non-current assets	189 668	224 088
Equity	63 954	92 455
- of which, minority interests	1 118	1 409
Net debt	74 222	80 876
Operating capital	138 176	173 332

### Other key indicators

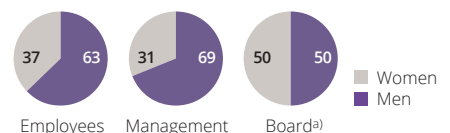
Operating margin, %	-19.9	14.3	
Return – equity, %	-29.1	8.4	
Return – operating capital, %	-11.4	7.3	
Net debt/equity ratio, multiple	1.2	0.9	
Equity/assets ratio, %	24.6	31.3	
Gross investments, SEK m	18 996	29 214	
Appropriation, SEK m	0	0	
Dividend, SEK m	8 179	10 020	
Climate footprint	Scope 1	7 000	7 000
tCO <sub>2</sub> e	Scope 2	6 000	47 000
Sickness absence, %	2.5	2.7	
Average no of employees	20 505	20 215	

Reported in compliance with GRI	No
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022

Teracom AB was formed in 1992 to operate broadcasting and transmission of radio and television programmes. Teracom has an important role in bringing the whole of the population within the reach of radio and TV transmissions via the terrestrial networks. Teracom owns nationwide infrastructure that is the basis of the terrestrial network. As a consequence of technical development and on the basis of this infrastructure, Teracom also offers, develops and operates communications solutions focusing on high security and robustness and aimed at essential actors. Electronic communications with high reliability and strong protection are of very great importance for the functioning and security of society and the possibilities of dealing with various crisis situations.

## Important events in 2020

- Sales were, as expected, lower in 2020 partly because of lower TV revenue, but earnings improved chiefly as a result of efficiency improvement programmes.
- Increased focus on and action for communications for essential actors.
- Teracom's articles of association were amended in August in accordance with the assignment adopted by the Riksdag.

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of 17%. Return on equity was 4% (2%). The profit for 2020 was higher than for 2019, partly as a result of ongoing efficiency improvement programmes.
- **Capital structure:** Equity/assets ratio of 30%. The equity/assets ratio was 77% (75%). The Government had previously announced that the enterprise's financial targets will be reviewed.
- **Dividend:** 40–60% of net profit. The dividend was SEK 66m (51m), corresponding to 60% of the net profit.

### Targets for sustainable value creation

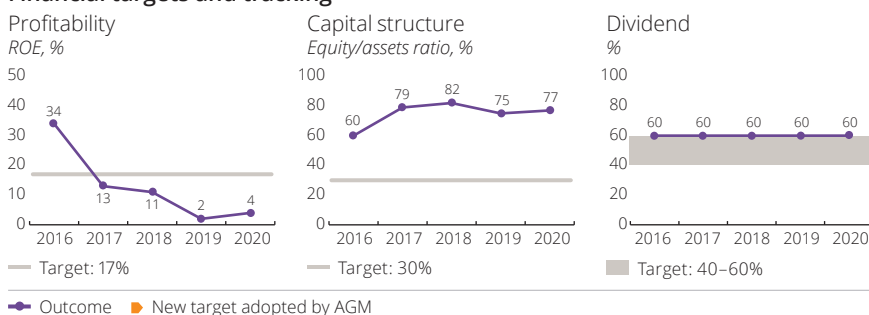
- Teracom has four strategic sustainability areas:
  1. Responsibility for our staff
  2. Responsibility for our principals and society
  3. Responsibility for our business
  4. Responsibility for our future.
- Based on these areas, the enterprise has analysed how they can contribute to the global SDGs of the 2030 Agenda.

Renewed clear sustainability targets will be drafted in 2021.

### Public policy assignment

Teracom has a specifically adopted public policy assignment to operate broadcasting and transmission of radio and television programmes and conduct related activities. The company is to offer programming companies broadcasting and transmission services on equal terms in Sweden. If there is demand from programming companies, the enterprise is to provide basic infrastructure across all or parts of Sweden. This applies provided that the programming companies are required by their broadcasting licences to broadcast or transmit with the reach demanded in a terrestrial network. With these starting points and its regulatory context, the enterprise is to operate solely on a commercial basis. Its public policy assignment is tracked in the Government Offices. Targets according to the public policy targets process have not yet been developed.

## Financial targets and tracking



Chair: Anitra Steen



CEO: Åsa Sundberg

State holding: 100%

### Board and auditor elected for 2021/2022

**Chair:** Anitra Steen **Directors:** Cecilia Ardstrom, Anders Danielsson, Leif Ljungqvist, Annika Viklund, Anders Hall and Jonas Haggren

**Employee reps:** Jessica Orwald, Jan Ossfeldt

**Employee alts:** Robert Esperer, Bengt-Ole Hamilton **Auditor:** Helena Nilsson (KPMG)

The fee paid to the board chair is SEK 310 (295) thousand. The fee paid to directors elected by the AGM is SEK 147 (140) thousand. No fee is paid to directors employed by the Government Offices.

### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	1 338	1 366
Operating profit	156	124
Profit before tax	151	111
Net profit	135	85
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	4 824	4 737
Non-current assets	2 983	1 850
Equity	3 701	3 571
- of which, minority interests	0	0
Net debt	-2 386	-2 384
Operating capital	1 315	1 186

### Other key indicators

Operating margin, %	11.7	9.1
Return – equity, %	3.7	2.3
Return – operating capital, %	12.5	11.0
Net debt/equity ratio, multiple	-0.6	-0.7
Equity/assets ratio, %	76.7	75.4
Gross investments, SEK m	464	1 444
Appropriation, SEK m	10	9
Dividend, SEK m	66	51
Climate footprint Scope 1	1 581	1 367
tCO <sub>2</sub> e Scope 2	25	1 103
Sickness absence, %	2.3	2.7
Average no of employees	459	488

Reported in compliance with GRI Yes

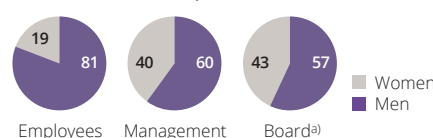
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



a) Elected for 2021/2022



Vasallen AB was formed in 1997 with the assignment of transforming former defence facilities. Since its start, the enterprise has worked with a total of 1.3 million sq.m. of non-residential floor area. Vasallen's activities are now entering a final phase. All of its remaining activities are on Rindö, where most of the properties have been sold with later entry dates. As regards the properties still to be sold, the aim is to complete their sale as soon as possible. The plan is now to wind up the enterprise in the coming years.

### Important events in 2020

- Activities are now in their final phase.
- Non-residential floor area decreased to 7 000 (14 200) sq.m. Capital gains from project development continued to decrease to SEK -6.2m (11.8m).

### Targets and tracking

#### Financial targets

- **Profitability:** Return on average equity over a development cycle to be equal to the risk-free rate plus 4 percentage points. The return was negative in 2020, and the average return for the past 10 years is 8.1%. The return target for the past 10 years is an average of 5.1%. The target was therefore achieved.
- **Capital structure:** Equity/assets ratio of at least 50% and interest coverage ratio above 2 as a multiple. The equity/assets ratio was above 50%. The interest coverage ratio is negative, so the target was not achieved.
- **Dividend:** 30–50% of profit after tax. A dividend of SEK 50m has been decided for 2020.

#### Targets for sustainable value creation

- Customer Satisfaction Index (CSI) of at least 80. No CSI survey was conducted in 2017–20 as the customer base is too small. The CSI survey for 2016 gave a score of 85, which is above target.
- Sickness absence not to be above 3%. Sickness absence was 0.0%, so the target was met.
- Energy consumption below 100 kWh/m<sup>2</sup> and year. Energy consumption for 2020 was 43 (54) kWh, which is lower than in the preceding year. So the target of 100 kWh/m<sup>2</sup> was met. The figures have been adjusted to make them comparable between years since there have also been changes in the warm areas in the stock, i.e. the areas where Vasallen pays for consumption. Energy declarations have been made for all buildings for which this is required.

#### Public policy assignment

No specifically adopted public policy assignment.



Chair: Charlotte Axelsson



CEO: Leif Rytter

State holding: 100%

#### Board and auditor elected for 2021/2022

Chair: Charlotte Axelsson Directors: Lars Erik Fredriksson, Tomas Werngren and Susanna Widaeus Auditor: Gunilla Andersson (EY)

The fee paid to the board chair is SEK 160 (160) thousand. The fee paid to directors elected by the AGM is SEK 80 (80) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

2020 2019

#### Income statement, SEK m

Net sales	3	7
Operating profit	-11	-23
Profit before tax	-17	-10
Net profit	-16	-12
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	237	385
Non-current assets	137	112
Equity	224	366
- of which, minority interests	0	0
Net debt	-89	-237
Operating capital	135	129

#### Other key indicators

Operating margin, %	-489.7	-154.6	
Return – equity, %	-5.6	-3.2	
Return – operating capital, %	-12.9	-8.8	
Net debt/equity ratio, multiple	-0.4	-0.6	
Equity/assets ratio, %	94.8	95.1	
Gross investments, SEK m	32	49	
Appropriation, SEK m	0	0	
Dividend, SEK m	50	125	
Climate footprint	Scope 1	-	-
tCO <sub>2</sub> e	Scope 2	-	-
Sickness absence, %	0.0	0.0	
Average no of employees	1	1	

Reported in compliance with GRI Yes

Externally assured GRI report Yes

Reports in compliance with IFRS No <sup>a)</sup>

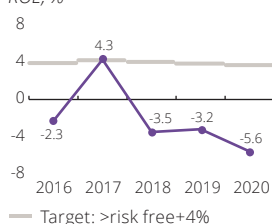
#### Priority Global Goals



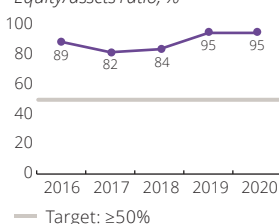
a) The enterprise has converted its financial reporting from IFRS to BFAR 2012:1 Annual and consolidated accounts (K3) as of 2019.

### Financial targets and tracking

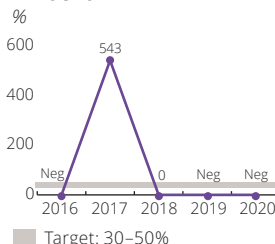
Profitability  
ROE, %



Capital structure  
Equity/assets ratio, %



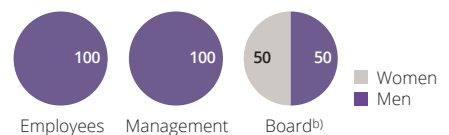
Dividend  
%



Legend: Outcome (purple line), New target adopted by AGM (orange square)

The dividend share is negative in 2016 and 2019–20 since losses were reported for these years.

#### Gender distribution, %



b) Elected for 2021/2022

# VATTENFALL

Vattenfall AB is an energy enterprise mainly operating in Sweden, Germany, the Netherlands, Denmark and the UK. Vattenfall wants to make fossil-free living possible within one generation. This is why the enterprise is driving the transition to a sustainable energy system by investing in renewable production and climate-smart solutions for its customers. The period profit for 2020 was SEK 7.7bn, which is a decrease of SEK 7.1bn.

## Important events in 2020

- Mild weather and substantial precipitation have contributed to an unusually high hydrological balance, which has put pressure on electricity prices in the Nordic Region.
- Permanent closure of Ringhals 1 on 31 December.
- Important progress in investment projects for sea-based wind power, including investment decision for Hollandse Kust Zuid 1-4 in the Netherlands.
- The Princess Ariane wind farm in the Netherlands came into operation.
- Continued high demand for new connections to both the regional and local grid.
- Vattenfall offers the State of Berlin the opportunity to buy all of the shares in the electricity grid company Stromnetz Berlin GmbH.
- Support for closure of the Moorburg power station in Hamburg and large write-downs for the plant.
- Inauguration of the pilot plant for HYBRIT, a partner project for fossil-free steel production.
- Anna Borg took up the position of new CEO and President on 1 November.

## Targets and tracking

### Financial targets

- Profitability:** Return on capital employed (ROCE) of  $\geq 8\%$ . The outcome was 5.8%.
- Capital structure:** Funds from operations (FFO)/adjusted net debt to be 22–27%. The outcome was higher than in 2019 at 28.8%, which is mainly due to a reduced adjusted net debt on account of a positive cash flow after investments and positive currency effects.
- Dividend:** 40–70% of net profit after tax. The dividend for 2020 was SEK 4.0bn.

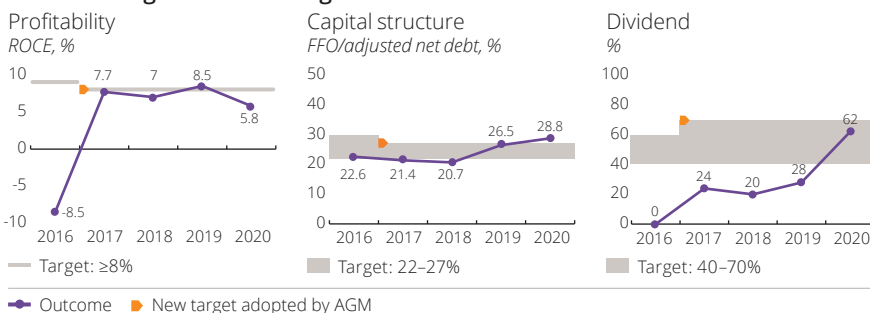
### Targets for sustainable value creation

- Customer loyalty, measured using the Net Promoter Score (NPS), to be positive in absolute terms and +2 in comparison with Vattenfall's competitors. For 2020 NPS was +2.
- Commissioned new renewables capacity to be at least 2 300 MW, cumulative from 2016 to 2020. A total of 1 560 MW has been installed, including a total of 334 MW in 2020.
- Absolute carbon dioxide emissions to be at most 21 million tonnes in 2020. The emissions for 2020 were 12.0 million tonnes.
- Lost Time Injury Frequency (LTIF), expressed as the number of accidents per 1 million hours worked, to be at most 1.25. For 2020 LTIF was 1.8.
- Employee engagement index to be at least 70%. For 2020, this index was 72%.

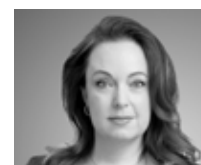
### Public policy assignment

No specifically adopted public policy assignment.

## Financial targets and tracking



Chair: Lars G Nordström



CEO: Anna Borg

State holding: 100%

Board and auditor elected for 2021/2022

**Chair:** Lars G Nordström **Directors:** Viktoria Bergman, Ann Carlsson, Håkan Erixon, Mats Granryd, Tomas Kåberger, Jenny Lahrin, Fredrik Rystedt and Åsa Söderström Winberg **Employee rep:** Robert Lönnqvist, Rolf Ohlsson, Jeanette Regin **Employee aits:** Lennart Bengtsson, Anders Bohlin, Christer Gustafsson **Auditor:** Eva Carlsvi (PwC)

The fee paid to the board chair is SEK 840 (790) thousand. The fee paid to directors elected by the AGM is SEK 390 (370) thousand. No fee is paid to directors employed by the Government Offices.

## Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	158 847	166 360
Operating profit	15 276	22 141
Profit before tax	12 006	18 322
Net profit	7 716	14 861
- of which, minority interests	1 227	1 688

	2020	2019
<b>Balance sheet, SEK m</b>		
Total assets	463 248	450 780
Non-current assets	347 367	354 194
Equity	111 192	108 522
- of which, minority interests	13 468	14 891
Adjusted net debt	121 480	132 014
Operating capital	232 672	240 536

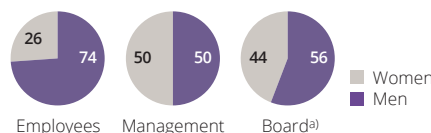
	2020	2019	
<b>Other key indicators</b>			
Operating margin, %	9.6	13.3	
Return – equity, %	6.7	14.0	
Return – operating capital, %	6.5	9.7	
Net debt/equity ratio, multiple	0.4	0.6	
Equity/assets ratio, %	24.0	24.1	
Gross investments, SEK m	21 347	26 833	
Appropriation, SEK m	0	0	
Dividend, SEK m	4 000	3 623	
Climate footprint	Scope 1	12.2M	18.4M
tCO <sub>2</sub> e	Scope 2	115 814	121 165
Sickness absence, %	3.5	3.7	
Average no of employees	19 859	19 815	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

## Priority Global Goals



## Gender distribution, %



a) Elected for 2021/2022



## Development of Vattenfall in relation to EU 2020 targets

When Vattenfall's mission was clarified in 2010, the Riksdag Committee on Industry and Trade<sup>a)</sup> raised the importance of the Government providing the Riksdag with regular information about the develop-

ment and operations of Vattenfall with the EU 2020 targets as a reference point. This report is therefore given each year in this annual report.

Vattenfall has defined its aim as "Power Climate Smarter Living" with the objective of offering all its customers climate-smart energy and making a fossil-free life possible within one generation.

