

# Annual report for state-owned enterprises 2019



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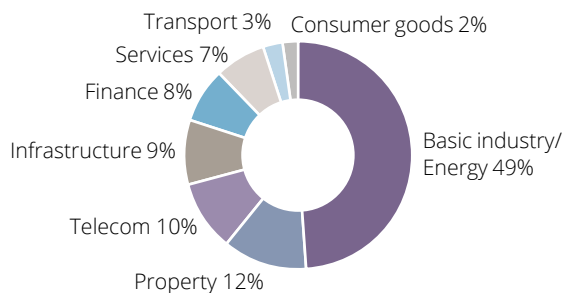
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# Portfolio overview

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.

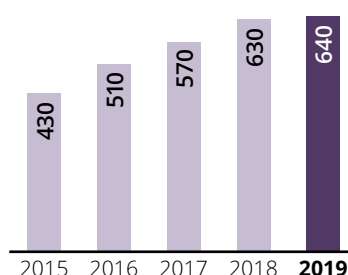
## Portfolio value

By sector



## State enterprise portfolio<sup>1</sup>

Estimated value, SEK bn



## Dividend

SEK 17.6bn

## Dividend yield

2.8%

## Number of employees<sup>2</sup>

129 000

## Gender balance<sup>3</sup>

Board chairs and directors, share women/men

48%/52%

Board chairs, share women/men

51%/49%

## Total number of board chairs and directors

298

## Net sales for the portfolio

Excluding associates

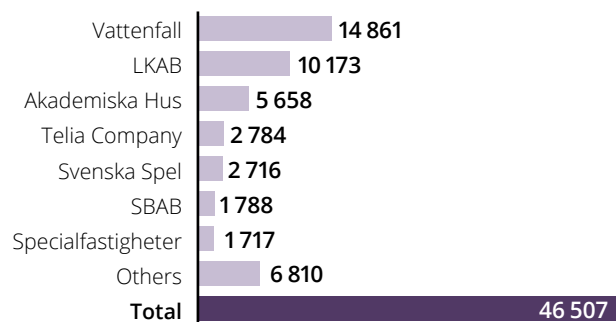
SEK 371bn

Including associates

SEK 405bn

## Profit after tax

Enterprises with greatest effect on net profit, SEK m, Jan.–Dec. 2019



1) Portfolio value adjusted for transactions.

2) Around 129 000 people are employed by state-owned enterprises, including associates.

3) Gender distribution 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>1</sup> , %	Number of employees	Net sales, SEK m Jan.–Dec. 2019	Operating profit, SEK m Jan.–Dec. 2019
Vattenfall (100%)	41.1	19 815	166 360	22 141
PostNord (60%)	9.5	28 627	38 278	184
Telia Company (39.4%)	8.1	20 215	85 965	12 293
Systembolaget (100%)	8.0	3 613	32 211	262
LKAB (100%)	7.7	4 348	31 260	11 788
Apoteket (100%)	5.0	3 047	20 321	365
Samhall (100%)	2.3	20 654	9 130	16

1) Share of net sales including associates (SEK 405bn).

...the remaining enterprises<sup>2</sup> account for 20% of net sales, including associates.

Enterprise (holding, %)	Net sales SEK m Jan.–Dec. 2019	Operating profit, SEK m Jan.–Dec. 2019	Enterprise (holding, %)	Net sales SEK m Jan.–Dec. 2019	Operating profit, SEK m Jan.–Dec. 2019
Akademiska Hus (100%)	6 217	7 420	SEK, Svensk Exportkredit (100%)	1 910	1 304
Almi Företagspartner (100%)	1 016	25	SJ (100%)	8 602	772
APL, Apotek Produktion & Laboratorier (100%)	1 298	-82	SOS Alarm (50%)	1 257	33
Arlandabanan Infrastructure (100%)	64	5	Specialfastigheter (100%)	2 261	2 302
Bilprovningen (100%)	647	24	SSC, Svenska rymdaktiebolaget (100%)	1 013	30
Dramaten (100%)	288	-11	Statens Bostadsomvandling (100%)	21	24
Green Cargo (100%)	4 096	-111	Sveaskog (100%)	7 209	2 093
Göta kanalbolag (100%)	39	0	Svedab (100%)	12	866
Infranord (100%)	3 816	-75	Svenska Skeppshypotek (100%)	151	113
Jernhusen (100%)	1 622	1 479	Svenska Spel (100%)	6 011	2 466
Lernia (100%)	2 627	-100	Svevia (100%)	8 181	202
Metria (100%)	401	-24	Swedavia (100%)	6 235	856
Miljömärkning Sverige (100%)	69	-3	Swedfund International (100%)	245	41
Operan (100%)	621	6	Teracom Group (100%)	1 366	124
Orio (100%)	504	-10	Vasallen (100%)	7	-11
RISE, Research Institutes of Sweden (100%)	3 568	63	Visit Sweden (100%)	215	-3
Saminvest (100%)	2	386	Voksenåsen (100%)	38	-1
SBAB (100%)	3 485	2 308			

2) EUROFIMA, SAS, Stiftelsen Industrifonden, Stiftelsen Norrlandsfonden and Sweden House are not consolidated.

# A future-proofed enterprise portfolio

In spring 2020 the COVID-19 virus spread across the world, affecting both people and businesses.

Many Swedish businesses have seen sharp decreases in the demand for their goods and services. Several state-owned enterprises have also been affected, for instance because people have been forced to change their travel habits to limit the spread of the infection. The Government has taken a number of measures to alleviate the effects of the COVID-19 virus on jobs and businesses. We are doing this to enable us to come back as quickly and strongly as possible, as a society, once the crisis is over.

This is a trying time for many people, but I also feel great pride about all the heroic efforts being made in Sweden. Several state-owned enterprises have had to take a further step forward and are now acting as important tools to try to alleviate the effects; Almi, for exam-

ple, has been given increased resources to support small- and medium-sized enterprises. But we have seen many different kinds of initiatives from these enterprises, in which they are trying to contribute in the ways they can. Vattenfall's donation of masks to health care is just one of many examples.

## State Ownership Policy

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. Here active and professional investment management of state-owned enterprises is of the utmost importance.

Work started, in 2019, on revising the State Ownership Policy and the associated guidelines. This resulted in the Government adopting an updated version of the State Ownership Policy

and the Government's principles for state-owned enterprises in February 2020. The new policy sets stricter standards for these enterprises in a number of important areas. For instance, it requires them to conduct responsible security work. Moreover, the state enterprise portfolio has to work for a transition to a society without emissions of greenhouse gases. The policy obliges enterprises to manage climate-related financial risks and opportunities transparently and to set clear strategic targets to move towards long-term sustainable value creation.

By setting requirements concerning labour law conditions at suppliers and subsuppliers, state-owned enterprises will also ensure good order in the supplier stage. As the manager of one of Sweden's largest investment portfolios, we have to act as a good example and make clear that decent working conditions are what is required.



"We think that our enterprises are ready for the next step – full integration of sustainable value creation in their strategies."



# “State-owned enterprises have to conduct active, systematic, ambitious and responsible security work.”

## ➤ Sustainable value creation

Sustainable value creation has long been a central part of state corporate governance, and with this new ownership policy we are now taking the next step.

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. Then it is up to each board to develop its enterprise's overall strategy and set strategic targets for sustainable value creation.

In other words, we are moving from a situation where boards used to adopt separate strategic targets for sustainable business to the adoption of a more comprehensive approach. Boards are being asked to take account of the aspects that are material to their enterprise's operations and to set targets for them as part of the enterprise's strategy. We think that our enterprises are ready for the next step – full integration of sustainable value creation in their strategies.

## Responsible security work

For the State as an owner, it is important to know what material risks state-owned enterprises are exposed to and how these risks are managed. In 2019 the investment management organisation at the Ministry of Enterprise and Innovation therefore reviewed the implementation by these enterprises of the new Protective Security Act (2018:585).