	Objective	Strategy	Development in 2020										
<b>Carbon dioxide emissions</b>	Implement the action plan for reduced emissions of carbon dioxide so as to be fossil-free within one generation and climate-neutral in the Nordic Region by 2030. Strategic target to reach absolute emissions of 21 million tonnes in 2020.	Vattenfall has produced an action plan for reducing carbon dioxide emissions with the targets of: being fossil-free within one generation; working for emissions reductions in dialogue with its suppliers; enabling customers to reach their climate targets; and developing fossil-free solutions for energy-intensive industry and transport through electrification.	Carbon dioxide emissions in 2020 of 12.0 (19.3) Mtonnes were lower than in 2019. The decrease is mainly explained by lower coal-fired production. Emissions in 2019 include heating services in Hamburg, which have been sold and which had emissions of 1.1 Mtonnes in January–September. <div style="text-align: right;"> <b>Carbon dioxide emissions</b> <table border="1"> <caption>Carbon dioxide emissions (Mtonnes)</caption> <thead> <tr> <th>Year</th> <th>CO<sub>2</sub>, Mtonnes</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>22.0</td> </tr> <tr> <td>2019</td> <td>19.3</td> </tr> <tr> <td>2020</td> <td>12.0</td> </tr> <tr> <td>2020 target</td> <td>21.0</td> </tr> </tbody> </table> </div>	Year	CO <sub>2</sub> , Mtonnes	2018	22.0	2019	19.3	2020	12.0	2020 target	21.0
Year	CO <sub>2</sub> , Mtonnes												
2018	22.0												
2019	19.3												
2020	12.0												
2020 target	21.0												
<b>Renewables</b>	Vattenfall's aim is to be a leading developer and operator of wind power in northwest Europe, with the target of achieving at least 2 300 MW of new renewable capacity accumulated over 2016–2020.	Vattenfall is to be a leader in the development, construction and operation of land- and sea-based wind power. This will be achieved by: continuing to strengthen its pipeline for projects, becoming a leader in LEC (Levelised Energy Costs, i.e. average production costs), being innovative in operation and maintenance and digitalising the value chain, combining sun, wind and battery technology for renewable hybrid power plants and decoupling the delivery of electricity to a greater extent from actual production.	A total of 334 MW of renewable capacity was installed in 2020. Most of this relates to the land-based wind farm Princess Ariane. An additional 3 GW is under construction and more than 4 GW is in the pipeline for development. The total accumulated renewable capacity that came into operation in 2016–2020 was 1 560 MW. The target was not achieved on account of project delays, mainly Kriegers Flak (605 MW) in Denmark, which will come into operation in 2021. <div style="text-align: right;"> <b>New, renewable capacity</b> <table border="1"> <caption>New, renewable capacity (MW)</caption> <thead> <tr> <th>Year</th> <th>New capacity (MW)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>752</td> </tr> <tr> <td>2019</td> <td>1 226</td> </tr> <tr> <td>2020</td> <td>1 560</td> </tr> <tr> <td>2020 target</td> <td>2 300</td> </tr> </tbody> </table> </div>	Year	New capacity (MW)	2018	752	2019	1 226	2020	1 560	2020 target	2 300
Year	New capacity (MW)												
2018	752												
2019	1 226												
2020	1 560												
2020 target	2 300												
<b>Increased energy efficiency</b>	1 000 GWh as internal saving in 2020 compared with 2015.	Vattenfall is working continually to increase energy efficiency by: <ul style="list-style-type: none"> <li>• expanding district heating.</li> <li>• conducting energy surveys.</li> <li>• changing/upgrading to more energy efficient components.</li> <li>• helping customers with energy efficiency.</li> </ul>	In 2020 the enterprise achieved 146 GWh in energy efficiency improvements. This was mainly done by upgrading hydropower plants and distribution grids and by replacing local boilers with district heating. The total increase in energy efficiency in 2016–2020 is 1 040 GWh. <div style="text-align: right;"> <b>Increase in energy efficiency</b> <table border="1"> <caption>Increase in energy efficiency (GWh)</caption> <thead> <tr> <th>Year</th> <th>Efficiency gain (GWh)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>694</td> </tr> <tr> <td>2019</td> <td>894</td> </tr> <tr> <td>2020</td> <td>1 040</td> </tr> <tr> <td>2020 target</td> <td>1 000</td> </tr> </tbody> </table> </div>	Year	Efficiency gain (GWh)	2018	694	2019	894	2020	1 040	2020 target	1 000
Year	Efficiency gain (GWh)												
2018	694												
2019	894												
2020	1 040												
2020 target	1 000												

Source: Vattenfall's annual report 2020, Vattenfall

a) Riksdag Cmte Rep. 2009/10:NU23.



Up until an EGM on 22 January 2021 V.S. VisitSweden AB's assignment was to use effective communication channels to market Sweden as a tourist country to foreign target groups and contribute to increasing Sweden's attractiveness as a destination and to conduct PR and marketing measures, on market terms and for a market return, regarding specific destinations in Sweden and Sweden as a tourist country. At an EGM on 22 January 2021 its assignment was amended to being "to use effective communication channels to market the whole of Sweden as a tourist country and contribute to increasing Sweden's attractiveness as a destination and to conduct PR and marketing measures, on market terms and for a market return, regarding specific destinations in Sweden and Sweden as a tourist country". On 1 January 2020 the Swedish State (through the Ministry of Enterprise and Innovation) acquired Svensk Turism AB's shares in V.S. VisitSweden AB, Visit Sweden, and the enterprise therefore became fully state-owned. Through its activities Visit Sweden contributes to greater international knowledge about and demand for Sweden as a travel destination. The visitor industry offers an important and growing job market in Sweden and the enterprise's operations are expected to contribute to this positive development.

### Important events in 2020

- The subsidiaries in Finland and Norway were dissolved in 2020. The subsidiaries in Denmark and Spain were dissolved in 2021.
- The activities in Denmark and Norway were wound up and the number of employees decreased by 17 in the first half of the year.
- Visit Sweden was given an extra state appropriation of SEK 10m so as to finance the transition required to enable the enterprise to deliver the public benefit that its activities entail.
- Visit Sweden was given an extra state appropriation for 2021 of SEK 20m so as to finance its planned transition and of SEK 20m to finance Sweden as a destination for domestic target groups, the "Swecation/Holiday in Sweden", in response to the change in its assignment in 2021.
- Adoption of new strategic targets for sustainable value creation.

### Targets and tracking

#### Financial targets

No financial targets have been adopted by the general meeting.

#### Targets for sustainable value creation

- Interest in the target group in visiting Sweden. In 2025 68% (2019: 61%) of the "Global Traveller" target group to be interested in visiting Sweden (according to Visit Sweden's Brand Tracking analysis on priority markets).
- Business benefit experienced by visitor industry stakeholders. 2021: 5.5/10, 2023: 6/10, 2025: 7/10 (Measurement through annual questionnaire to visitor industry actors, CSI, baseline measurement, 2021).
- Commercial cooperation generating increased marketing of Destination Sweden. Sales target: 2021 SEK 22m, 2023 SEK 29.5m, 2025 SEK 38.5m.
- Digitalisation: Scope for marketing of the Whole of Sweden, including Swecation/Holiday in Sweden, to increase by 20% per year.

#### Public policy assignment

Visit Sweden has a specifically adopted public policy assignment, and operations within this assignment are funded through appropriations. Its public policy assignment is tracked in the Government Offices. Targets according to the public policy targets process have not yet been developed but will be drafted soon.



Chair: Karin Johansson



CEO: Susanne Andersson (acting)

State holding: 100%

#### Board and auditor elected for 2021/2022

Chair: Karin Johansson Directors: Lars Johansson, Jenny Lahrin, Magnus Lönn, Jonas Siljhammar, Richard Törnblom and Jari Virtanen. Susanne Andersson stepped down in Feb. 2021 on account of appointment as CEO Employee reps: Charlotta Barnden Uddén, Lena Gunnerhed Auditor: Linda Corneliussen (PwC)

The fee paid to the board chair is SEK 165 (150) thousand. The fee paid to directors elected by the AGM is SEK 78 (71) thousand. No fee is paid to directors employed by the Government Offices.

#### Key indicators

##### Income statement, SEK m

	2020	2019
Net sales	146	215
Operating profit	8	-3
Profit before tax	8	-3
Net profit	8	-4
- of which, minority interests	0	0

##### Balance sheet, SEK m

	2020	2019
Total assets	56	58
Non-current assets	2	3
Equity	22	14
- of which, minority interests	0	0
Net debt	-19	-16
Operating capital	3	-2

##### Other key indicators

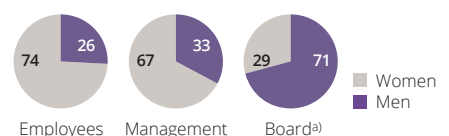
Operating margin, %	5.7	-1.6	
Return - equity, %	44.6	-22.5	
Return - operating capital, %	1 486.9	-103.4	
Net debt/equity ratio, multiple	-0.9	-1.1	
Equity/assets ratio, %	39.5	24.5	
Gross investments, SEK m	0	2	
Appropriation, SEK m	125	126	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	0	0
tCO <sub>2</sub> e	Scope 2	20	37
Sickness absence, %	0.8	2.0	
Average no of employees	59	71	

Reported in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	No

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022



Voksenåsen is Norway's national gift to Sweden as thanks for humanitarian aid during World War II, and its aim is to foster Swedish-Norwegian understanding. Its activities are run as a centre for Swedish-Norwegian cooperation and as a course and conference hotel. Voksenåsen AS is a Norwegian limited company fully owned by the Swedish State through the Ministry of Culture. The surplus from its commercial activities is to be used for activities that promote the purpose of the enterprise.

### Important events in 2020

- Voksenåsen's public activities were greatly reduced in 2020 due to the pandemic.
- The programme activities implemented were also greatly curtailed but included a Summer Academy for young musicians and the formation of a Swedish-Norwegian youth network for democracy and freedom of expression.
- Voksenåsen celebrated its 60th anniversary during the year with digital celebrations with the participation of the Minister for Culture and Democracy.
- A renovation of its premises was carried out during the year by the National Property Board of Sweden.
- Cooperation was started with a hotel actor to handle bookings to the hotel side of activities.

### Targets and tracking

#### Financial targets

No financial targets adopted by the owner.

#### Targets for sustainable value creation

- Voksenåsen is to continue to be a leading Nordic course and conference centre, including from an international perspective. A strategy has been developed for the coming years, one purpose being to improve synergies between non-profit activities and commercial operations. A transition process has been started to respond better to market challenges.
- The unique character of Voksenåsen makes the institution particularly well suited to be an arena for conversations with an international flavour containing themes relevant to both countries.

#### Public policy assignment

The national gift of Voksenåsen has a specifically adopted public policy assignment to:

- conduct various kinds of activities.
- reinforce the affinity between Swedes and Norwegians and enhance mutual knowledge about each country's society, language and culture.
- be a natural meeting place and a well-used forum for debate on culture and society in Sweden and Norway. Voksenåsen is therefore to host a high share of its events in partnership with public authorities and organisations in Norway and Sweden and offer a varied programme.
- offer a competitive residential environment and perform well in competition with similar facilities in the Oslo area and also achieve good profitability while maintaining respect for Voksenåsen's fundamental purpose.

#### Tracking of the public policy assignment:

Its programme activities include themes relevant to both countries, with extensive collaboration between various organisations and institutions in both Norway and Sweden. In 2020 work continued, despite the prevailing circumstances, to live up to the vision of being an arena for the most important Nordic conversations. Other important areas given priority are: history, truth and politics, Voksenåsen's stage and courses in language and music.

Targets according to the public policy targets process have not yet been developed.



Chair: Lena Ek



CEO: Maria af Klinteberg Herrestahl

**State holding:** 100%

#### Board and auditor elected for 2021/2022

**Chair:** New election of Lena Ek at AGM 2021, with Maria Larsson stepping down **Directors:** Espen Daae, Jan Gulliksen, Niels Righolt, Mia Kjäll Spendrup and Knut Storberget. New election of Lubna Jaffery and Anna Sjöström Douagi at 2021 AGM, Helene Larsson Pousette stepped down in autumn 2020

**Auditor:** Trine Angell-Hansen (RSM Norge AS)

The fee paid to board chair is SEK 62 (59) thousand. The fee paid to directors elected by the AGM is SEK 24 (22) thousand.

#### Key indicators

	2020	2019
<b>Income statement, SEK m</b>		
Net sales	18	43
Operating profit	2	-2
Profit before tax	2	-2
Net profit	2	-2
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	13	13
Non-current assets	5	8
Equity	5	3
- of which, minority interests	0	0
Net debt	2	2
Operating capital	7	5

#### Other key indicators

Operating margin, %	11.4	-3.9	
Return - equity, %	51.1	-42.6	
Return - operating capital, %	33.8	-25.8	
Net debt/equity ratio, multiple	0.3	0.6	
Equity/assets ratio, %	40.5	26.4	
Gross investments, SEK m	0	1	
Appropriation, SEK m	24	12	
Dividend, SEK m	0	0	
Climate footprint	Scope 1	9	73
tCO <sub>2</sub> e	Scope 2	0	0
Sickness absence, %	6.9	10.3	
Average no of employees	38	40	

Reported in compliance with GRI Yes

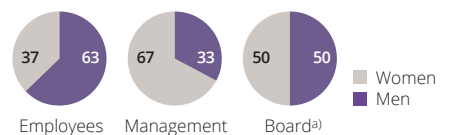
Externally assured GRI report Yes

Reports in compliance with IFRS No

#### Priority Global Goals



#### Gender distribution, %



a) Elected for 2021/2022

## Other enterprises and operations

The European company EUROFIMA and the two foundations, Norrlandsfonden and Industrifonden, are managed in accordance with State Ownership Policy.

### EUROFIMA

EUROFIMA European Company for the Financing of Railroad Rolling Stock provides financing of rail rolling stock for its shareholders. They are mainly European rail companies. The company was formed in 1956 on the basis of a treaty between a number of European countries. On account of subsequent changes in Europe, with a gradual liberalisation of the rail market for passenger trains, the company is facing a number of challenges. The company's future relevance can be increased by adapting its strategy and statutes to these changes. The Swedish State owns 2% of the share capital. The largest shareholders are Deutsche Bahn (22%), SNCF (22%) and Ferrovie dello Stato Italiane S.p.A. (13%).

#### Important events in 2020

- EUROFIMA introduced hedge accounting during the year, ahead of the LIBOR reform. EUROFIMA issued the majority of its bonds under the 'Green Bond Framework'.
- In 2020 lending amounted to EUR 2 908m and the loan stock increased by 7.2% to EUR 10.9bn. The main borrowers were Schweizerische Bundesbahnen (SBB), Renfe and Ferrovie Dello Stato Italiane (FS).

EUROFIMA decided to pay a dividend for 2020. Sweden's share was EUR 120 000.

### Industrifonden

The Industrifonden foundation was formed by the State in 1979. The foundation's purpose is to promote industrial growth and renewal in Sweden by financing small and medium-sized enterprises on commercial terms. Its capital base is to be kept intact in real terms. All surpluses are used for new investments. Industrifonden invests venture capital in companies with Swedish links. The foundation is an active minority-share investor that seeks a holding of 15–50% and cooperates with entrepreneurs and other investors. As a rule, its investment horizon is 5–10 years. Industrifonden's successful investments include Arcam, Oatly and CellaVision.

Industrifonden has 20 employees, 9 women and 11 men. Its capital base on 30 June 2019 was just over SEK 4bn, about half of which is invested in some 50 companies. In financial year 2019/20 the foundation invested SEK 495m: SEK 92m in five new companies and SEK 403m as follow-on investments in existing portfolio companies.

The board of directors and auditors of Industrifonden are appointed by the Government. For the period 1 November 2020–31 October 2021 the Government has appointed the following directors and auditors: **Chair:** Birgitta Stymne Göransson **Directors:** Åsa Hedin, Lars Gatenbeck, Daniel Kristiansson, Charlotta Nilsson, Bo Normark, Christian Salomon, Maria Strömme. **Auditors:** Jonas Ståhlberg, Daniel Wassberg (Deloitte). The fee paid to the board chair is SEK 200 (200) thousand. The fee paid to directors is SEK 100 (100) thousand. No fee is paid to directors employed by the Government Offices.

### Norrlandsfonden

The Norrlandsfonden foundation was formed in 1961. The foundation capital has been provided by LKAB and the State. The purpose of Norrlandsfonden is to promote the development of companies with growth ambitions in the counties of Gävleborg, Västernorrland, Jämtland, Västerbotten and Norrbotten by contributing to their financing. In the long term the foundation's capital base is to be preserved intact in nominal terms. Norrlandsfonden offers loans, convertible debentures and various types of guarantees to companies in northern Sweden. It is to give particular attention to Norrbotten County and the inland municipalities. Norrlandsfonden is also a part-owner of several companies with venture capital and incubator operations, such as Partnerinvest Övre Norrland, Norr Sædd Holding and Arctic Business Incubator.

In 2020 the foundation's capital base was just over SEK 1.3bn. Norrlandsfonden had a total commitment of SEK 994m to a total of 471 customers, of which 82 were new customers (added in 2020). Norrlandsfonden had 14 employees in 2020, 8 women and 6 men.

The board of directors and auditors of Norrlandsfonden are appointed by the Government. The Government has appointed the following directors and auditors for the period of 1 July 2020–30 June 2021: **Chair:** Gunnar Olofsson **Directors:** Leif Boström, Ulf Ejelöv, Marita Fransson, Kajsa Hedberg, Eva Lindberg, Ingemar Nilsson, Elise Ryder Wikén, Linda Sundberg. **Auditors:** Johanna Sällvin, Gunnar Karlsson (KPMG). The fee paid to the board chair is SEK 100 (100) thousand. The fee paid to directors is SEK 50 (50) thousand. No fee is paid to directors employed by the Government Offices.

# Enterprises wound up or being wound up

## INSTEX

Instrument in Support of Trade Exchanges (INSTEX) was founded in 2019 by France, Germany and the UK. INSTEX was established in the form of a limited company in France and its object is to facilitate payments in connection with legitimate trade between Europe and Iran. In 2020 the Swedish Government acquired shares to a value of EUR 100 000 in INSTEX, as authorised by the Riksdag. The Swedish State's holding is 1%. Belgium, Denmark, Finland, the Netherlands and Norway are also shareholders.

One important reason for Swedish part-ownership is that, like the rest of the EU, the Government attaches great importance to Iran remaining in the nuclear agreement, the Joint Comprehensive Plan of Action (JCPOA). INSTEX is an important part of the EU's common efforts to achieve this and contributes to enabling European countries to live up to their financial commitments under the JCPOA.

## Swedesurvey Aktiebolag

Swedesurvey Aktiebolag sold services related to real estate administration and geographical information provision in the international market, in close collaboration with the government agency Lantmäteriet (the Swedish cadastral authority). The purpose was to market Lantmäteriet's services abroad. Swedesurvey mainly worked with public sector organisations in developing countries, and most of its projects had the character of supporting them in their capacity development through advisory services and training. Its services were financed both directly from customers and through international institutions and

development assistance agencies.

The enterprise lost the bulk of its sales when the Sida-financed assignments were taken over by Lantmäteriet.

In short, the enterprise's operations shrunk to such an extent that there were no arguments for conducting its operations in corporate form.

In June 2017 the Riksdag therefore authorised the Government to wind up Swedesurvey through voluntary dissolution. An EGM on 19 March 2019 resolved to dissolve the enterprise voluntarily. Its dissolution was completed on 17 December 2020.



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## State ownership in modern times

Since 1969 the investment management of the state-owned enterprises has mainly been centralised in the Government Offices. The reasons for companies being set up or being under state ownership have changed over time. This review briefly summarises the most important events in the portfolio of state-owned enterprises.