Since the Government also wanted to highlight how important it is that the

high-value assets of these enterprises have sufficient protection, the State Ownership Policy now has a section on security. It specifies that state-owned enterprises have to conduct active, systematic, ambitious and responsible security work.

## Reduced climate impact

For the Government, it has long been important that state-owned enterprises work to reduce their climate and environmental impact. In the new policy we set an even higher level of ambition. For example, the enterprises have to work for the identification, assessment, management and transparent reporting of the climate-related financial risks and opportunities in their operations. This will ensure that our enterprises will remain at the forefront in this area.

State-owned enterprises have to be good examples in the environment and climate area in their industry. In this annual report you can read about several innovative initiatives under way in the portfolio that contribute to the transition to a green economy.

It is also positive to see that the climate analysis performed during the year for the state portfolio showed higher awareness of the climate issue across the portfolio, and that the issue is high on the agenda of many state-owned enterprises. We have also been able to see a reduction in the portfolio's climate impact over time.

## Positive earnings growth

In terms of earnings, 2019 was a strong year for the portfolio, and most key indicators moved in the right direction. Net sales increased by 6.4% to almost SEK 405bn. Earnings for the period increased to around SEK 47bn. Each year, state-owned enterprises make

important contributions to central government finances, and state dividends for financial year 2019 totalled SEK 17.6bn. The largest dividends come from LKAB and Vattenfall.

The value performance of the portfolio was also positive, albeit lower than for the stock exchange. The appraised portfolio value at the end of 2019 of SEK 640bn meant an increase in value of SEK 10bn during the year.

That said, performance this year, both for the state portfolio and also for many privately owned companies, will probably be completely different on account of the ongoing pandemic.

Finally, I want to express my great thanks to all the engaged boards, managements and employees of state-owned enterprises. For the work you have done both in 2019 and so far in this difficult period. Together, we are all ensuring that the state portfolio of enterprises will create value for the Swedish people, both now and in the future.



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

## Important events in 2019

### The 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 has recently been revised. Stricter demands are now made on the enterprises in a number of important areas to ensure that the portfolio of state-owned enterprises points the way to long-term sustainable value creation. The main changes are described on page 14.

■ *Read more on pages 14 and 98–113.*

### SEEL electromobility lab

The European Commission decided to approve Sweden's application for funding for the development of the SEEL electromobility lab (Swedish Electric Transport Laboratory AB), owned jointly by RISE, a government research institute, and Chalmers University of Technology. This approval was given as an "Important Project of Common European Interest" (IPCEI). The project, which is expected to run until 2031, has 17 participants from 7 EU Member States and state funding totalling EUR 3.2bn.

■ *Read more on page 9.*

### Security in focus

State-owned enterprises own assets that need to be protected from ill-intentioned acts. In 2019 the implementation by these enterprises of the new Protective Security Act (2018:585) was reviewed. The new Act introduces stricter requirements regarding protective security analysis and protective measures for security-sensitive activities and information.

■ *Read more on page 37.*

### State sole owner of Visit Sweden

The Riksdag authorised the Government to acquire the shares owned by Svensk Turism Aktiebolag in V.S. VisitSweden AB (Visit Sweden) and to pay zero kronor as a cash settlement for the acquisition. New conditions and market changes mean that the enterprise is now faced with different challenges from in the past. Svensk Turism therefore decided to transfer its holding in Visit Sweden to the Swedish State.

Reorganisation and targets project  
New gambling regulations entered into force on 1 January 2019. The sole right to certain games ceased and a new licence system and new tax rules were introduced. Ahead of this re-regulation, the Svenska Spel group was reorganised and divided into three business areas with separate gambling accounts and customer databases. During the year new financial targets and public policy targets were decided for Svenska Spel. The setting and tracking of financial targets and public policy targets is an important governance tool for the State as an owner.