**1969** The Ministry of Industry is formed and the investment management of most state-owned enterprises is transferred to that ministry.

**1970** The Statsföretag organisation is formed to coordinate the large companies in sectors including mining, steel, forestry, and petrochemicals. Apoteksbolaget is formed.

**1974** PK-banken is formed through the merger of Postbanken and Sveriges Kreditbank.

**1977** Svenska Varv is formed in conjunction with the state takeover of Salén-Invest's shares in Götaverken. The group also includes Arendal, Cityvarvet, Finnboda Varf, Karlskronavarvet, Uddevallavarvet and Öresundsvarvet. A comprehensive restructuring process is begun.

**1978** SSAB, Scandinavia's leading steel producer, is formed in the reorganisation of Sweden's three largest producers of commercial steel. The state and Statsföretag own 75% of SSAB and Gränges 25%.

**1979** Kockums is incorporated into Svenska Varv.

**1980** SSAB and Statsföretag together account for 20% of Sweden's industrial investment.

**1981** The State transfers its half share of ASEA-ATOM to ASEA. The JAS industrial group is formed, with the State as a shareholder through the Swedish National Industries Corporation (FFV).

**1982** Svenska Varv is reorganised. Closures of the large shipyards continue.

**1984** Nokia buys 70% of satellite and television manufacturer Luxor, which had been taken over by the State five years previously.

**1985** Statsföretag changes its name to Procordia. Procordia is restructured through the sale and purchase of companies.

**1986** The wholly owned Sveriges Petroleum (SP) merges with the Swedish oil consumers' association (OK) to form OK Petroleum, OKP, with the Finnish state-owned enterprise Neste as part owner. The first partial privatisation of SSAB is carried out through the purchase of Gränges' shareholding and the sale of one-third of the shares in SSAB to a small number of institutions.

**1987** Procordia is listed on the stock exchange in conjunction with a new share issue. The State takes over Grängesbergs Gruvor from SSAB.

**1988** Statens Järnvägar (SJ), a public enterprise, is split up. The Swedish Rail Administration is made responsible for the rail network and SJ for rail services.

**1989** Procordia, Pharmacia and Volvo's food company Provendora merge to form the new Procordia group with Volvo and the Swedish state as the largest owners, each with 42.5% of the votes. SSAB shares are listed on the A List of the Stockholm Stock Exchange.

**1990** PK-banken buys Nordbanken. Förvaltningsaktiebolaget Fortia, a holding company, is formed.

**1991** The Riksdag decides to fully or partly privatise 35 companies and to wind up Förvaltningsaktiebolaget Fortia. Celsius Industrier, formerly Svenska Varv, reorganises as a defence group when merged with Telub and FFV, becomes a limited company and buys Bofors.

**1992** Domänverket (Swedish Forest Service) becomes Domän AB. Statens Vattenfallsverk becomes Vattenfall AB and, in conjunction with this, the national grid and foreign connections are separated to form a new public enterprise – Affärsverket Svenska Kraftnät. A public offering is made of the State's shareholding in SSAB in the form of a rights issue combined with a government bond. SBAB is fully exposed to competition. SAS acquires 50% of Linjeflyg to form a fully integrated domestic airline. Gota Bank goes bankrupt and is acquired by the State. Securum is set up to deal with the problem loans that arose in Nordbanken as a result of the financial crisis.

**1993** The National Board of Public Buildings is wound up and government agencies are able to operate freely in the property market. Vasakronan takes over the State's commercial properties. Volvo and the Swedish State agree to work to divide Procordia into two parts. The State becomes the majority shareholder in Pharmacia AB, which focuses on pharmaceuticals, and Volvo becomes the majority owner of AB Procordia, which operates in sectors including food and tobacco. The Government sells 75% of the State's shares in the defence group Celsius but retains the majority of the votes, and the share is listed on the A List of the Stockholm Stock Exchange.





In 2003 the State acquired ABB's holding of 35% of SEK, becoming the sole owner of SEK after the acquisition.

Assi AB and Domän AB are merged to form AssiDomän AB, which bids for NCB. Securum contributes SEK 10bn to save Nordbanken. The National Telecommunications Administration is reorganised as Telia AB. The AMU group is corporatised.

**1994** A-Banan projekt AB is formed to build the Arlandabanan rail line. This is the first infrastructure project in Sweden to be co-financed by the State and business. Posten, the postal service, becomes a limited company. The State sells its remaining shareholdings in SSAB, OKP and parts of AssiDomän AB and Pharmacia.

**1995** V&S Vin&Sprit's monopoly in the manufacture of spirits, wine and strong beer ends. Pharmacia and the US pharmaceuticals company UpJohn merge.

**1996** The State injects SEK 600m into AmuGruppen (later Lernia) to save the company from bankruptcy.

**1997** SBL Vaccin is sold to Active in Malmö. Svenska Penninglotteriet (the national lottery) and Tipstjänst AB merge and take the name of Svenska Spel AB. Merita and Nordbanken

announce their intention to merge and form MeritaNordbanken.

**1998** The Division for State Ownership is formed at the Ministry of Enterprise, Energy and Communications and is given investment management responsibility for a large part of the state-owned enterprises.

**1999** The remaining shareholding in Pharmacia & UpJohn is sold. Sveaskog AB is formed through the transfer of forest assets from AssiDomän. The state sells its shares in SAQ Kontroll (corporatised in 1995 from the Swedish Plant Inspectorate in conjunction with the abolition of the inspection monopoly) and Värdepapperscentralen (Swedish Securities Register, VPC).

**2000** The remaining shareholding in Celsius (25%) is sold to the defence group Saab. Telia is listed on the stock exchange. Vattenfall becomes one of Northern Europe's largest energy companies through the acquisitions of the German energy companies VEAG and LAUBAG for SEK 14bn. Nordea Bank merges with UniDanmark of Denmark and Kreditkassen of Norway, becoming a Nordic bank. State ownership of the bank decreases to 18.2%. The public

enterprise Swedish State Railways (SJ) is divided up into six different limited liability companies. The new SJ AB is responsible for passenger traffic. The other companies are EuroMaint, Green Cargo, Jernhusen TrafficCare and Unigrid.

**2001** Sveaskog AB acquires AssiDomän AB. The SAS airline group, which was previously owned by three separate national parent companies, is given a single newly-formed parent company, SAS AB, in which previous shareholders receive newly issued shares. After this the Swedish State owns 21.4% of SAS AB.

**2002** Telia and the Finnish company Sonera merge to form TeliaSonera, thereby creating the leading telecom operator in the Nordic countries. After this the Swedish State owns 46% of TeliaSonera.

**2003** The State's shares in Svenska Skogsplantor are transferred to Sveaskog (also a fully state-owned enterprise). The State acquires ABB's holding of 35% of Svensk Exportkredit (SEK), and is the sole owner of SEK after the acquisition.



In 2009 Svevia and Vectura Consulting were formed from operations previously part of the National Rail Administration and the National Road Administration.

**2005** The state injects SEK 600m into Green Cargo. The Swedish Corporate Governance Code (the Code), which is intended to contribute to improved governance of Swedish limited companies, starts to be applied by the Stockholm Stock Exchange and also forms part of the State Ownership Policy. Innovationsbron is formed with the task of investing in growth companies. The Riksdag expands SBAB's mission to include accepting deposits from the general public.

**2006** The State sells its last share in SAKAB AB, a leftover from 1992, when the main responsibility for the handling of hazardous waste was transferred to a private entity.

**2007** The State decreases its holding in TeliaSonera (present Telia Company), selling shares for SEK 18bn. After this the State owns 37.3% of TeliaSonera. The Riksdag decides to give the Government a mandate to sell some state-owned enterprises.

**2008** The State sells its holding in OMX to Borse Dubai, in Vin&Sprit to French Pernod Ricard and in Vasakronan to AP Fastigheter. These sales provide income equivalent to SEK 81bn. New capital is injected into to SEK and Almi and, in conjunction with this, the shares in Venantius are transferred to SEK. Fouriertransform is formed to invest in research and development in the automotive cluster. In November the State assumes ownership of Carnegie Investment Bank and Max Matthiessen through the Swedish National Debt Office. The takeover is conducted pursuant to the Government Support to Credit Institutions Act in order to safeguard the stability of the financial sector. The shares are divested in 2009.

**2009** Svevia and Vectura Consulting are formed from operations previously part of the National Rail Administration and the National Road Administration. The State participates in new share issues in Nordea Bank and SAS. The merger of Posten, the Swedish postal

service, and Post Danmark is completed and a new company, the present PostNord, is formed. The pharmacy monopoly is wound up and the companies Apoteksgruppen, APL and Apotekens Service are spun off from Apoteket. The State's single share in Kasernen Fastighetsaktiebolag is transferred to Vasallen AB.

**2010** The sale of 465 pharmacies is completed as a stage in the deregulation of the pharmacy market. In addition, 150 pharmacies are transferred to Apoteksgruppen. Infranord AB is formed from the operations of the Swedish Rail Administration's production unit, Banverket Produktion. Swedavia AB, a new company, takes over airport operations for ten nationally strategic airports from the Swedish Civil Aviation Administration. The state participates in a new share issue in SAS. ESS AB is formed with the purpose of planning and building the European Spallation Source in Lund and a data processing centre in Copenhagen. Inlandsinnovation AB is

formed with the purpose of conducting financing operations to promote innovation and entrepreneurship in inland northern Sweden.

**2011** Investment management of state-owned enterprises is transferred from the Ministry of Enterprise to the Ministry of Finance. The State sells 255 million shares in Nordea Bank for SEK 19bn, reducing its ownership from 19.9% to 13.5%. Sveaskog distributes the shares in Ersättningsmark i Sverige AB to the State. The enterprise owns 100 000 hectares of productive forest land that will be used as replacement land for high conservation value forests. Metria, which sells analyses, services and products based on geographical information, is spun off from Lantmäteriet (Swedish cadastral authority). Arbetslivsresurs AR AB (formed in 2005 from Samhall resurs and AMS Arbetslivstjänster) is sold for SEK 145m.

**2012** SAS tackles major profitability problems and, to safeguard the enterprise's liquidity, the Swedish State and the other major owners and a number of banks join to provide a credit facility of SEK 3.5bn. Bilprovningen completes its partial divestment of its station network by splitting the enterprise into two parts. The minority shareholders take over the network of stations that had been for sale, while the majority shareholder, the State, retains the remainder of Bilprovningen, becoming its full owner.

**2013** Almi and Innovationsbron merge with the purpose of creating a joint organisation for financing in the early stages of company formations. The investment management of Saab Automobile Parts (later Orio), the parts manufacturer that the Swedish National Debt Office took as collateral for a loan to car manufacturer Saab, is moved to the Ministry of Finance. The State winds up its entire remaining shareholding in Nordea Bank (13.4%) by selling shares on two occasions during the year for SEK 41bn. The State sells Vectura Consulting to engineering consultancy Sweco for just under SEK 1bn.

**2014** SAS terminates the loan commitments provided through a credit facility from the Swedish State and other stake-

holders after having improved its profitability and strengthened its financial position through an issue of preference shares in the capital market. Apotekens Service is de-corporatised following the transfer of responsibilities and functions to the new eHealth Agency that was formed on 1 January 2014. Ersättningsmark i Sverige and Svenska Miljöstylningsrådet are placed in voluntary dissolution. In May 2014 an EGM of Bostadsgaranti resolves to sell its subsidiary Försäkringsaktiebolaget Bostadsgaranti. The sale is part of the winding up of Bostadsgaranti as a whole. The Government is authorised by the Riksdag to divest assets and liabilities in ESS to a consortium for European research infrastructure and to place the company in voluntary dissolution.

**2015** The investment management of the state-owned enterprises is transferred from the Ministry of Finance to the Ministry of Enterprise and Innovation and is assigned investment management responsibility for a further eight companies and two foundations. The voluntary dissolution of Ersättningsmark is concluded.

**2016** The Swedish State reduces its holding in SAS in auction proceedings jointly with the Norwegian State. After the sale the Swedish State owns around 17.2% of the ordinary shares. The State's income from the sale is SEK 213.9m. Following a decision by the Riksdag a new venture capital firm, called Saminvest, is formed in accordance with the government proposal for a new venture capital structure to invest in investment teams, "venture capital funds", jointly with private capital. The voluntary dissolution of Miljöstylningsrådet is concluded.

**2017** On 1 January the shares of the two state-owned venture capital companies, Fouriertransform and Inlandsinnovation, are transferred to the State's new venture capital enterprise, Saminvest. SAS carries out a new issue of ordinary shares; the Swedish State does not subscribe to shares in this new issue, so the State's holding falls from 17.2% to 14.8%. The Danish and Swedish Governments conclude an agreement to support the implementation of the new production model for PostNord's Danish opera-

tions (Post Danmark). LKAB and Vattenfall form a joint venture company along with SSAB to develop the HYBRIT initiative with the aim of arriving at a production process for steel that emits water instead of carbon dioxide. The Government decides to sell Apoteksgruppen i Sverige Holding AB to Euroapothecca UAB. The voluntary dissolution of European Spallation Source ESS AB is completed.

**2018** It is decided to place Bostadsgaranti in voluntary dissolution. Svenska Spel adapts its organisation ahead of a new gambling regime, and Telia Company's withdrawal from Eurasia is completed. Swedish National Road Consulting AB (SweRoad) is divested by the Swedish Transport Administration.

**2019** The State acquires the shares held by Svensk Turism Aktiebolag in V.S. VisitSweden AB and become the sole owner of the enterprise. Telia Company acquires all the shares in Bonnier Broadcasting, including the brands TV4, C More and Finnish MTV. It is decided to place Swedesurvey in voluntary dissolution.

**2020** The State provides additional funding for Lernia (SEK 150m) and Swedavia (SEK 2.5bn) on account of the COVID-19 pandemic and participates in the recapitalisation of SAS. The State's total additional funding in the recapitalisation plan for SAS is SEK 4.3bn and its holding in the company increases to 21.8%. In June 2020 Almi's financial base is reinforced through additional funding from the State of SEK 2.95bn for its lending operations and of SEK 400m for the venture capital operations in Almi Invest. The credit facility that SEK has at the Swedish National Debt Office is increased from SEK 125bn to 200bn. The voluntary dissolution of Swedesurvey is completed. The Riksdag authorises the Government to transfer the State's shares in Vasallen AB to Statens Bostadsomvandling AB Sbo. On 22 September the State became a shareholder in INSTEX, Instrument in Support of Trade Exchanges.

# Accounting principles

The consolidated financial statements are a summary of the financial information produced by the enterprises concerned. The enterprises included in the consolidated financial statements are the limited companies in which the state shareholding is managed by the Government Offices of Sweden plus the organisation Svenska Skeppshypotekskassan. Limited companies managed by government agencies other than the Government Offices or by government foundations are not included in the consolidated financial statements. Enterprises in which the State has an ownership share of less than 20% or that are in the process of being wound up are not included in the consolidated financial statements either. Subsidiaries are enterprises in which the State has an equity share equal to 50% or more. Associates, i.e. enterprises in which the State has an equity share of less than 50% but more than 20%, have been included according to percentage of participation in earnings.

As indicated, the consolidated financial statements are based on the financial information produced and reported by each enterprise. These consolidated financial statements cannot be compared with consolidated financial statements for a corporate group. This is because the state-owned enterprises do not constitute a group and therefore do not produce consolidated statements in compliance with a formal regulatory framework. So this summary is intended to provide a clear and unified picture, in financial terms, of the management of state-owned enterprises in the best possible way. A description is provided here of the basis for this summary to make this possible without applying consolidation methods according to the current regulatory framework.

Reporting to the Government Offices from state-owned enterprises is based on the established form of presentation applicable in the business sector. However, the income statement, balance sheet and cash flow statement have been condensed.

Certain adjustments, for which the Government Offices is responsible, have been made to the data reported for the consolidated financial statements (see below). The enterprise descriptions presenting each enterprise are primarily based on the enterprises' own information. Due to varying calculation methods, the key indicators reported in the consolidated financial statements may differ from the key indicators presented by the enterprises themselves (see definitions below).

The following is applicable to the consolidated financial statements.

- The enterprises included in the summary vary in character and size and apply, to some extent, differing regulatory frameworks when preparing their financial statements. Reporting to the Government Offices is based on a condensed presentation format with features of both IFRS and Swedish accounting principles, with the enterprises reporting in accordance with the principles applied in their own case. To make the consolidation feasible in practical terms, a number of enterprises, including financial enterprises reporting in accordance with the Annual Accounts for Credit Institutions and Securities Act (1995:1559), adjust their reporting to the Government Offices' reporting format. Some enterprises apply BFNAR 2012:1 Annual and consolidated accounts (K3) issued by the Swedish Accounting Standards Board.
- According to the government guidelines for external reporting of state-owned enterprises, financial statements are prepared on the basis of the requirements applying to companies whose shares are listed on Nasdaq Stockholm. As a main rule, state-owned enterprises prepare their financial statements in accordance with IFRS.
- Associates have been reported using the equity method. This means that the profit or loss after tax in an associate corresponding to the share owned by the Government is entered in the consolidated income statement and is

included in the operating profit or loss. Similarly, the owner's share of the associate's equity has been entered in the consolidated balance sheet.

- The income statement and balance sheet have been adjusted for subsidiaries in which there is a minority interest. These adjustments mean that the minority share of the subsidiary's profit or loss is shown as a deduction in connection with the profit or loss from shares in associates. The minority share of the subsidiary's capital is recognised as a separate item in equity in the consolidated balance sheet.
- Intra-group transactions included in the consolidated accounts have not been eliminated. This does not conform with customary consolidation methods for intra-group transactions. The reason for doing so is that, as explained initially, the enterprises do not make up a corporate group together. For this reason, the reporting enterprises do not provide the data required to enable such eliminations to be made either.
- Certain key indicators have not been calculated for the financial enterprises. The main reason for this is that the working capital that financial enterprises tie up in their business is of a different character from that of most of the other enterprises.

For information about the accounting principles in a particular enterprise, see that enterprise's annual accounts.