■ *Read more on pages 19–25 and 73.*

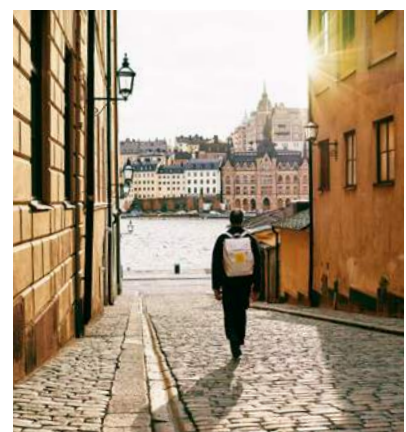
### Audit by the Swedish National Audit Office

*RiR 2019:7* The Swedish National Audit Office has audited whether the work of the Government and Almi Företagspartner AB (Almi) on Almi's commission on women's enterprise contributes to attaining the gender equality policy objective of economic equality. The audit states that Almi and its subsidiaries are striving to carry out its public policy assignment concerning women's enterprise coherently and consistently. However, the audit points out that there is a lack of clarity in the Government's governance of the assignment and in Almi's reporting to the Government. Among the SNAO recommendations are that the Government should consider reformulating Almi's public policy targets and request more detailed reporting of how its activities reach women.

In 2019 the Government presented its assessment of the SNAO's observations and recommendations in a communication to the Riksdag (Govt Comm. 2018/19:123). In the light of the report Almi's owner instruction was also clarified at its AGM in 2020.

*RiR 2019:36* The SNAO has conducted an audit of whether the corporate form of Svenska skeppshypotekskassan is fit for purpose and appropriate. In a communication to the Riksdag (Govt Comm. 2019/20:108) the Government reported what measures were intended to be taken on account of the audit report.

### State Ownership Policy and principles for state-owned enterprises 2020



# Performance in 2019

## Sales

Consolidated net sales for the portfolio of state-owned enterprises rose by 6.4% in 2019, year-on-year, to SEK 371.2bn (348.8bn) from 2018. Net sales for the full year 2019 including associates<sup>1</sup> rose by 6.4% to SEK 404.9bn (380.7bn).

Higher sales in Vattenfall, LKAB and Telia Company are the main reasons for the increase in total net sales. Vattenfall's net sales increased by 9% (7% excl. currency effects), or SEK 14.3bn. The increase is chiefly explained by higher prices received due to price hedges, increased sales in the Nordic region, Germany, France and the Netherlands (positive price effects), and higher production in the Wind business segment. LKAB's sales increase, SEK 5.4bn, is mainly explained by higher iron ore prices and a stronger dollar exchange

rate. Telia Company's sales increased as a result of positive exchange rate fluctuations and positive effects from acquisitions and divestments.

Vattenfall accounts for 44.8% (43.6%) of net sales in the portfolio of state-owned enterprises, and for 41.1% (39.9%) of sales if associates are included.

A number of enterprises posted lower sales, including Lernia and Infranord. Factors that contributed to Lernia's lower sales included lower income in staffing and lower volumes of participants in training services.

## Profit and dividends

Operating profit for the full year 2019 rose to SEK 60.0bn (49.1bn). This is mainly explained by higher operating

profit for LKAB and Vattenfall.

LKAB's operating profit increased by SEK 4.9bn. However, its cost level, excluding appropriations for urban transition and volume effects, was higher than in the previous year, mainly due to more spending on development programmes, prospecting, increased maintenance and rock reinforcement.

Earnings after tax for the full year 2019 rose to SEK 46.5bn (38.9bn). The largest positive contributions to consolidated earnings after tax came from Vattenfall, LKAB, Akademiska Hus and Telia Company. PostNord's earnings after tax for the full year 2019 improved as a result of efficiencies in operations and growth in e-commerce, but with earnings of SEK -0.2bn (-1.1bn) this enterprise had the largest negative impact on consolidated earnings.

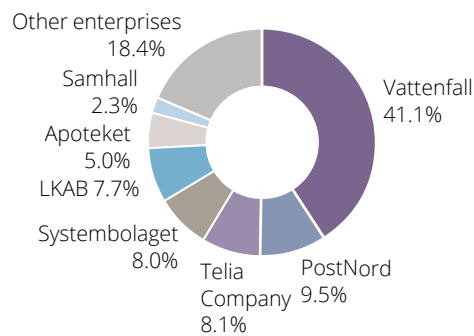
<sup>1</sup> Includes net sales for associates based on the state share of equity. Enterprises in which the state ownership share is less than 20% are not included.