# List of government bills

Enterprise / Government bill
<b>Akademiska Hus</b> (Govt Bill 1991/92:44, Cmte Rep. 1991/92:FiU8, Riksdag Comm. 1991/92:107) (Govt Bill 1992/93:37, Cmte Rep. 1992/93:FiU8, Riksdag Comm. 1992/93:123) (Govt Bill 1997/98:137, Cmte Rep. 1997/98:FiU25, Riksdag Comm. 1997/98:252) (Govt Bill 2010/11:1 exp. area 24, Cmte Rep. 2010/11:FiU2, Riksdag Comm. 2010/11:139, 140) (Govt Bill 2013/14:1 exp. area 24, Cmte Rep. 2013/14:NU1, Riksdag Comm. 2013/14:103)
<b>Almi</b> (Govt Bill 1993/94:40, Cmte Rep. 1993/94:NU11, Riksdag Comm. 1993/94:80) (Govt Bill 2008/09:73, Cmte Rep. 2008/09:FiU17, Riksdag Comm. 2008/09:47) (Govt Bill 2009/10:148, Cmte Rep. 2009/10:NU25, Riksdag Comm. 2009/10:361) (Govt Bill 2011/12:99, Cmte Rep. 2011/12:FiU21, Riksdag Comm. 2011/12:282) (Govt Bill 2012/13:1, Cmte Rep. 2012/13:NU1, Riksdag Comm. 2012/13:104) (Govt Bill 2019/20:99, Cmte Rep. 2019/20:FiU21, Riksdag Comm. 2019/20:340) (Govt Bill 2019/20:167, Cmte Rep. 2019/20:FiU60, Riksdag Comm. 2019/20:296)
<b>APL, Apoteket, Apoteksgruppen</b> (Govt Bill 1970:74, Cmte Rep. 1970:2LU, Riksdag Comm. 1970:234) (Govt Bill 1984/85:170, Cmte Rep. 1984/85:SoU29, Riksdag Comm. 1984/85:357) (Govt Bill 1995/96:141, Cmte Rep. 1995/96:NU26, Riksdag Comm. 1995/96:302) (Govt Bill 1996/97:27, Cmte Rep. 1996/97:SoU5, Riksdag Comm. 1996/97:58) (Govt Bill 2001/02:63, Cmte Rep. 2001/02:SoU10, Riksdag Comm. 2001/02:194) (Govt Bill 2004/05:70, Cmte Rep. 2004/05:SoU13, Riksdag Comm. 2004/05:217) (Govt Bill 2005/06:70, Cmte Rep. 2005/06:SoU15, Riksdag Comm. 2005/06:198) (Govt Bill 2006/07:78, Cmte Rep. 2006/07:SoU12, 2006/07:153) (Govt Bill 2007/08:87, Cmte Rep. 2007/08:SoU 17, 2007/08:182) (Govt Bill 2007/08:142, Cmte Rep. 2007/08:SoU20, 2007/08:255) (Govt Bill 2008/09:145, Cmte Rep. 2008/09: SoU21, Riksdag Comm. 2008/09:226) (Govt Bill 2008/09:190, Cmte Rep. 2008/09: SoU25, Riksdag Comm. 2008/09:288) (Govt Bill 2009/10:96, Cmte Rep. 2009/10: SoU10, Riksdag Comm. 2009/10:222) (Govt Bill 2009/10:138, Cmte Rep. 2009/10: SoU23, Riksdag Comm. 2009/10:288) (Govt Bill 2012/13:128, Cmte Rep. 2012/13:SoU26, Riksdag Comm. 2012/13:279) (Govt Bill 2016/17:181, Cmte Rep. 2016/17:NU24, Riksdag Comm. 2016/17:333) (Govt Bill 2017/18:157, Cmte Rep. 2017/18: SoU24, Riksdag Comm. 2017/18:353) (Govt Bill 2020/21:1, Cmte Rep. 2020/21:NU1, Riksdag Comm. 2020/21:145)
<b>Arlandabanan Infrastructure</b> (Govt Bill 1993/94:39, Cmte Rep. 1993/94:TU6, Riksdag Comm. 1993/94:74) (Govt Bill 1993/94:213, Cmte Rep. 1993/94:TU36, Riksdag Comm. 1993/94:436) (Govt Bill 2005/06:1, Cmte Rep. 2005/06:TU1, Riksdag Comm. 2005/06:81) (Govt Bill 2006/07:1, Cmte Rep. 2006/07:TU1, Riksdag Comm. 2006/07:35) (Govt Bill 2010/11:1, Cmte Rep. 2010/11:TU1, Riksdag Comm. 2010/11:138)
<b>Bilprovningen</b> (Govt Bill 1963:91, SU 1963:83, Cmte Rep. 3LU 1963:22, Riksdag Comm. 1963:198) (Govt Bill 1991/92:69, Cmte Rep. 1991/92:NU10, Riksdag Comm. 1991/92:92) (Govt Bill 1993/94:167, Cmte Rep. 1993/94:TU35, Riksdag Comm. 1993/94:433) (Govt Bill 1994/95:69, Cmte Rep. 1994/95:TU8, Riksdag Comm. 1994/95:137) (Govt Bill 1996/97:1 exp. area 22, Cmte Rep. 1996/97:TU1, Riksdag Comm. 1996/97:115) (Govt Bill 2009/10:32, Cmte Rep. 2009/10:TU8, Riksdag Comm. 2009/10:161) (Govt Bill 2009/10:54, Cmte Rep. 2009/10:NU10, Riksdag Comm. 2009/10:162)
<b>Dramaten</b> (Govt Bill 1992/93:100, Cmte Rep. 1992/93:KrU20, Riksdag Comm. 1992/93:315) (Govt Bill 1996/97:3, Cmte Rep. 1996/97:KrU1, Riksdag Comm. 1996/97:129) (Govt Bill 2009/10:3, Cmte Rep. 2009/10:KrU5, Riksdag Comm. 2009/10:145)
<b>EUROFIMA</b> (Govt Bill 1955:211) (Govt Bill 1992/93:176, Cmte Rep. 1992/93:TU36, Riksdag Comm. 1992/93:348)
<b>Green Cargo</b> (Govt Bill 1999/2000:78, Cmte Rep. 1999/2000:TU11, Riksdag Comm. 1999/00:238) (Govt Bill 2003/04:127 Cmte Rep. 2003/04:NU15, Riksdag Comm. 2003/04:286) (Govt Bill 2020/21:1, Cmte Rep. 2020/21:NU1, Riksdag Comm. 2020/21:145)

Enterprise / Government bill
<b>Göta kanalbolag</b> (Govt Bill 1977/78:119, Cmte Rep. 1977/78:TU22, Riksdag Comm. 1977/78:291) (Govt Bill 1991/92:134, Cmte Rep. 1991/92:NU33, Riksdag Comm. 1991/92:351) (Govt Bill 1992/93:51, Cmte Rep. 1992/93:NU15, Riksdag Comm. 1992/93:97) (Govt Bill 1993/94:100, Cmte Rep. 1993/94:NU16, Riksdag Comm. 1993/94:224) (Govt Bill 2014/15:99, Cmte Rep. 2014/15:FiU21, Riksdag Comm. 2014/15:255) (Govt Bill 2015/16:1, Cmte Rep. 2015/16:NU1, Riksdag Comm. 2015/16:89) (Govt Bill 2016/17:181, Cmte Rep. 2016/17:NU24, Riksdag Comm. 2016/17:333)
<b>Industrifonden</b> (Govt Bill 1978/79:123, Cmte Rep. 1978/79:NU59, Riksdag Comm. 1978/79:415) (Govt Bill 1992/93:82, Cmte Rep. 1992/93:NU19, Riksdag Comm. 1992/93:145) (Govt Bill 1994/95:100, Cmte Rep. 1994/95:NU18, Riksdag Comm. 1994/95:300)
<b>Infranord</b> (Govt Bill 2009/10:10, Cmte Rep. 2009/10:TU5, Riksdag Comm. 2009/10:59)
<b>Jernhusen</b> (Govt Bill 1999/00:78, Cmte Rep. 1999/2000:TU11, Riksdag Comm. 1999/2000:238) (Govt Bill 2008/09:35, Cmte Rep. 2008/09:TU2, Riksdag Comm. 2008/09:145) (Govt Bill 2008/09:176, Cmte Rep. 2008/09:TU18, Riksdag Comm. 2008/09:293) (Govt Bill 2011/12:76, Cmte Rep. 2011/12:TU5, Riksdag Comm. 2011/12:247) (Govt Bill 2015/16:1 exp. area 24, Cmte Rep. 2015/16:NU1, Riksdag Comm. 2015/16:90)
<b>Lernia</b> (Govt Bill 1992/93:152, Cmte Rep. 1992/93:AU6, Riksdag Comm. 1992/93:175) (Govt Bill 1993/94:126, Cmte Rep. 1993/94:Ubu10, Riksdag Comm. 1993/94:341) (Govt Bill 1995/96:145, Cmte Rep. 1995/96:Ubu8, Riksdag Comm. 1995/96:224) (Govt Bill 1996/97:55, Cmte Rep. 1996/97:AU6, Riksdag Comm. 1996/97:108) (Govt Comm. 1996/97:95, Cmte Rep. 1996/97:AU10, Riksdag Comm. 1996/97:188) (Govt Bill 2012/13:1, Cmte Rep. 2012/13:NU1, Riksdag Comm. 2012/13:103) (Govt Bill 2019/20:187, Cmte Rep. 2019/20:FiU62, Riksdag Comm. 2019/20:364)
<b>LKAB</b> (Govt Bill 1882:14) (Govt Bill 1883:18) (Govt Bill 1907:107) (Govt Bill 1927:241) (Govt Bill 1934:270) (Govt Bill 1977/78:96, Cmte Rep. 1977/78:NU50, Riksdag Comm. 1977/78:225) (Govt Bill 1978/79:87, Cmte Rep. 1978/79:NU30, Riksdag Comm. 1978/79:240) (Govt Bill 1979/80:79, Cmte Rep. 1979/80:NU72, Riksdag Comm. 1979/80:380) (Govt Bill 1981/82:32, Cmte Rep. 1981/82:TU7, Riksdag Comm. 1981/82:116) (Govt Bill 1981/82:56, Cmte Rep. 1981/82:NU13, Riksdag Comm. 1981/82:82) (Govt Bill 1980/81:128, Cmte Rep. 1980/81:NU48, Riksdag Comm. 1980/81:301) (Govt Bill 1982/83:120, Cmte Rep. 1982/83:NU38, Riksdag Comm. 1982/83:306) (Govt Bill 1991/92:69, Cmte Rep. 1991/92:NU10, Riksdag Comm. 1991/92:92)
<b>Metria</b> (Govt Bill 2010/11:53, Cmte Rep. 2010/11:CU10, Riksdag Comm. 2010/11:188) (Govt Bill 2016/17:181, Cmte Rep. 2016/17:NU24, Riksdag Comm. 2016/17:333)
<b>Miljömarkning Sverige</b> (Govt Bill 1997/98:1, Cmte Rep. 1997/98:NU1, Riksdag Comm. 1997/98:131) (Govt Bill 2005/06:105, Cmte Rep. 2005/06:LU33, Riksdag Comm. 2005/06:377) (Govt Bill 2011/12:99, Cmte Rep. 2011/12:FiU21, Riksdag Comm. 2011/12:282)
<b>Operan</b> (Govt Bill 1992/93:100, Cmte Rep. 1992/93:KrU20, Riksdag Comm. 1992/93:315) (Govt Bill 1996/97:3, Cmte Rep. 1996/97:KrU1, Riksdag Comm. 1996/97:129) (Govt Bill 2009/10:3, Cmte Rep. 2009/10:KrU5, Riksdag Comm. 2009/10:145)
<b>Orio</b> (Govt Bill 2012/13:99, Cmte Rep. 2012/13:FiU21, Riksdag Comm. 2012/13:287) (Govt Bill 2020/21:99, Cmte Rep. 2020/21:FiU21)

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<p><b>PostNord</b>                      (Govt Bill 1992/93:132, Cmte Rep. 1992/93:TU11, Riksdag Comm. 1992/93:152)                      (Govt Bill 1993/94:38, Cmte Rep. 1993/94:TU9, Riksdag Comm. 1993/94:119)                      (Govt Bill 1995/96:218, Cmte Rep. 1996/97:TU3, Riksdag Comm. 1996/97:34)                      (Govt Bill 1997/98:127, Cmte Rep. 1997/98:TU13, Riksdag Comm. 1997/98:304)                      (Govt Bill 1998/99:95, Cmte Rep. 1998/99:TU11, Riksdag Comm. 1998/99:237)                      (Govt Bill 2007/08:143, Cmte Rep. 2007/08:NU13, Riksdag Comm. 2007/08:253)                      (Govt Bill 2009/10:216, Cmte Rep. 2009/10:TU19, Riksdag Comm. 2009/10:378)                      (Cmte Rep. 2010/11:NU7, Riksdag Comm. 2010/11:190)                      (Govt Bill 2017/18:39, Cmte Rep. 2017/18:FIU28, Riksdag Comm. 2017/18:114)</p>
<p><b>RISE, Research Institutes of Sweden</b>                      (Govt Bill 1996/97:150, Cmte Rep. 1996/97:FIU20, Riksdag Comm. 1996/97:284)                      (Govt Bill 2001/02:2, Cmte Rep. 2001/02:NU:5, Riksdag Comm. 2001/02:64)                      (Govt Bill 2004/05:80, Cmte Rep. 2004/05:UBU15, Riksdag Comm. 2004/05:289)                      (Govt Bill 2006/07:1, Cmte Rep. 2006/07:NU1, Riksdag Comm. 2006/07:62)                      (Govt Bill 2008/09:50, Cmte Rep. 2008/09:UBU4, Riksdag Comm. 2008/09:160)                      (Govt Bill 2012/13:30, Cmte Rep. 2012/13:UBU3, Riksdag Comm. 2012/13:152)                      (Govt Bill 2012/13:99, Cmte Rep. 2012/13:FIU21, Riksdag Comm. 2012/13:287)                      (Govt Bill 2016/17:1, Cmte Rep. 2016/17:NU1, Riksdag Comm. 2016/17:103)</p>
<p><b>Samhall</b>                      (Govt Bill 1977/78:30, Cmte Rep. 1977/78:AU16, Riksdag Comm. 1977/78:74)                      (Govt Bill 1978/79:25 app. 9, 1 &amp; 2, Cmte Rep. 1978/79:AU17, Riksdag Comm. 1978/79:118) (Govt Bill 1978/79:139, Cmte Rep. 1978/79:AU29, Riksdag Comm. 1978/79:293)                      (Govt Bill 1982/83:149, Cmte Rep. 1982/83:AU25, Riksdag Comm. 1982/83:153)                      (Govt Bill 1991/92:91, Cmte Rep. 1991/92:AU16, Riksdag Comm. 1991/92:249)                      (Govt Bill 2000/01:1, Cmte Rep. 2000/01:AU1, Riksdag Comm. 2000/01:103)                      (Govt Bill 2011/12:1 exp. area 14, Cmte Rep. 2011/12:AU2, Riksdag Comm. 2011/12:88)</p>
<p><b>Saminvest</b>                      (Govt Bill 2015/16:110, Cmte Rep. 2015/16:NU23, Riksdag Comm. 2915/16:295)</p>
<p><b>SAS</b>                      (Govt Bill 1996/97:126, Cmte Rep. 1996/97:TU9, Riksdag Comm. 1996/97:232)                      (Govt Bill 2000/01:124, Cmte Rep. 2000/01:TU17, Riksdag Comm. 2000/01:253)                      (Govt Bill 2008/09:124, Cmte Rep. 2008/09:FIU40, Riksdag Comm. 2008/09:192)                      (Govt Bill 2009/10:121, Cmte Rep. 2009/10: FIU35, Riksdag Comm. 2009/10:220)                      (Govt Bill 2012/13:46, Cmte Rep. 2012/13:NU10, Riksdag Comm. 2012/13:102)                      (Govt Bill 2019/20:136, Cmte Rep. 2019/20:FIU52, Riksdag Comm. 2019/20:188)                      (Govt Bill 2019/20:187, Cmte Rep. 2019/20:FIU62, Riksdag Comm. 2019/20:364)</p>
<p><b>SBAB</b>                      (Govt Bill 1993/94:76, Cmte Rep. 1993/94:BoU06, Riksdag Comm. 1993/94:115)                      (Govt Bill 1993/94:228, Cmte Rep. 1993/94:BoU20, Riksdag Comm. 1993/94:374)                      (Govt Bill 1994/95:219, Cmte Rep. 1994/95:BoU20, Riksdag Comm. 1994/95:417)                      (Govt Bill 2001/02:1 app. 6, exp. area 2, Cmte Rep. 2001/02:FIU2, Riksdag Comm. 2001/02:129)                      (Govt Bill 2005/06:1, Cmte Rep. 2005/06:FIU2, Riksdag Comm. 2005/06:126–128)                      (Govt Bill 2006/07:57, Cmte Rep. 2006/07:NU16, Riksdag Comm. 2006/07:217)                      (Govt Bill 2008/09:104, Cmte Rep. 2008/09:FIU39, Riksdag Comm. 2008/09:217)                      (motion 2010/11:N1, Riksdag Comm. 2010/11:NU7, Riksdag Comm. 2010/11:190)</p>
<p><b>SEK, Svensk Exportkredit</b>                      (Govt Bill 1962:125, Cmte Rep. 1962:SU110, Cmte Rep. 1962:BaU22, Riksdag Comm. 1962:272 &amp; 275)                      (Govt Bill 1981/82:181, Cmte Rep. 1981/82:NU52, Riksdag Comm. 1981/82:427)                      (Govt Bill 1995/96:141, Cmte Rep. 1995/96:NU26, Riksdag Comm. 1995/96:302)                      (Govt Bill 2002/03:142, 2002/03:NU14, Riksdag Comm. 2002/03:244)                      (Govt Bill 2008/09:73, Cmte Rep. 2008/09:FIU1, Riksdag Comm. 2008/09:47)                      (Govt Bill 2008/09:86, Cmte Rep. 2008/09:NU12, Riksdag Comm. 2008/09:125)                      (Govt Bill 2015/16:1, exp. area 24, Cmte Rep. 2015/16:NU1, Riksdag Comm. 2015/16:89)                      (Govt Bill 2019/20:99, Cmte Rep. 2019/20:FIU21, Riksdag Comm. 2019/20:340)</p>
<p><b>SJ</b>                      (Govt Bill 1999/2000:78, Cmte Rep. 1999/2000:TU11, Riksdag Comm. 1999/2000:238)                      (Govt Comm. 2001/02:141, Cmte Rep. 2001/02:TU14, Riksdag Comm. 2001/02:281)                      (Govt Bill 2002/03:86, Cmte Rep. 2002/03:NU13, Riksdag Comm. 2002/03:343)                      (Govt Bill 2005/06:160, Cmte Rep. 2005/06:TU5, Riksdag Comm. 2005/06:308)                      (Govt Bill 2008/09:176, Cmte Rep. 2008/09:TU18, Riksdag Comm. 2008/09:293)</p>
<p><b>SOS Alarm</b>                      (Govt Bill 1972:129, Cmte Rep. 1972:TU20, Riksdag Comm. 1972:329)                      (Govt Bill 1990/91:87, Cmte Rep. 1990/91:TU28, Riksdag Comm. 1990/91:369)                      (Govt Bill 1992/93:132, Cmte Rep. 1992/93:TU11, Riksdag Comm. 1992/93:152)                      (Govt Bill 1992/93:200, Cmte Rep. 1992/93:TU30, Riksdag Comm. 1992/93:943)                      (Govt Bill 1993/94:150, Cmte Rep. 1993/94:TU38, Riksdag Comm. 1993/94:432)</p>