## Net sales

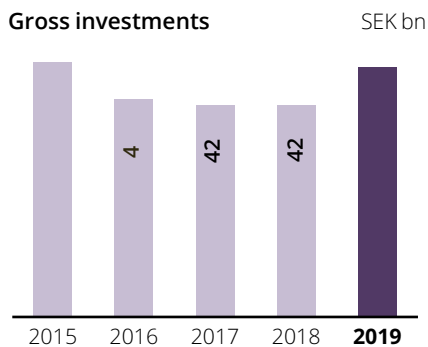


## Distribution of sales

Including associates, Jan.-Dec. 2019

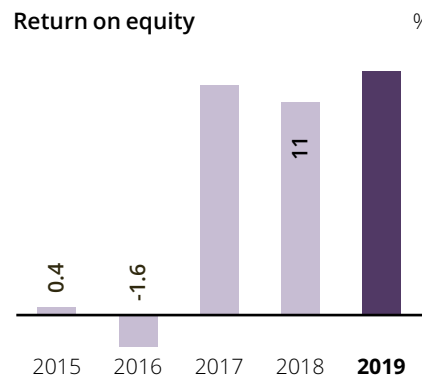


## Gross investments



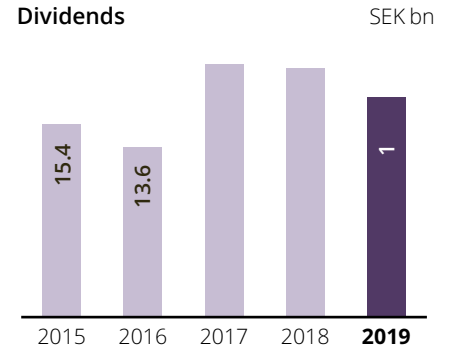
Gross investments increased by 18.0% to SEK 49.9bn (42.3bn). Vattenfall's gross investments, which accounted for more than half of total gross investments, increased by 22.4% to SEK 26.8bn (21.9bn).

## Return on equity



Return on equity was 12.7% (11.1%).

## Dividends



State-owned enterprises make important contributions to central government finances. Dividends paid to the State in financial year 2019 totalled SEK 17.6bn.

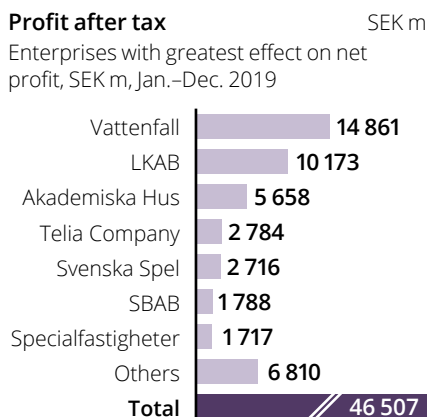
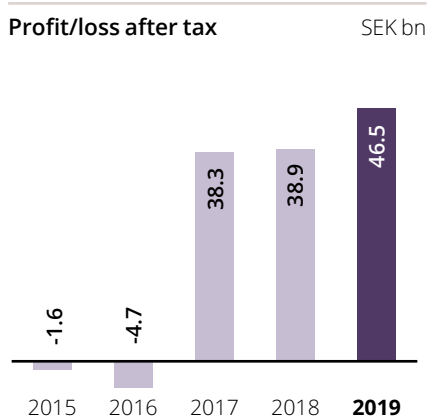


Dividends from state-owned enterprises for financial year 2019 amounted to around SEK 17.6bn (19.9bn). The largest dividends come from LKAB, at SEK 6.1bn, and Vattenfall, at SEK 3.6bn.

### 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.

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 20.1m (24.3m) and corresponded to a year-on-year decrease of 17.4%.<sup>1</sup> Vattenfall accounts for around 92% of emissions, and accounts in a group of five enterprises, along with LKAB, SAS, PostNord and Akademiska Hus, 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, rose to 7.8 (7.6).<sup>2</sup>

During the year there were 2 (7) 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

56.3bn (49.3bn). Vattenfall and enterprises operating in labour-intensive industries, such as PostNord and Samhall, accounted for the largest wage payments.

- 1) Based on information reported to the Government Offices and excludes 9 enterprises where these statistics were not available.  
2) A number of enterprises have been excluded since they did not have this information available.

### Reported effective tax, total<sup>1</sup>

SEK bn	2019	2018
Tax on reported profit/loss before tax (according to applicable rate of income tax)	-13.6	-12.4
Reported effective tax	-11.9	-8.2

- 1) 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 income is stated with a positive sign. The presentation covers the enterprises' total tax expenses, irrespective of the state holding.

### State-owned enterprises, total<sup>1, 2</sup>

SEK bn	2019	2018	2017	2016	2015
Net sales (incl. any appropriation)	371.2	348.8	324.2	321.1	323.2
Net sales incl. associates (incl. any appropriation)	404.9	380.7	354.6	353.1	356.0
Profit before changes in value	54.5	43.7	47.8	20.8	11.3
Changes in value	5.6	5.0	5.9	5.6	5.2
Operating profit (EBIT)	60.0	49.1	53.7	26.4	16.5
Profit before tax	56.5	44.9	47.6	20.1	10.7
Profit/loss after tax	46.5	38.9	38.3	-4.7	-1.6
Gross investments	49.9	42.3	42.4	43.5	50.9
Cash flow from operating activities (excl. SEK and SBAB)	45.3	65.7	51.3	46.5	61.7
Total equity	381.2	361.3	342.3	312.9	339.2
Total assets	1 701.4	1 637.0	1 497.1	1 469.0	1 488.9
Number of employees excl. associates (thousands)	108	109	109	111	120
Number of employees incl. associates (thousands)	129	134	130	137	146
Dividend	17.6	19.9	20.2	13.6	15.4
Estimated value <sup>3</sup>	640	630	570	510	430
Return on equity (%)	12.7	11.1	12.0	-1.6	0.4
Equity/assets ratio (%)	22.4	22.1	22.9	21.3	22.8
Dividend yield (%)	2.8	3.2	3.6	2.8	3.6

- 1) Vattenfall's lignite operations and Teracom Group's former subsidiary Boxer are reported as profit/loss from discontinued operations/operations being divested for 2016 and 2015 respectively.  
2) SAS is not included in consolidated profit/loss as of 2015 because the State's share of equity is now below 20%.  
3) 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 49% of the value of the portfolio, followed by the three sectors of property, telecom and infrastructure.

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. In line with valuation practice, the valuation takes account of all the public information available at the time of the valuation. This means that the effects of the COVID-19 virus are not reflected in the financial forecasts that fed into the valuation and therefore do not affect the portfolio value on 31 December 2019.