Enterprise / Government bill
<p><b>Specialfastigheter</b>                      (Govt Bill 1991/92:44, Cmte Rep. 1991/92:FIU8, Riksdag Comm. 1991/92:107)                      (Govt Bill 1992/93:37, Cmte Rep. 1992/93:FIU8, Riksdag Comm. 1992/93:123)                      (Govt Bill 1997/98:137, Cmte Rep. 1997/98:FIU25, Riksdag Comm. 1997/98:252)</p>
<p><b>SSC, Svenska rymdaktiebolaget</b>                      (Govt Bill 1972:48, Cmte Rep. 1972:NU37, Riksdag Comm. 1972:216)                      (Govt Bill 1978/79:142, Cmte Rep. 1978/79:NU36, Riksdag Comm. 1978/79:292)                      (Govt Bill 1985/86:127, Cmte Rep. 1985/86:NU21, Riksdag Comm. 1985/86:305)</p>
<p><b>Statens Bostadsomvandling</b>                      (Govt Bill 1997/98:119, Cmte Rep. 1997/98:BoU10, Riksdag Comm. 1997/98:306)                      (Govt Bill 1997/98:150, Cmte Rep. 1997/98:FIU27, Riksdag Comm. 1997/98:317)                      (Govt Bill 2001/02:4, Cmte Rep. 2001/02:NU4, Riksdag Comm. 2001/02:118)                      (Govt Bill 2001/02:58, Cmte Rep. 2001/02:BoU4, Riksdag Comm. 2001/02:160)                      (Govt Bill 2001/02:100, Cmte Rep. 2001/02:FIU21, Riksdag Comm. 2001/02:326)                      (Cmte Rep. 2002/03:BOU10, Riksdag Comm. 2002/03:216)                      (Govt Bill 2003/04:1, Cmte Rep. 2003/04:FIU11, Riksdag Comm. 2003/04:49)                      (Govt Bill 2003/04:100, Cmte Rep. 2003/04:FIU21, Riksdag Comm. 2003/04:273)                      (Govt Bill 2019/20:99, Cmte Rep. 2019/20:FIU21, Riksdag Comm. 2019/20:340)</p>
<p><b>Sveaskog</b>                      (Govt Bill 1998/99:1 exp. area 24, Cmte Rep. 1998/99:NU1, Riksdag Comm. 1998/99:108)                      (Govt Bill 1999/2000:1 exp. area 24, Cmte Rep. 1999/2000:NU1, Riksdag Comm. 1999/2000:111)                      (Govt Bill 2001/02:39, Cmte Rep. 2001/02:NU7, Riksdag Comm. 2001/02:108)                      (Govt Bill 2002/03:24, Cmte Rep. 2002/03:NU4, Riksdag Comm. 2002/03:107)                      (Govt Bill 2004/05:1 exp. area 24, Cmte Rep. 2004/05:NU1, Riksdag Comm. 2004/05:117)                      (Govt Bill 2009/10:169, Cmte Rep. 2009/10:NU22, Riksdag Comm. 2009/10:384)</p>
<p><b>Svedab</b>                      (Govt Bill 1990/91:158, Cmte Rep. 1990/91:TU31, Riksdag Comm. 1990/91:379)                      (Govt Bill 1992/93:100 app. 7, Cmte Rep. 1994/95:TU2, Riksdag Comm. 1994/95:50)                      (Govt Bill 1996/97:161, Cmte Rep. 1997/98:TU6, Riksdag Comm. 1997/98:32)                      (Govt Bill 1999/2000:66, Cmte Rep. 1999/2000:TU10, Riksdag Comm. 1999/2000:237)                      (Govt Bill 2001/02:20, Cmte Rep. 2001/02:TU2, Riksdag Comm. 2001/02:126)                      (Govt Bill 2006/07:1, Cmte Rep. 2006/07:TU1, Riksdag Comm. 2006/07:35)                      (Govt Bill 2009/10:1, Cmte Rep. 2009/10:TU1, Riksdag Comm. 2009/10:117)                      (Govt Bill 2010/11:1, Cmte Rep. 2010/11:TU1, Riksdag Comm. 2010/11:138)</p>
<p><b>Svenska Skeppshypotek</b>                      (Govt Bill 1929:160)                      (Govt Bill 1963:78)                      (Govt Bill 1965:99, Cmte Rep. 1965:BaU38, Riksdag Comm. 1965:289)                      (Govt Bill 1971: 76, Cmte Rep. NU 1971:18)                      (Govt Bill 1980/81:58, Cmte Rep. 1980/81:NU21, Riksdag Comm. 1980/81:110)                      (Govt Bill 1987/88:25, Cmte Rep. 1987/88: NU12, Riksdag Comm. 1987/88:112)                      (Govt Bill 1990/91:190, Cmte Rep. 1991/92:NU32)                      (Govt Bill 1993/94:216, Cmte Rep. 1993/142:NU27)                      (Govt Bill 1995/96:220, Cmte Rep. 1996/97:KU03)                      (Govt Bill 1997/98:136, Cmte Rep. 1997 KU31, Riksdag Comm. 1997/98:119)                      (Govt Bill 1998/99:1, Cmte Rep. 1998/99: FIU11)                      (Govt Bill 2003/04:128, Cmte Rep. 2003/04: FIU21, Riksdag Comm. 2003/04:273)                      (Riksdag Comm. 2019/20:108, Cmte Rep. 2019/20:FIU46, Riksdag Comm. 2019/20:345)</p>
<p><b>Svenska Spel</b>                      (Govt Bill 1995/96:169, Cmte Rep. 1995/96:FIU14, Riksdag Comm. 1995/96:248)                      (Govt Bill 2008/09:126, Cmte Rep. 2008/09:KrU8, Riksdag Comm. 2008/09:243)</p>
<p><b>Svevia</b>                      (Govt Bill 2008/09:23, Cmte Rep. 2008/09:TU4, Riksdag Comm. 2008/09:76)</p>
<p><b>Swedavia</b>                      (Govt Bill 2009/10:16, Cmte Rep. 2009/10:TU7, Riksdag Comm. 2009/10:114)                      (Govt Bill 2019/20:187, Cmte Rep. 2019/20:FIU62, Riksdag Comm. 2019/20:364)</p>
<p><b>Sweden House</b>                      (Govt Bill 1994/95:78, Cmte Rep. 1994/95:FIU4, Riksdag Comm. 1994/95:75)</p>
<p><b>Swedesurvey</b>                      (Govt Bill 1992/93:100 app. 15, Cmte Rep. 1992/93:BoU14, Riksdag Comm. 1992/93:217)                      (Govt Bill 2016/17:181, Cmte Rep. 2016/17:NU24, Riksdag Comm. 2016/17:333)</p>
<p><b>Swedfund</b>                      (Govt Bill 1977/78:135, Cmte Rep. 1978/79:UU1, Riksdag Comm. 1978/79:9)                      (Govt Bill 1991/92:100 app. 4, Cmte Rep. 1991/92:UU15, Riksdag Comm. 1991/92:210)                      (Govt Bill 2008/09:52, Cmte Rep. 2008/09:UU9, Riksdag Comm. 2008/09:74)</p>

**Enterprise / Government bill****Systembolaget**

(Govt Bill 1976/77:108, Cmte Rep. 1976/77: SkU 40, Riksdag Comm. 1976/77:231)  
 (Govt Bill 1993/94:136, Cmte Rep. 1993/94:SoU22, Riksdag Comm. 1993/94:249)  
 (Govt Bill 1994/95:89, Cmte Rep. 1994/95:SoU9, Riksdag Comm. 1994/95:106)  
 (Govt Bill 1998/99:134, Cmte Rep. 1999/00:SoU4, Riksdag Comm. 1999/00:42)  
 (Govt Bill 2000/01:97, Cmte Rep. 2000/01:SoU19, Riksdag Comm. 2000/01:260)  
 (Govt Bill 2002/03:87, Cmte Rep. 2002/03:SoU16, Riksdag Comm. 2002/03:152)  
 (Govt Bill 2003/04:161, Cmte Rep. 2004/05:SoU6, Riksdag Comm. 2004/05:38)  
 (Govt Bill 2005/06:30, Cmte Rep. 2005/06:SoU12, Riksdag Comm. 2005/06:157)  
 (Govt Bill 2007/08:119, Cmte Rep. 2007/08:SoU19, Riksdag Comm. 2007/08:209)  
 (Govt Bill 2009/10:125, Cmte Rep. 2010/11:SoU4, Riksdag Comm. 2010/11:36)  
 (Govt Bill 2018/19:59, Cmte Rep. 2018/19:SoU18, Riksdag Comm. 2018/19:239)

**Telia Company**

(Govt Bill 1992/93:200, Cmte Rep. 1992/93:TU30, Riksdag Comm. 1992/93:443)  
 (Govt Bill 1997/98:121, Cmte Rep. 1997/98:NU14, Riksdag Comm. 1997/98:308)  
 (Govt Bill 1998/99:99, Cmte Rep. 1998/99:NU14, Riksdag Comm. 1998/99:260)  
 (Govt Bill 1999/2000:84, Cmte Rep. 1999/2000:NU18, Riksdag Comm. 1999/2000:204)  
 (Cmte Rep. 2000/01:NU11, Riksdag Comm. 2000/01:272)  
 (Govt Bill 2006/07:57, Cmte Rep. 2006/07:NU16, Riksdag Comm. 2006/07:217)  
 (Cmte Rep. 2010/11:NU7, Riksdag Comm. 2010/11:190)  
 (Govt Bill 2018/19:40, Cmte Rep. 2018/19:NU9, Riksdag Comm. 2018/19:168)  
 (Govt Bill 2020/21:99, Cmte Rep. 2020/21:FiU21)

**Teracom Group**

(Govt Bill 1991/92:140, Cmte Rep. 1991/92:KrU28, Riksdag Comm. 1991/92:329)  
 (Govt Bill 1996/97:67, Cmte Rep. 1996/97:KU17, Riksdag Comm. 1996/97:178)  
 (Govt Bill 1998/99:1, exp. area 17, Cmte Rep. 1998/99:KrU1, Riksdag Comm. 1998/99:55)  
 (Govt Bill 2000/01:1, exp. area 17, Cmte Rep. 2000/01:KrU1, Riksdag Comm. 2000/01:59)  
 (Govt Bill 2001/02:76, Cmte Rep. 2001/02:KrU7, Riksdag Comm. 2001/02:149)  
 (Govt Bill 2002/03:110, Cmte Rep. 2002/03:TU6, Riksdag Comm. 2002/03:228)  
 (Govt Bill 2002/03:64, Cmte Rep. 2002/03:KrU7, Riksdag Comm. 2002/03:195)  
 (Govt Bill 2002/03:72, Cmte Rep. 2002/03:KU33, Riksdag Comm. 2002/03:196)  
 (Govt Bill 2003/04:118, Cmte Rep. 2003/04:KU24, Riksdag Comm. 2003/04:231)  
 (Govt Bill 2005/06:1 exp. area 24, Cmte Rep. 2005/06:NU1, Riksdag Comm. 2005/06:121)  
 (Govt Bill 2010/11:1 exp. area 24, Cmte Rep. 2010/11:NU1, Riksdag Comm. 2010/11:132)  
 (Govt Bill 2019/20:99, Cmte Rep. 2019/20:FiU21, Riksdag Comm. 2019/20:340)

**Vasallen**

(Govt Bill 1996/97:4, Cmte Rep. 1996/97:FöU1, Riksdag Comm. 1996/97:36)  
 (Govt Bill 1996/97:150, Cmte Rep. 1996/97:FiU20, Riksdag Comm. 1996/97:284)  
 (Govt Bill 1999/2000:30, Cmte Rep. 1999/2000:FöU2, Riksdag Comm. 1999/2000:168)  
 (Govt Bill 2000/01:100, Cmte Rep. 2000/01:FiU20, Riksdag Comm. 2000/01:288)  
 (Govt Bill 2002/03:100, Cmte Rep. 2002/03:FiU21, Riksdag Comm. 2002/03:235)  
 (Govt Bill 2004/05:5, Cmte Rep. 2004/05:FöU4,FöU5, Riksdag Comm. 2004/05:143)  
 (Govt Bill 2008/09:172, Cmte Rep. 2008/09:FiU41, Riksdag Comm. 2008/09:263)  
 (Govt Bill 2020/21:1, Cmte Rep. 2020/21:NU1, Riksdag Comm. 2020/21:145)

**Visit Sweden**

(Govt Bill 1994/95:100 app. 13 and Govt Bill 1994/95:177, Cmte Rep. 1994/95:KrU28 Riksdag Comm. 1994/95:395)  
 (Govt Bill 2004/05:56, Cmte Rep. 2004/05:NU13, Riksdag Comm. 2004/05:295)  
 (Govt Bill 2019/20:1, Cmte Rep. 2019/20:FiU1, Riksdag Comm. 2019/20:59)  
 (Govt Bill 2020/21:1, Cmte Rep. 2020/21:NU1, Riksdag Comm. 2020/21:145)

**Vattenfall**

(Govt Bill 1990/91:87, Cmte Rep. 1990/91:NU38, Riksdag Comm. 1990/91:318)  
 (Govt Bill 1991/92:49, Cmte Rep. 1991/92:NU10, Riksdag Comm. 1991/92:92)  
 (Govt Bill 1996/97:84, Cmte Rep. 1996/97:NU12, Riksdag Comm. 1996/97:272)  
 (Govt Bill 2009/10:179, Cmte Rep. 2009/10:NU23, Riksdag Comm. 2009/10:325)

**Voksenåsen**

(Govt Bill 1960:88, Cmte Rep. 1960:SU78, Riksdag Comm. 1960:205)  
 (Govt Bill 1976/77:25, Cmte Rep. 1976/77: KrU27, Riksdag Comm. 1976/77:72)  
 (Govt Bill 1997/98:1, Cmte Rep. 1997/98: KrU1, Riksdag Comm. 1997/98:97)

# State Ownership Policy

The Government adopted this ownership policy for state-owned enterprises on 27 February 2020. This policy replaces the previous ownership policy adopted on 22 December 2016. The Government's principles for corporate governance, remuneration and other terms of employment for senior officers of state-owned enterprises and external reporting in state-owned enterprises form part of the State Ownership Policy.

## 1. Introduction

State-owned enterprises, which are ultimately owned by the Swedish people, make up a significant part of the business sector in Sweden.

The Government has a mandate from the Riksdag to actively manage state-owned enterprises so as to ensure the best possible long-term value performance and, where relevant, to ensure that specifically adopted public policy assignments are performed well. For the Government, it is of the utmost importance that state-owned enterprises are actively and professionally managed with long-term value creation as an overall objective.

State-owned enterprises have to take a long-term approach, be efficient and profitable, and be given the capacity to develop. To promote long-term sustainable value creation in state-owned enterprises, sustainable business is integrated into corporate governance. This means that state-owned enterprises have to act in an exemplary way in the area of sustainable business, and otherwise act in such a way that they enjoy public confidence.

If state-owned enterprises are to contribute to economic efficiency and competitiveness throughout the country, the State has to apply good corporate governance. The Swedish Government's management principles mainly follow the OECD Guidelines on Corporate Governance of and Anti-Corruption and Integrity in State-Owned Enterprises, which provide a predictable framework both for the State as owner and for the state-owned enterprises.

State ownership of enterprises in Sweden has come about at various points in time and for various reasons. Many of these enterprises started out as public enterprises under

government agencies, as state enterprises [*affärsverke*], or as state monopolies. Today, most of the enterprises operate in fully competitive markets. Increased globalisation, technological progress and greater exposure to competition have changed the situation of most state-owned enterprises. As a result, the portfolio of state-owned enterprises has changed considerably over time. As an active and professional owner, the State has to examine the reasons for continued state ownership and also to review the various assignments and directions of the enterprises. However, the direction of the operations and public policy assignments of many of the enterprises justify the State continuing to be a significant company owner.

In this ownership policy, the Government sets out mandates and objectives, applicable frameworks and important matters of principle relating to the governance of the state-owned enterprises.

The State Ownership Policy is applied in all enterprises with majority state ownership. In the other enterprises, i.e. those with minority state ownership, the State engages in a dialogue with the other owners to have this ownership policy applied. Enterprises administered by government agencies other than the Government Offices have to apply the State Ownership Policy in a corresponding way.

The Government presents an annual report on state-owned enterprises to the Riksdag. The report is intended to describe state ownership and the value in state-owned enterprises and to provide an account of how the management of state ownership has developed during the year. The report also sets out how the enterprises are achieving their targets and complying with the Government's principles for state-owned enterprises.



## 2. The State as a company owner

### 2.1 The Government's management mandate

Chapter 9, Article 8, of the Instrument of Government (IG) provides that, with certain exceptions, state assets are at the disposal of and administered by the Government. Under Chapter 9, Article 9 of IG, the Riksdag decides the principles for the administration and disposition of state assets. The Swedish Budget Act (2011:203) contains provisions on acquisition and transfer of property, including shares and participations in companies. Chapter 8, Section 3 of the Budget Act provides that the Government must not acquire shares or participations or increase the State's share of the voting power or ownership in a company in any other way without an authorisation from the Riksdag. Nor may the Government inject capital in a company without authorisation from the Riksdag. Moreover, Chapter 8, Section 4, second paragraph of the Swedish Budget Act provides that, without the authorisation of the Riksdag, the Government must not, by sale or other means, reduce the state holding in companies in which the State holds at least half of the votes for all shares or participations. In addition to what is stated in these provisions, the approval of the Riksdag is required for material changes in the business purposes of the state-owned enterprises. In contrast, dividend payments, for example, do not require a Riksdag decision since they form part of the ongoing investment management.

### 2.2 Management of state-owned enterprises

State-owned enterprises are normally managed by the Government Offices. Most of the enterprises are managed by the Ministry of Enterprise and Innovation, which has a special investment management organisation for state-owned enterprises. The Ministry of Enterprise and Innovation is also responsible for questions concerning the state ownership of enterprises that require a unified ownership policy. The Government's principles for active management and governance of state-owned enterprises therefore cover all state-owned enterprises.

To ensure active and professional investment management, the Government Offices has developed a number of tools and processes for their work. As part of this investment management role, the Government Offices nominates directors, sets targets and tracks and evaluates the enterprises' operations.

### 2.3 Legislation

State-owned enterprises are subject to the same laws as privately owned companies, including the Companies Act, the Annual Accounts Act, the Competition Act, the Bookkeeping Act, the Protective Security Act and legislation related to securities trading and insider trading.<sup>a)</sup> They may also be subject to directly applicable EU regulations, for instance the Market Abuse Regulation (MAR)<sup>b)</sup> and the General Data Protection Regulation (GDPR)<sup>c)</sup>.

Like privately owned companies, state-owned enterprises that operate in a particular sector may also be subject to sector-specific legislation. The allocation of work in the Government Offices means that sector-specific legislation is typically the responsibility of divisions that do not manage state-owned enterprises. This maintains the separation of the roles of the State as owner and legislator.

EU State aid rules apply to all support from the State to both state-owned enterprises and privately owned companies. The purpose of these rules is to prevent a Member State from distorting competition through subsidies that strengthen the competitiveness of domestic industry to the disadvantage of companies in another Member State. Under the EU regulatory framework, the Market Economy Operator Principle (MEOP) applies to injections of capital into state-owned enterprises, for instance. MEOP is usually satisfied if capital injections are provided on conditions and terms that would have been accepted by a private investor.

### 2.4 Application of the Swedish Corporate Governance Code

State-owned enterprises whose shares are admitted to trading on a regulated market in Sweden have to apply the Swedish Corporate Governance Code (the "Code") in full. In majority state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden, the Code has to be applied except for the rules on nomination committees and the rules on the election of the board of directors and selection of auditors. Nor are these enterprises required to set up a remuneration committee in accordance with the rules set out in the Code, but they can choose to do so. In minority state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden, the State engages in dialogue

a) Aktiebolagslagen (2005:551), årsredovisningslagen (1995:1554), konkurrenslagen (2008:579), bokföringslagen (1999:1078), säkerhetsskyddslagen (2018:585) samt värdepappers- och insiderlagstiftningen med bl.a. lag (2007:528) om värdepappersmarknaden, lag (2016:1306) med kompletterande bestämmelser till EU:s marknadsmissbruksförordning och lag (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden.  
 b) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.  
 c) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

with the other owners to have the Code applied in a corresponding way. The Code is applied according to the principle of 'comply or explain'. Section 3.1 sets out the principles to be applied instead of Code rules when electing directors in state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden.

### 3. Board recruitment for state-owned enterprises

#### 3.1 Board nomination process

The board of directors of each enterprise is responsible for the enterprise's organisation and for managing its affairs. This includes regularly assessing the enterprise's financial situation and ensuring that the enterprise has satisfactory internal control. The enterprise's executive management is responsible for day-to-day operations.

The Government's objective is for boards of state-owned enterprises to possess a high level of expertise well geared to the operations, situation and future challenges of their enterprise. Uniform and common principles for a structured board nomination process for state-owned enterprises are applied to ensure effective provision of expertise to their boards of directors.

In the case of state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden, the Government Offices prepares a proposal for the election of directors and for the directors' fees. In enterprises with a significant state holding whose shares are admitted to trading on a regulated market in Sweden, the State appoints or nominates one member of the enterprise's nomination committee.

The board nomination process in the Government Offices is coordinated by the Ministry of Enterprise and Innovation. For each enterprise, the expertise required is analysed on the basis of the enterprise's operations, situation and future challenges, board composition and board evaluations performed. As part of its work in the board nomination process, the Government Offices also conducts its own ongoing evaluation of the boards of all state-owned enterprises. Any recruitment need is then determined, and recruitment work is begun.

#### 3.2 Board composition

To ensure efficiency, the boards of directors should consist of six to eight directors. The Government's intention is to have only regular directors on boards without alternates. The chair of the board is elected by the general meeting. When necessary, a vice chair can be appointed by the general meeting. The board has to have a composi-

tion that is appropriate in view of the enterprise's operations, stage of development and other circumstances and that is also broad and rounded in terms of the expertise, experience and background of the directors elected by the general meeting. Diversity aspects such as ethnic and cultural background have also to be taken into account in board composition. The Government considers it important to separate the roles of the board of directors and the CEO, so the CEO must not serve as a director.

The starting point for all nominations of directors is the need for expertise on the board of the particular enterprise. It is important that the board's composition means that the board always has industry knowledge or other expertise directly relevant to the enterprise; this is also the case when the enterprise is undergoing development and its business environment is changing. Sustainable business is an important issue for the State as an owner and it is essential that the board has the capacity to work strategically in this area.

To be considered for a directorship, a person must possess a high level of expertise either in the enterprise's business operations, business development, industry expertise, financial matters or sustainable business or in other relevant areas. In addition, the candidate has to have the time and commitment needed for the assignment, as well as strong integrity and the ability to see to the best interests of the enterprise. All directors must be able to independently assess the enterprise's operations.

The Government aims for gender balance both on individual boards and at portfolio level. The target for the portfolio of state-owned enterprises (fully and partially owned) is a minimum of 40 per cent board representation for both women and men. The following applies to all boards of directors. If the enterprise's board of directors has:

- up to three directors elected by the general meeting, these must include persons of each gender;
- four or five directors elected by the general meeting, these must include at least two persons of each gender;
- six to eight directors elected by the general meeting, these must include at least three persons of each gender;
- nine directors elected by the general meeting, these must include at least four persons of each gender; or
- more than nine directors elected by the general meeting, these must include at least 40 per cent of each gender.

Directors are selected from a broad recruitment base in order to make use of the expertise of both women and men, as well as individuals with various backgrounds and

experience. Discrimination associated with gender, trans-gender identity or expression, ethnic affiliation, religion or other belief, disability, sexual orientation or age is prohibited.

### 3.3 Directors' fees

Directors are compensated for their work and for the responsibility entailed by their board assignment. Fees paid to the board chair, the vice chair, if any, and other directors is decided by the general meeting. Fees paid to directors who serve on specially appointed board committees are also decided by the general meeting. For fees to be paid for service on a committee, the work involved has to be of a substantial extent. At times when the work load is particularly high, fees paid for committee work can be adjusted for a limited period. As a rule, employees of the Government Offices who are directors of state-owned enterprises are not paid directors' fees or committee fees. In exceptional cases, however, a fee may be paid to an employee of the Government Offices following a decision by the general meeting. Fees are not normally paid to employee representatives on the board.

Ahead of the general meeting's decision on directors' fees, the Government Offices carries out an analysis comparing fee levels with the fees paid by comparable companies. The fees should be competitive, but not market-leading.

## 4. Targets and assignments for state-owned enterprises

### 4.1 Articles of association

In the articles of association the owner determines the business purpose of the enterprise's operations and certain specific limits for its operations. The business purpose of the operations of state-owned enterprises is based on decisions of the Riksdag. The articles of association for state-owned enterprises are based on the rules in the Companies Act for public limited companies whose shares are admitted to trading on a regulated market in Sweden, the Swedish Corporate Governance Code and this State Ownership Policy.

### 4.2 Owner instructions

The owner gives instructions to the enterprise's board of directors in owner instructions. In state-owned enterprises, owner instructions are mainly used when an enterprise has a specifically adopted public policy assignment; receives budget appropriations; or is being restructured and also in the context of deregulation or other similar material changes. The content of owner instructions has to be relevant, specific and clear and is formalised

through decisions at general meetings. Where an assignment is given in owner instructions, the instructions have to state clearly how the assignment will be financed, reported and tracked.

### 4.3 Financial targets

Financial targets are important instruments in the governance of state-owned enterprises. The owner's purpose in setting financial targets for the enterprises is to:

- ensure value creation because the board and executive management work towards long-term, ambitious and realistic targets;
- achieve capital efficiency by clarifying the cost of equity;
- keep the enterprises' financial risk at a reasonable level;
- ensure dividend yield for the owner through sustainable and predictable dividends taking account of the enterprise's future capital requirements and financial position; and
- measure, track and evaluate the enterprises' profitability, efficiency and level of risk in a structured way.

The financial targets are mainly defined according to the following categories:

- profitability targets
- capital structure targets
- dividend targets.

The owner's cost of equity is an important starting point for setting financial targets because this cost ultimately determines whether the State, as an owner, is receiving reasonable, market level compensation for the risk-taking involved in enterprise ownership. The cost of equity is a floor for the profitability target, since a return that is systematically below the cost of equity entails the destruction of value for the State as an owner. The cost of equity also affects the optimal capital structure since it depends on the relationship between the cost of equity and borrowed capital at various levels of debt.

Other important criteria used in setting targets include analysis of risks and opportunities in sustainable business, analysis of the market in which the enterprise operates, comparisons with other companies and analysis of the enterprise's business plan and history. Finally, stress tests are conducted to assess the sensitivity of the targets to various external and internal factors.

The financial targets are adopted by the general meeting and documented in the minutes taken. The financial targets adopted apply until new or changed targets are adopted by the general meeting.

#### 4.4 Specifically adopted public policy assignments

Some state-owned enterprises have a specifically adopted public policy assignment; this is an assignment decided by the Riksdag to conduct operations intended to generate effects other than a financial return for the owner. In some cases, operations that are part of a specifically adopted public policy assignment can be part-financed from appropriations in the central government budget.

#### 4.5 Public policy targets for enterprises with specifically adopted public policy assignments

Public policy targets are set where relevant in order to assess and track the performance of specifically adopted public policy assignments. The purpose of setting public policy targets for the enterprises is to

- ensure that the specifically adopted public policy assignments are performed well;
- make clear the cost of performing the specifically adopted public policy assignments;
- enable tracking and reporting to the Riksdag and other stakeholders; and
- make clear the context for the financial targets.

Public policy targets should be set in the light both of the enterprise's business purpose and of the aim of the enterprise's operations; that is, the desired effects of the enterprise's operations.

Since an enterprise's ability to perform a specifically adopted public policy assignment and to generate a return may be mutually dependent, the drafting of public policy targets and financial targets should normally be coordinated. Then, the level of ambition for its public policy targets can be weighed against the cost in terms of the impact on risk and financial return implied by a certain level of a public policy target.

Public policy targets are decided by the general meeting through an owner instruction to the enterprise.

#### 4.6 Tracking of targets

Public policy targets and financial targets are tracked in an owner dialogue between representatives of the owner and the chair of the board, in which outcomes in relation to the targets are discussed, along with any measures planned for achieving the targets. The strategic targets set by the board are also tracked as part of the owner dialogue. Material changes to the enterprise's conditions can lead to a review of the targets.

#### 4.7 Auditor

The auditor's assignment of independently examining the administration of the enterprise by the board of directors and the CEO, as well as the enterprise's annual accounts

and accounting records, is of central importance to the State as an owner. The owner is always responsible for selecting auditors and the selection of auditors is decided at the annual general meeting.

In addition to an auditor appointed by the general meeting, the Swedish National Audit Office is entitled, as set out in the Act on the Audit of State Activities (2002:1022), to appoint auditors in the enterprises in which the State has a controlling influence or whose operations are regulated by statute.

#### 4.8 The Government's principles for state-owned enterprises

The Government has adopted principles for corporate governance; remuneration and other terms of employment for senior officers; and external reporting in state-owned enterprises. The principles for corporate governance are intended to establish good corporate governance of state-owned enterprises and to clarify the Government's high ambitions for state-owned enterprises in the areas of sustainable business, digitalisation and security. The principles for remuneration and other terms of employment for senior officers are intended to ensure that state-owned enterprises deal with questions concerning remuneration to senior officers in a conscious, responsible and transparent way. The principles for external reporting are intended to ensure that state-owned enterprises handle accounting, reporting and other provision of information in a transparent and professional way.

These sets of principles form part of the State Ownership Policy and are therefore applied in enterprises where the State is the majority owner. In the other enterprises the State engages in a dialogue with the other owners to have the principles applied. The Government's tracking that state-owned enterprises follow these principles is reported in the Government's annual communication to the Riksdag on state-owned enterprises.

# Principles for corporate governance of state-owned enterprises

The Government adopted the following principles for corporate governance of state-owned enterprises on 27 February 2020. They are applied for each enterprise as of the 2020 annual general meeting. The principles form part of the State Ownership Policy.

## 1. Introduction

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State-owned enterprises have to take a long-term approach, be efficient and profitable, and be given the capacity to develop. To achieve this, it is essential that the enterprises apply good corporate governance. To promote long-term sustainable value creation in state-owned enterprises, sustainable business is integrated into corporate governance. These principles are also intended to clarify the meaning of the Government's high ambitions for state-owned enterprises in the areas of sustainable business, digitalisation and security.

The Government's tracking that state-owned enterprises follow these principles is reported in the Government's annual communication to the Riksdag on state-owned enterprises.

### 1.1 Area of application

These principles are applied in majority state-owned enterprises. In the other enterprises, i.e. those with minority state ownership, the State engages in a dialogue with the other owners to have the principles applied. State-owned enterprises also have to ensure that these principles are taken into account throughout their operations, including in any subsidiaries.

The board of directors is also required to describe in its annual corporate governance report how the principles were applied during the preceding financial year.

### 1.2 Application of the Swedish Corporate Governance Code

State-owned enterprises whose shares are admitted to trading on a regulated market in Sweden have to apply the Swedish Corporate Governance Code (the "Code") in full. Majority state-owned enterprises, whose shares are not admitted to trading on a regulated market in Sweden, have to apply the Code with the exception of its rules on nomination committees and the rules on the election of the board of directors and selection of

auditors. Nor are these enterprises required to set up a remuneration committee in accordance with the rules set out in the Code, but they can choose to do so. In minority state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden, the State engages in dialogue with the other owners to have the Code applied in a corresponding way. The Code is applied according to the principle of 'comply or explain'. Section 4 sets out the principles to be applied instead of Code rules when selecting auditors in state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden.

## 2. General meeting

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The general meeting is the enterprise's highest decision-making body and the forum in which the shareholders formally exercise their influence. Ahead of a general meeting in state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden, the Government Offices presents a proposal for the chair of the meeting, or, if the Government Offices has not presented a proposal, the board of directors does so. The proposal of the chair is included in the notice to attend the general meeting.

State-owned enterprises have to apply the rules set out in the Companies Act (2005:551) for public limited companies regarding general meetings. In addition to the provisions of the Companies Act and the Code, the following principles apply to the general meetings of state-owned enterprises.

Members of the Riksdag are entitled to attend general meetings of enterprises in which the State owns at least 50 per cent of the shares, provided that the enterprise or an operating subsidiary has more than 50 employees. The board is responsible for ensuring that a notice of the time and place of the general meeting is sent to the Central Bureau of the Riksdag when the notice convening the general meeting is issued to shareholders. Members of

the Riksdag who wish to attend a general meeting must pre-register with the enterprise and this pre-registration should be received by the enterprise no later than one week before the general meeting.

The general public should be invited to attend the general meetings of state-owned enterprises. Notice of attendance has to be received at least one week before the meeting. State-owned enterprises should organise some form of arrangement in conjunction with their annual general meeting at which members of the public can put questions to the board of directors and the executive management.

The annual general meeting of state-owned enterprises has to take place by 30 April, and any dividend has to be distributed no later than two weeks after the annual general meeting.

### 3. Enterprise board

#### 3.1 Directors

Directors of state-owned enterprises have to possess a high level of expertise that is well geared to the operations, situation and future challenges of their particular enterprise. Furthermore, directors of state-owned enterprises are expected to have a high degree of integrity and good judgement. Directors must also have the time and commitment required to perform their assignment and a high capacity to see to the best interests of the enterprise. In the light of this, directors have to inform the chair of the board of their other assignments.

When the Government Offices' nomination process is complete, the proposal adopted is published on the enterprise's website and is included in the notice convening the general meeting, in line with the rules set out in the Code. The information about the proposed directors specified in the Code, except for information about independence, is also published on the enterprise's website.

#### 3.2 Responsibilities of the board of directors

The board of directors of each enterprise in which the State has a holding is responsible for ensuring that the enterprise is managed in an exemplary way within the framework of the legislation, its articles of association, any owner instructions and the State Ownership Policy. The board of directors is responsible for the organisation of the enterprise and for managing its affairs. This includes ensuring effective internal control, risk management and regulatory compliance. The Code requires the board of directors to make an annual evaluation of the need for internal audit. The board has to ensure that the enterprise attains targets set and practices good steward-

ship of all resources in its operations. The board is responsible for setting targets and strategies for the enterprise's operations.

Work aimed at ensuring public confidence in operations includes adopting policy documents of relevance to operations and an annual evaluation of applicable policy documents and associated tracking and compliance processes.

The board is also responsible for preparing proposals of guidelines for remuneration to senior officers and for preparing the separate remuneration report on remuneration to senior officers as specified in the Government's principles for remuneration and other terms of employment for senior officers of state-owned enterprises and its principles for external reporting in state-owned enterprises.

#### 3.3 Directors' independence

Directors of state-owned enterprises must possess a high degree of integrity and are not permitted to be dependent on the enterprise or its executive management to such an extent that their independence can be questioned. One deviation from the Code in terms of the independence of directors is that directors' independence in relation to the State as a large shareholder and in relation to the enterprise and its management is not reported in state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden. The reason for this deviation is that the Code requirements are mainly aimed at companies with diverse ownership and are mainly intended to protect minority shareholders. So, there is no reason to report this form of independence in state-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden.