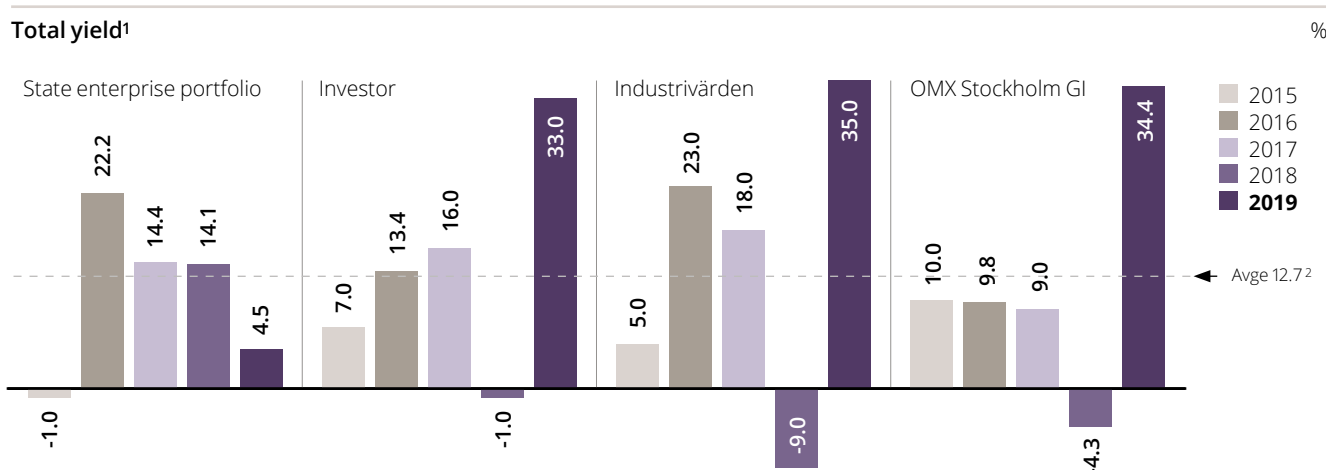
Around half of the enterprises are valued on the basis of both the income approach (present value calculation of future risk-adjusted cash flows) and the market approach (relative valuation based on value multiples for comparable listed companies, adjusted for differences in value drivers and risk),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

other. At the time of the valuation, the observable value multiples of listed comparison companies, which form the basis of the relative valuation, did not reflect the effects of the COVID-19 virus either. Property enterprises are valued at net asset value and listed companies at market value. Other enterprises are valued at the book value of equity.

**Value performance 2015 to 2019**  
At year-end 2019, the value of the state enterprise portfolio was estimated at SEK 640bn. Adjusted for transactions executed, this is an increase of about SEK 210bn, or 49%, since 2015, when the portfolio was valued at around SEK 430bn. By comparison, the value of Nasdaq Stockholm rose during the same period by about 35%. 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 expo-

sure. 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 sales of businesses, of SEK 210bn is primarily attributable to value performance in the basic industry/energy sector, which includes Vattenfall and LKAB. This is the dominant sector in the portfolio although its weight has fluctuated over the last five years. Since 2015 holdings in the basic industry/energy sector have increased in value from around SEK 140bn to around SEK 310bn. On account of this sector's value performance, adjusted for transactions, its share of the total state portfolio increased from around 33% in 2015, which was the lowest figure noted in the



Source: FactSet and website of each enterprise.

- 1) Total yield reflects annual value performance including dividends executed. The stated total yield for Investor and Industrivärden (and for the state enterprise portfolio) refers to the performance of each portfolio.
- 2) The average refers to the mean of all observations during the period.

period, to just under 49% of the value at year-end 2019.

The telecom and services sectors have shown a negative performance since 2015. The reasons for decline in value totalling just under SEK 20bn for these sectors include the stock exchange performance of Telia Company, which was negative in 2019, and a lower valuation of Svenska Spel due to a weak gambling market in 2019, which also resulted in falling stock exchange prices for listed gambling companies with operations in the Swedish gambling market.

The main sectors in the state enterprise portfolio that have performed well since 2015 are property and infrastructure. 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, Swedavia is among the enterprises that have performed well. In connection with the 2016 valuation, the valuation method used for Svedab was changed from the book value of equity to a market valuation of the enterprise's assets using the income approach. This change contributed greatly to the value growth in the infrastructure sector between 2015 and 2016.

### Value performance in 2019

In 2019 the value of the state enterprise portfolio rose by around SEK 10bn, or

just under 1.5%, year-on-year. By comparison, Nasdaq Stockholm rose by around 29.5% over the same period. Dividends paid to the State in 2019 amounted to SEK 19.9bn, corresponding to a total yield of around 4.5% in 2019, compared with 14.1% in 2018. Historical total yields for the state portfolio and for Investor, Industrivärden and OMX Stockholm GI (Growth Index) are shown in the figure on page 6.

The basic industry/energy sector accounted for the greatest value change in the state enterprise portfolio in the past year. The property and transport sectors also performed well in 2019, and the aggregate increase in value of these sectors is around SEK 43bn.