Situations should be avoided in which directors or alternate directors are engaged as consultants to the enterprise and therefore receive consultancy fees in addition to directors' fees. If this nevertheless occurs, the assignment has to be considered by the board in each individual case, be clearly differentiated from the ordinary directorship, be for a limited period and be regulated by a written agreement between the enterprise and the director. The principles for these consultancy fees are covered by guidelines for remuneration of senior officers adopted by the general meeting.

#### 3.4 Chair of the board

The special role of the chair of the board is dealt with in the Companies Act and the Code. The particular duties of the chair of the board have to be specified in the formal working procedures for the board.

In state-owned enterprises, 'coordination responsibility' is one such particular duty. When the enterprise is faced with particularly important decisions, the board of directors must, through its chair, coordinate its view in writing with representatives of the owner. It is for the board to initiate and assess the cases in which coordination via the chairman is required ahead of a particular board decision.

### 3.5 Board procedures

Every board is responsible for assessing the need to appoint special committees. When a committee is appointed, its activities have to be guided by the principles of the Code, and written instructions setting out the division of work between the board and the committee have to be drawn up. Other aspects of the board procedures have also to be guided by the principles of the Code. State-owned enterprises have to apply the rules set out in the Companies Act for public limited companies with regard to the working procedures for the board. In state-owned enterprises, the authority to sign for the enterprise should only be exercised by two or more persons jointly, at least one of whom is a director or the CEO.

### 3.6 Decisions concerning the CEO

A chief executive officer (CEO) has to be appointed for all state-owned enterprises. One of the board's most important tasks is to appoint, evaluate and, when required, dismiss the CEO. State-owned enterprises have to apply the rules set out in the Companies Act for public limited companies with regard to the instructions to the CEO.

### 3.7 Evaluation of boards

The chair of the board has to ensure that board performance is evaluated annually. In fully state-owned enterprises, the Government Offices has to be informed of the results of the evaluation, and this should be done by the end of the year. When reporting the board evaluation, the chair of the board also has to inform the Government Offices of other appointments held by all directors.

## 4. The enterprise's auditor

Proposals concerning the selection of auditors and auditors' fees in a state-owned enterprise have to be submitted by the board and are prepared by the enterprise applying the rules concerning the contracting and selection of auditors that apply to companies whose shares are admitted to trading on a regulated market

under the EU Audit Regulation.<sup>a)</sup> In companies that do not have an audit committee, the board of directors has to take the measures and assume the responsibility for contracting of auditors assigned to the audit committee under the Audit Regulation.

Proposals for the selection of auditors have to be published on the enterprise's website, including information on the recommendation by the board of directors or the audit committee of the board of directors on which the proposal is based, and have to be included in the notice convening the general meeting, in accordance with the rules of the Companies Act and the Code.

An auditor selected by the annual general meeting is appointed for a term of one year. The rules of the Audit Regulation on rotation of audit firms also have to be applied in state-owned enterprises; this means that, as a general rule, an audit firm may not be reselected for a period of more than 20 years, and that a complete contracting of audit services must be carried out at least every ten years.

## 5. Sustainable value creation and strategic targets

Long-term and sustainable value creation requires enterprises to take account of and handle aspects material to their operations and to adopt a strategic approach to these aspects. As an owner, the State has identified certain areas in which it is important that state-owned enterprises work actively to attain sustainable value creation. These include sustainable business and managing the opportunities and risks of digitalisation. The board of directors is responsible for developing the enterprise's overall strategy and setting strategic targets for sustainable value creation.

The strategic targets for sustainable value creation have to focus on value creation and be relevant to the enterprise's business operations and material sustainability aspects. The targets also have to be long term, challenging and trackable, while being clear and comparable. Where applicable, the targets also have to be relevant to the enterprise's specifically adopted public policy assignment. The outcome in relation to the targets will be discussed as part of the owner dialogue between representatives of the owner and the chair of the board, as will any measures planned to achieve the targets.

a) Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

## 5.1 Sustainable business

### 5.1.1 Introduction

Sustainable business is an important part of sustainable value creation. The starting point for sustainable business is that enterprises have to operate in a way that benefits sustainable development, i.e. a development that meets the needs of the present without compromising the ability of future generations to meet their needs. This has to be accomplished by balancing and integrating economically, socially and environmentally sustainable development. Sustainable business means acting responsibly and minimising the risk of negative impacts, while also drawing on the opportunities for sustainable value creation through innovative business models and solutions.

State-owned enterprises have to act in an exemplary way in the area of sustainable business and otherwise act in such a way that they enjoy public confidence. Exemplary conduct includes working strategically and transparently with a focus on cooperation. International guidelines, the 2030 Agenda and the global Sustainable Development Goals, have to guide this work.

It is particularly important that state-owned enterprises work for the following:

- A sound and healthy work environment, respect for human rights, including the rights of the child, and good and decent working conditions. The enterprises have to be exemplary in gender equality work and work actively on gender equality issues in their operations, especially in connection with appointments to senior management. The enterprises also have to take account of diversity aspects and foster an inclusive culture.
- Environmentally sustainable development with less impact on the climate and environment. The enterprises have to be good examples in their industry in the area of environment and climate and work for the achievement of the national environmental and climate objectives adopted by the Riksdag and of the Paris Agreement. The national environmental objectives are an important part of the implementation of the 2030 Agenda.
- Identification, assessment, management and transparent reporting of the climate-related financial risks and opportunities in operations.
- Good business ethics and active anti-corruption work. One way of working for good business ethics and on anti-corruption can be to follow the Code regarding gifts, rewards and other benefits in business adopted by the Swedish Anti-Corruption Institute.

- Otherwise ensuring that there is no abuse of the special status that may be conferred by being a state-owned enterprise by, for instance, applying reasonable terms in relation to customers and suppliers with regard to payment periods etc.
- Responsible conduct in the area of taxes.

### 5.1.2 Requirements of labour law conditions in purchasing

When needed, state-owned enterprises have to specify labour law requirements for suppliers in their purchasing.<sup>a)</sup> The labour law requirements have to be agreed with suppliers and have to cover at least pay, working hours and leave. The suppliers then have to guarantee their employees conditions according to collective agreements, or conditions according to the minimum levels that follow from a central collective agreement applied throughout Sweden to corresponding employees in the industry concerned. However, the conditions must always correspond to at least those that follow from the law. If work is performed in circumstances where Swedish labour law is not applicable, the supplier has to at least guarantee their employees conditions in accordance with the ILO core conventions.

The labour law requirements specified have to relate to the employees of the supplier who perform work to produce the good or service to be delivered to the state-owned enterprise. Requirements set for the main supplier also have to apply to any sub-suppliers in all stages participating directly in the production of the good or service. The main supplier should be required to ensure that their sub-suppliers at least guarantee their employees conditions corresponding to those that follow from the labour law requirements to be set for the main supplier as set out above.

A state-owned enterprise should specify additional requirements to those stated here if appropriate. The obligation to specify labour law requirements for suppliers has to be applied according to the 'comply or explain' principle.

### 5.1.3 International guidelines

State-owned enterprises have to act responsibly and work actively to follow international guidelines on environmental and climate consideration, human rights, working conditions, anti-corruption and business ethics. The Government has identified the following international

a) Refers to purchases to a value in excess of the threshold for procurement of goods and services by central contracting authorities under the Public Procurement Act (2016:1145), including several purchases from the same supplier when the aggregate value of the purchases in a financial year can be estimated to exceed the threshold. The obligation to specify labour law requirements for suppliers as stated here does not apply to a procurement conducted by a state-owned enterprise under the procurement legislation, i.e. by a contracting authority.



principles and guidelines as material for state-owned enterprises:

- the Ten Principles of the UN Global Compact
- the UN Guiding Principles on Business and Human Rights
- the OECD Guidelines for Multinational Enterprises.

These principles and guidelines are based on international conventions and agreements and have been formulated in cooperation between states, businesses, employee organisations and other stakeholders with the purpose of providing the business sector with guidance in managing risks and business opportunities in the area of sustainable business. It is important that state-owned enterprises identify and manage risks and business opportunities in the area of sustainable business on the basis of the sectors and markets in which they operate.

#### *5.1.4 The 2030 Agenda and the global Sustainable Development Goals*

The countries of the world have agreed a common agenda for sustainable development, including 17 global goals that apply up to 2030 – the 2030 Agenda. All societal actors are important in work to implement the Agenda, and business has a central role. Within the framework of their operations, state-owned enterprises have to analyse the global Sustainable Development Goals of the 2030 Agenda so as to identify the goals that each enterprise has an impact on and contributes to through its operations. The enterprises also have to identify business opportunities that facilitate attainment of the global Sustainable Development Goals.

#### *5.1.5 Transparency*

State-owned enterprises have to act transparently regarding their handling of risks and opportunities in the area of sustainable business by conducting an open and constructive dialogue with their most important stakeholders. State-owned enterprises also have to communicate their work on sustainable business, both externally and internally.

#### *5.1.6 Cooperation*

State-owned enterprises have to work actively, both in their own operations and in cooperation with business partners, customers, suppliers and other relevant actors, to promote knowledge transfer and innovative cooperation in the area of sustainable business.

#### *5.1.7 Decisions and tracking*

Work on sustainable business has to include policy decisions at board level, appropriate processes to identify, manage and track relevant areas and targets, including compliance with the labour law requirements specified for suppliers, and transparent reporting of work and measures focusing on materiality.

### **5.2 Digital transformation**

State-owned enterprises have to work actively to make use of the opportunities of digitalisation and manage its risks in their value creation.

## **6. Security**

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To ensure long-term sustainable value creation in a changing world it is important that these enterprises conduct active, systematic, ambitious and responsible security work. All state-owned enterprises conduct operations or own assets that need some degree of protection from attacks such as theft, extortion, espionage and sabotage. The board has to set requirements for this security work, and follow it up regularly.

State-owned enterprises also have to analyse whether they conduct any operations of importance for Sweden's security and are therefore covered by the Protective Security Act (2018:585). Companies covered by the Protective Security Act are required to identify and protect security-sensitive activities and information with the support of the relevant supervisory authorities and, when needed, in collaboration with other relevant actors.

# Principles for remuneration and other terms of employment for senior officers of state-owned enterprises

The Swedish Government adopted the following principles for remuneration and other terms of employment for senior officers of state-owned enterprises on 27 February 2020. The principles are applied for each enterprise as of the 2020 annual general meeting and replace previous guidelines for remuneration and other terms of employment for senior officers of state-owned enterprises adopted in 2016. The principles form part of the State Ownership Policy.

## 1. Introduction

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The boards of directors of state-owned enterprises have to deal with issues concerning remuneration to senior officers in a conscious, responsible and transparent manner. They also have to make sure that total remuneration is reasonable, moderate, well-considered and fosters good ethics and corporate culture.

The Government's tracking that state-owned enterprises follow these principles is reported in the Government's annual communication to the Riksdag on state-owned enterprises.

## 2. Area of application

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These principles cover salary and other remuneration, apart from remuneration decided by the annual general meeting, to senior officers. The term senior officers means the directors, CEO and deputy CEOs and other members of the enterprise's senior management. These principles are applied in majority state-owned enterprises. These enterprises also have to ensure that the principles are applied by their subsidiaries. In the other enterprises, i.e. those with minority state ownership, the State engages in a dialogue with the other owners to have the principles applied. Existing agreements with senior officers that conflict with these guidelines should be renegotiated.

## 3. The board's area of responsibility

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The boards of directors of state-owned enterprises have to apply the rules on guidelines for remuneration to senior officers set out in the Companies Act (2005:551) in the same way as in public limited companies whose shares are admitted to trading on a regulated market in Sweden. The board's proposal to the annual general meeting on guidelines for remuneration to senior officers has to be consistent with these principles. In cases where the rules on remuneration to senior officers in the Swedish Corporate Governance Code (the Code) deviate from the Government's principles, the Government's principles apply. The board's proposed guidelines have to include a statement of how the guidelines contribute to the enterprise's business strategy, long-term interests and sustainability.

The board of directors as a whole is responsible for determining remuneration to the CEO. The board also has to ensure that the remuneration of both the CEO and other senior officers is accommodated within the guidelines adopted by the annual general meeting. The board also has to ensure that the CEO makes sure that the enterprise's remuneration to other employees is based on the remuneration principles in the guidelines adopted by the general meeting.

Majority state-owned enterprises must not, in principle, deviate from the Government's remuneration principles. If there are special reasons to deviate from the Government's remuneration principles in a particular case, the board has to report them. This possibility of deviating from these principles must be applied restrictively.

## 4. Principles for remuneration in state-owned enterprises

### 4.1 Form and conditions for remuneration

The total remuneration payable to senior officers has to be reasonable and well considered. It also has to be competitive, capped and appropriate, while fostering high ethical standards and a good corporate culture. The remuneration must not be market-leading in relation to comparable companies, and should be moderate in character. This also has to guide the total remuneration to other employees.

Remuneration to senior officers may consist of the following components: fixed cash salary, severance pay, pension benefits and other benefits. Variable remuneration must not be paid to senior officers. It is, however, possible to pay variable remuneration to other employees provided that the other principles set out here are taken into account.

Premiums for pension benefits have to be defined contributions that do not exceed 30 per cent of fixed annual cash salary, unless benefits are provided through a group pension plan applied to an enterprise. In that case, the contributions are determined by the terms and conditions of the pension plan. Any expansion of a group pension plan above the pay level covered by the plan has to be on a defined contribution basis where the maximum contribution is 30 per cent of the part of salary above the cap. The minimum retirement age in employment contracts made after 1 January 2017 must not be under 65 years.

If a salary swap scheme is offered to increase pension benefits, the solution has to be cost-neutral to the enterprise.

Compensation in connection with work incapacity due to illness has to follow the terms and conditions for sick pay and disability pension set out in applicable collective agreements or, if the enterprise does not have a collective agreement, correspond to levels in effect under collective agreements applied in the industry. Any expansion of group health insurance above the pay level covered by collective agreement has to correspond to market practice.

a) Amendments to the enterprise's remuneration guidelines required to bring them into line with Chapter 8, Section 52 of the Companies Act should be incorporated, as far as possible, in the proposed guidelines presented for decision by the board of directors at the annual general meeting in 2020 and have to be fully incorporated in the proposal presented for decision by the board of directors at the annual general meeting in 2021.

As regards employment relationships governed by non-Swedish legislation, the appropriate adjustments may be made concerning pension benefits so as to follow mandatory rules or established local practice for these benefits; in doing so the overall purpose of these principles has to be satisfied as far as possible.

### 4.2 Termination of employment

If the enterprise gives notice of termination, the period of notice must not exceed six months. Severance pay must be limited to at most twelve months' salary. Severance pay stipulated in employment contracts made no later than on 31 December 2016 must be no more than eighteen months' salary. Severance pay must be paid monthly and consist only of the fixed monthly salary with no pension benefits or other benefits. No severance pay is paid if the employee gives notice of termination. Severance pay is paid until the agreed age of retirement at the latest and is never paid after the age of 65 years. If the former employee takes new employment or some other additional paid assignment or earns income from business activity, remuneration from the terminating enterprise has to be reduced by an amount equivalent to the new income during the period covered by salary for notice of termination and severance pay.

### 4.3 Decision-making process for remuneration guidelines

State-owned enterprises have to apply the rules in the Companies Act for public limited companies whose shares are admitted to trading on a regulated market in Sweden regarding guidelines for remuneration to senior officers. The board of the enterprise has to prepare a proposal for new guidelines for remuneration and present the proposal for decision each year at the annual general meeting.<sup>a)</sup>The guidelines have to state how the board will ensure that the remuneration is consistent with the guidelines adopted by the enterprise. The guidelines apply until new guidelines are adopted by the enterprise.

## 5. Reporting

State-owned enterprises have to prepare a remuneration report each year that presents remuneration to senior officers in a corresponding way to public limited companies whose shares are admitted to trading on a regulated market in Sweden. This means that the special rules on the reporting of remuneration to senior officers that apply to these companies have to be observed by state-owned enterprises. The rules for this are mainly set out in the Companies Act, the Annual Accounts Act (1995:1554) and the Code. In addition, the remuneration of each senior officer in a state-owned enterprise has to be reported separately in its remuneration report. The remuneration report also has to contain an account of how the Government's principles for remuneration and other terms of employment for senior officers of state-owned enterprises have been applied for employees of the enterprise and the enterprise's subsidiaries. The remuneration report has to be presented for approval for the first time at the annual general meeting in 2021.

Moreover, applying the rules of the Companies Act for public limited companies whose shares are admitted to trading on a regulated market in Sweden, the enterprise's auditor has to issue an opinion before each annual general meeting on whether the guidelines in force since the preceding annual general meeting have been followed. The auditor's opinion has also to be published on the enterprise's website.

In addition, the chair of the board has to provide an oral account at the annual general meeting of the remuneration of the senior officers and how this relates to the guidelines adopted by the general meeting.

## 6. Definitions

- **Defined contribution pension:** (premium-defined pension) means that the pension premium is set at a particular percentage of pensionable salary.
- **Subsidiaries:** the legal persons referred to in Chapter 1, Section 11 of the Companies Act.
- **Remuneration:** all remuneration and benefits payable to senior officers, such as salary, pension benefits, other benefits and severance pay, apart from remuneration decided by the annual general meeting. Remuneration from companies in the same group is also to be included.
- **Group pension plan:** a defined-benefit or defined-contribution plan following from a collective agreement (or, if the enterprise is not party to a collective agreement, an enterprise-specific pension plan) that is applied generally to employees of the enterprise. Policies applied by the enterprise concerning alternative ITP, or equivalent policies for collectively agreed plans other than ITP, also count as group pension plans, provided that the contributions under this policy do not exceed the enterprise's contributions to the traditional plan.
- **Senior officers:** directors, CEO, deputy CEOs and other members of the senior management of the enterprise.
- **Pension benefit:** old-age and survivors' benefit.
- **Premiums and contributions:** insurance premiums or other provisions that finance a pension benefit.
- **Variable salary:** for example, incentive programmes, discretionary payments, payments from profit-sharing foundations, bonuses, commission salary and comparable payments.
- **Other benefits:** various forms of remuneration for work that is provided in addition to salary, such as a car and housing benefit and other taxable benefits.

# Principles for external reporting in state-owned enterprises

The Government adopted the following principles for external reporting in state-owned enterprises on 27 February 2020. The principles are applied for each enterprise to financial reports issued for financial years commencing on or after 1 January 2020 and replace the previous guidelines adopted in 2016. The principles form part of the State Ownership Policy.

## 1. Introduction

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The boards of directors of state-owned enterprises have to handle the enterprises' accounting, reporting and other provision of information in a transparent and professional way.

The Government's tracking that state-owned enterprises follow these principles is reported in the Government's annual communication to the Riksdag on state-owned enterprises.

## 2. Area of application

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These principles are applied in state-owned enterprises where the State is the majority owner. In the other enterprises, i.e. those with minority state ownership, the State engages in a dialogue with the other owners to have the principles applied. The boards of state-owned enterprises are responsible for ensuring that the enterprises' accounting and reporting follow applicable regulations and these principles. State-owned enterprises also have to ensure that these principles are taken into account throughout their operations, including in any subsidiaries. These principles supplement current reporting legislation and generally accepted accounting principles.

The principles are applied according to the 'comply or explain' principle, which means that an enterprise may deviate from the principles if a clear explanation and justification of the deviation is provided in the enterprise's annual report. The board has also to describe in its annual report how the principles were applied during the preceding financial year.

## 3. Provision of information

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### 3.1 Regulations

State-owned enterprises are subject to the same laws as privately owned companies, including the Companies Act (2005:551), the Accounting Act (1999:1078) and the Annual Accounts Act (1995:1554). However, in addition to applicable accounting law and generally accepted accounting principles, state-owned enterprises must, where applicable, present their annual reports, interim reports, year-end reports and corporate governance reports in accordance with Nasdaq Stockholm's Issuer Rules. This also means that state-owned enterprises have to report in accordance with the Swedish Corporate Governance Code (the Code) and the other rules, including those in the Annual Accounts Act and the Securities Market Act (2007:528), that apply to public limited companies whose shares are admitted to trading on a regulated market in Sweden.

Special rules on reporting of financial links under the Act on Insight into Certain Financial Arrangements and Related Matters (2005:590), called the Transparency Act below, apply to companies that reach a certain level of annual net sales and receive funds or other benefits from the State. State-owned enterprises that are covered by the Transparency Act have to openly report funds provided to the enterprise and how the funds were used.

The Reporting of Payments to Authorities Act (2015:812) contains additional reporting rules applicable to companies that conduct operations in certain sectors, for instance. Operations of 'monopoly companies' and other companies with similar special status are also subject to an accounting unbundling requirement when these companies also conduct operations that are exposed to competition.

The reporting rules that have to be applied by state-owned enterprises are regularly revised and updated.

State-owned enterprises have to monitor developments and changes in legislation, standards and recommendations as these occur. The board has to keep itself informed of developments and promptly decide on relevant measures resulting from these changes.

### 3.2 Transparency and sustainability

The Government's overriding objective for the management of state-owned enterprises is to ensure the best possible long-term value development and, where relevant, to ensure that specifically adopted public policy assignments are performed well. External reporting by state-owned enterprises – comprising their annual report, interim reports, corporate governance report, sustainability report and remuneration report – has to be as transparent as in public limited companies whose shares are admitted to trading on a regulated market in Sweden. This reporting has to provide a good description of the operations, opportunities and challenges of state-owned enterprises, and provide input for continuous tracking and evaluation of the enterprises' operations and targets set.

The Government has high ambitions for the work of these enterprises on sustainable business, as set out in the Government's principles for corporate governance of state-owned enterprises. In these principles the Government lays down its requirements for reporting and accounting in this area. The work of the enterprises on sustainable business has to be communicated both internally and externally. Sustainability reporting is a tool for advancing work on sustainable business with a focus on transparency by means of systematic work with clear reporting and monitoring. The boards of the state-owned enterprises are responsible for ensuring that the enterprises present sustainability reports that, taken together with other financial reporting, form an integrated basis for evaluation and tracking.

## 4. Principles for external reporting

### 4.1 Annual report

In their annual report, state-owned enterprises have to provide a fair presentation of the development of their operations, financial position and results in accordance with applicable law, standards, recommendations and generally accepted accounting principles.

State-owned enterprises have to prepare an annual report and interim reports based on applicable International Financial Reporting Standards (IFRS) in a corresponding way to public limited companies whose shares are admitted to trading on a regulated market in Sweden. However, IFRS segment reporting is not required for

state-owned enterprises that do not have shares or other transferable securities admitted to trading on a regulated market.

State-owned enterprises have to present financial reports in accordance with the requirements in legislation, the Code and IFRS, with the same transparency and clarity as required of public limited companies whose shares are admitted to trading on a regulated market in Sweden. This includes the following areas:

- The most material external factors that affect the enterprise's operations.
- Business model, strategy, business activities, market, customers, competitors and organisation. If the enterprise has adopted strategic priorities, these have also to be presented with a report on the outcomes of the strategic priorities for the preceding year, as well as any changes in its strategic priorities in the coming years.
- Risks and risk management; opportunities and threats; and a sensitivity analysis describing the main financial risks to the enterprise.
- A description of the enterprise's material risks and uncertainty factors of importance that may affect the enterprise's financial results, position and future prospects.
- The board of directors' proposal of new guidelines for remuneration to senior officers of the enterprise.

The annual reports of state-owned enterprises also have to give an account of the following:

- Financial and non-financial targets adopted, dividend policy, operational targets and attainment of these targets.
- The enterprise's work on sustainability issues including principles and guidelines, how these are put into action, target attainment and effects on its strategic targets for the coming years.
- The enterprise's work to apply the State Ownership Policy, which includes these principles for external reporting, principles for remuneration and other terms of employment for senior officers of state-owned enterprises and principles for corporate governance of state-owned enterprises.
- The enterprise's public policy targets and attainment of these targets, if any.

### 4.2 Sustainability reporting

A sustainability report has to be prepared in accordance with Global GRI Standards or some other international framework for sustainability reporting, and published on the enterprise's website in conjunction with the publication of the enterprise's annual report. The sustainability report can either be a separate report or an integrated part of the annual report.

The sustainability report has to be quality assured through independent review and assurance by the auditor appointed by the general meeting to be the enterprise's auditor.

When preparing sustainability reports, state-owned enterprises have to follow the rules on sustainability reports in the Swedish Annual Accounts Act that apply to large companies. This means, for example, that the sustainability report has to contain the information necessary to understand the enterprise's development, position and results, as well as the consequences of its operations.

In particular, the sustainability report has to provide information on matters related to the environment, personnel and social conditions, respect for human rights and anti-corruption where these are judged material to the enterprise or its stakeholders.

A sustainability report should also include:

- A materiality analysis including a discussion of the sustainability issues that are most material to the enterprise's operations, in the enterprise's value chain and to the enterprise's stakeholders.
- A report on how the enterprise's operations are managed with regard to these issues, which includes but is not limited to key policies, strategic priorities and short-term and long-term targets.
- A clear report of any stakeholder analysis and stakeholder dialogue implemented.
- A report of activities carried out during the year with regard to the material sustainability issues and what has been done to reinforce positive impacts and minimise negative impacts.
- An account of relevant quantitative and qualitative performance indicators that is linked to priorities and targets set.
- An account of the climate-related financial risks and opportunities in operations.

#### 4.3 Interim reports

The enterprises have to publish quarterly interim reports prepared in accordance with the requirements that apply to public limited companies whose shares are admitted to trading on a regulated market in Sweden. However, IFRS segment reporting is not required for state-owned enterprises whose shares or other transferable securities are not admitted to trading on a regulated market in Sweden.

#### 4.4 Remuneration report

State-owned enterprises have to prepare a remuneration report each year that presents remuneration to senior officers in a corresponding way to public limited companies whose shares are admitted to trading on a regulated

market in Sweden. This means that the special rules on the reporting of remuneration to senior officers that apply to these companies have to be observed by state-owned enterprises. These rules are mainly set out in the Companies Act, the Annual Accounts Act and the Code. In addition, the remuneration of each senior officer in a state-owned enterprise has to be reported separately in its remuneration report. The report also has to contain an account of how the Government's principles for remuneration and other terms of employment for senior officers of state-owned enterprises have been applied for employees of the enterprise and the enterprise's subsidiaries. The remuneration report has to be presented for approval for the first time at the annual general meeting in 2021.

#### 4.5 Format and dates for publication of reports

State-owned enterprises whose shares are not admitted to trading on a regulated market in Sweden have to publish interim reports, a year-end report, an annual report and a sustainability report, including a corporate governance report, and a remuneration report on the enterprise's website on the dates given below. The annual report has to also be available to the public in printed format at the enterprise's annual general meeting.

- The year-end report (Q4) has to be published by 15 February.
- The annual report and sustainability report have to be published by 31 March.
- The corporate governance report has to be published by 31 March.
- The corporate remuneration report has to be published by 31 March.
- Where applicable, a report of financial arrangements in accordance with the Transparency Act has to be published by 31 March.
- The interim report for January–March (Q1) has to be published by 30 April.
- Where applicable, a report on payments to authorities has to be published by 30 June.
- The half-yearly report (Q2) has to be published by 15 August.
- The interim report for January–September (Q3) has to be published by 31 October.

Where applicable, reports on financial arrangements under the Transparency Act and/or reports on payments to authorities have to be published on the enterprise's website.

All reporting documents, including audit reports, have to be available on the enterprise's website for at least ten years.

## Enterprise reporting dates

Enterprise	Annual general meeting	Interim report Jan.–Mar.	Interim report Jan.–June	Interim report Jan.–Sep.	Year-end report Jan.–Dec.
Akademiska Hus	28 April 2021	28 April 2021	14 July 2021	27 October 2021	
Almi	29 April 2021	29 April 2021	13 August 2021	29 October 2021	15 February 2022
APL, Apotek Produktion & Laboratorier	30 March 2021		13 August 2021		15 February 2022
Apoteket	27 April 2021	28 April 2021	21 July 2021	29 October 2021	
Arlandabanan Infrastructure	28 April 2021		15 August 2021		
Bilprovingen	29 April 2021	29 April 2021	12 August 2021	25 October 2021	15 February 2022
Dramaten	28 April 2021		16 August 2021		15 February 2022
Green Cargo	27 April 2021	28 April 2021	12 August 2021	27 October 2021	14 February 2022
Göta kanalbolag	27 April 2021				31 March 2022
Infranord	28 April 2021	29 April 2021	12 August 2021	29 October 2021	15 February 2022
Jernhusen	26 April 2021	26 April 2021	13 July 2021	21 October 2021	27 January 2022
Lernia	26 April 2021	26 April 2021	15 July 2021	28 October 2021	
LKAB	22 April 2021	22 April 2021	12 August 2021	28 October 2021	14 February 2022
Metria	28 April 2021	30 April 2021	15 August 2021	31 October 2021	15 February 2022
Miljömärkning Sverige	27 April 2021				
Operan	27 April 2021		15 August 2021		15 February 2022
Orio	22 April 2021	23 April 2021	11 August 2021	29 October 2021	15 February 2022
PostNord	27 April 2021	27 April 2021	16 July 2021	28 October 2021	2 February 2022
RISE, Research Institutes of Sweden	28 April 2021	29 April 2021	13 August 2021	28 October 2021	15 February 2022
Samhall	31 March 2021	23 April 2021	23 August 2021	28 October 2021	3 February 2022
Saminvest	29 April 2021	29 April 2021	15 July 2021	26 October 2021	15 February 2022
SAS	17 March 2021	25 February 2021	27 May 2021	1 September 2021	30 November 2021
SBAB	28 April 2021	28 April 2021	16 July 2021	26 October 2021	3 February 2022
SEK, Svensk Exportkredit	24 March 2021	29 April 2021	15 July 2021	25 October 2021	2 February 2022
Sj	28 April 2021	28 April 2021	14 July 2021	28 October 2021	
SOS Alarm	24 March 2021	30 April 2021	15 August 2021	31 October 2021	15 February 2022
Specialfastigheter	20 April 2021	20 April 2021	14 July 2021	20 October 2021	
SSC, Svenska rymdaktiebolaget	27 April 2021	29 April 2021	13 August 2021	29 October 2021	15 February 2022
Statens Bostadsomvandling	27 April 2021	15 April 2021	15 August 2021	31 October 2021	15 February 2022
Sveaskog	26 April 2021	26 April 2021	16 July 2021	26 October 2021	
Svedab	28 April 2021	30 April 2021	13 August 2021	29 October 2021	15 February 2022
Swedavia	28 April 2021	28 April 2021	16 July 2021	29 October 2021	15 February 2022
Swedfund International	29 April 2021	30 April 2021	15 August 2021	31 October 2021	15 February 2022
Svenska Skeppshypotek					
Svenska Spel	27 April 2021	27 April 2021	21 July 2021	27 October 2021	
Svevia	22 April 2021	23 April 2021	15 July 2021	28 October 2021	9 February 2022
Sweden House	29 June 2021				
Systembolaget	22 April 2021	23 April 2021	26 July 2021	22 October 2021	11 February 2022
Telia Company	12 April 2021	23 April 2021	21 July 2021	21 October 2021	28 January 2022
Teracom Group	22 April 2021	22 April 2021	14 August 2021	25 October 2021	11 February 2022
Vasallen	28 April 2021	30 April 2021	20 August 2021	29 October 2021	15 February 2022
Vattenfall	28 April 2021	29 April 2021	20 July 2021	28 October 2021	4 February 2022
Visit Sweden	21 April 2021	30 April 2021	31 August 2021	31 October 2021	
Voksenåsen	25 May 2021	15 April 2021	15 August 2021	15 October 2021	28 February 2022



# Definitions

**Adjusted equity** – Equity plus any surplus value in e.g. properties and subsidiaries.

**Average number of employees** – Recalculated as full-time equivalents.

**Capital employed** – Interest-bearing liabilities plus equity.

**Debt/equity ratio** – Interest-bearing liabilities in relation to equity.

**Dividend** – Dividend data refer to dividends approved by the subsequent annual general meeting.

**Equity/assets ratio** – Equity including minority share in relation to total assets. In certain cases, the calculation is based on adjusted equity, in which case this is specified.

**Funds From Operations (FFO)** – Internally injected funds.

**Gross investments** – Sum total of the enterprise's investments in business acquisitions, property, plant and equipment, intangible assets and financial assets.

**Net debt** – Interest-bearing liabilities less interest-bearing assets.

**Net debt/equity ratio** – Interest-bearing net debt in relation to equity. In certain cases, the calculation is based on adjusted equity, in which case this is specified.

**Operating capital** – Interest-bearing net liabilities plus equity.

**Operating margin** – Operating profit/loss in relation to net sales.

**Operating profit/loss** – Net sales (including any budget appropriation) plus other income less costs plus profit from investments in associates plus changes in value.

**ROCE, return on capital employed (average)** – Operating profit/loss plus financial income in relation to average capital employed.

**ROE, return on equity (average)** – Net profit/loss after tax attributable to shareholders in the parent company as a share of average equity attributable to shareholders in the parent company. In certain cases, the calculation is based on adjusted equity, in which case this is specified.

**ROOC, return on operating capital (average)** – Operating profit/loss in relation to average operating capital.

**Scope 1** – Direct greenhouse gas emissions from sources owned or controlled by the enterprise.

**Scope 2** – Indirect greenhouse gas emissions from energy purchased from production not owned or controlled by the enterprise. For example, emissions from production of electricity, heating and cooling.

## Industry specific key indicators

### *Financial enterprises*

**Common Equity Tier 1 capital ratio** Common Equity Tier 1 capital in relation to risk-weighted amount.

**Common Equity Tier 1 capital** Equity less certain deductible items, such as goodwill.

## Abbreviations

**CO<sub>2</sub>e** Carbon dioxide equivalents.

**CSI** Customer Satisfaction Index.

**GFA** Gross floor area.

**GRI** Global Reporting Initiative, international guidelines for sustainability reporting.

**IFRS** International Financial Reporting Standards.

**Mton** Million tonnes.

**NMI** Employee Satisfaction Index.

**(XX)** Figure in brackets following another figure refer to the preceding year.

# Addresses

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**SAS**

SE-195 87 Stockholm  
Telephone: +46 8 797 00 00  
www.sasgroup.net

**SBAB**

Box 4209  
SE-171 04 Solna  
Telephone: +46 771 45 30 00  
www.sbab.se

**SEK, Svensk Exportkredit**

Box 194  
SE-101 23 Stockholm  
Telephone: +46 8 613 83 00  
www.sek.se

**SJ**

SE-105 50 Stockholm  
Telephone: +46 10 751 60 00  
www.sj.se

**SOS Alarm**

Box 19546  
SE-104 32 Stockholm  
Telephone: +46 10 140 80 00  
www.sosalarm.se

**Specialfastigheter**

Box 632  
SE-581 07 Linköping  
Telephone: +46 10 788 62 00  
www.specialfastigheter.se

**SSC,****Svenska rymdaktiebolaget**

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Telephone: +46 8 627 62 00  
www.sscspace.com

**Statens****Bostadsomvandling, Sbo**

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Sweden  
Telephone: +46 40 660 98 80  
www.svedab.se

**Svenska Skeppshypotek**

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SE-411 36 Gothenburg  
Telephone: +46 31 63 12 50  
www.svenskaskeppshypotek.se

**Svenska Spel**

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**Swedfund International**

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www.swedfund.se

**Systembolaget**

SE-103 84 Stockholm  
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www.systembolaget.se

**Telia Company**

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www.teliacompany.com

**Teracom Group**

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**Vasallen**

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**Vattenfall**

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**Visit Sweden**

Box 3030  
SE-103 61 Stockholm  
Telephone: +46 8 789 10 00  
www.visitsweden.com

**Voksenåsen**

Ullveien 4  
NO-0791 Oslo  
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www.voksenaasen.no

# Investment management organisation

The major part of the portfolio of state-owned enterprises is managed at the Ministry of Enterprise and Innovation, under the Minister for Business, Industry and Innovation and within the Department for State-Owned Enterprises.

**Responsible minister and state secretary**

*Minister for Business, Industry and Innovation:*  
Ibrahim Baylan

*State Secretary:*  
Stina Billinger

**Responsible officials**

*Acting Head of Department for  
State-Owned Enterprises:*  
Christine Leandersson

*Deputy Heads, Department for  
State-Owned Enterprises:*  
Jenny Lahrin, Christine Leandersson,  
Per Lundkvist

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