Holdings in the basic industry/energy sector were valued at year-end 2019 at around SEK 310bn, an increase of about SEK 33bn, or just over 12%, year-on-year. The increase in estimated value is chiefly due to a higher valuation of Vattenfall, which performed strongly during the year, like the energy sector in general, and a higher valuation of LKAB, driven by a continuation of favourable market conditions and good production volumes.

The value of the property sector was assessed at around SEK 80bn at year-end 2019, an increase of around SEK 6bn, or 9%. The value growth is mainly

attributable to Akademiska Hus and the favourable development of the property market as a whole.

At the end of 2019 the value of the transport sector was just under SEK 20bn, which is an increase of SEK 4bn, or 25%, year-on-year. In addition to the weakly positive value performance of PostNord, the performance of SJ, with high passenger growth throughout 2019, contributed to the sector's value growth.

The value of the rest of the state enterprise portfolio was estimated at around SEK 230bn at the end of 2019, a decrease of around SEK 30bn. This negative value performance is mainly related to the telecom, services and consumer goods sectors with negative value performance for the holding in Telia Company and for Svenska Spel and Systembolaget.

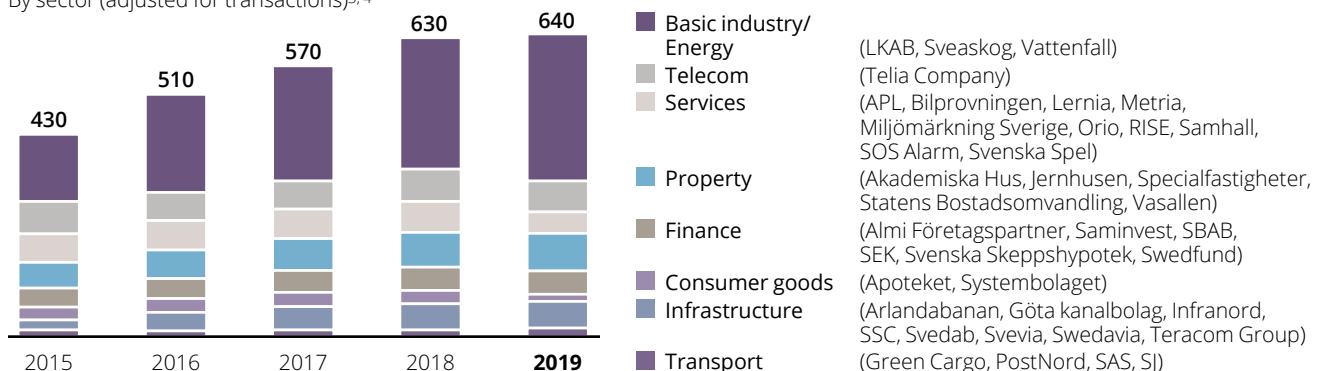
### Share price performance of listed holdings

In 2019 the value of the holding in Telia Company decreased by 4.1%. The value of the holding in SAS decreased by 26.5%. In all, the value of listed holdings decreased by 4.5% or SEK 3.1bn.

### Value performance 2015–2019

By sector (adjusted for transactions)<sup>3, 4</sup>

SEK bn



Source: Ministry of Enterprise and Innovation.

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

4) Since the start of 2017 Saminvest is the parent 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 enterprises

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

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

## HYBRIT advancing – construction of a unique pilot plant

**LKAB** In 2016, LKAB, SSAB and Vattenfall joined forces to create HYBRIT – an initiative striving to revolutionise iron and steel production. The target is to have the world's first fossil-free steel production that almost completely eliminates carbon dioxide emissions by 2035.

Fossil-free steel production starts in the mine, so LKAB is working intensively on how to design the next generation of pellet plants. During the year construction started on a unique pilot plant that replaces fossil fuels with



biofuels to achieve fossil-free production of iron ore pellets. The investment in the pilot plant for bio-oil at Malmberget is an important milestone in HYBRIT's initiative and journey to develop fossil-free pellet production; it is expected to be ready in 2020. The first tests will be conducted up until 2021.

During the year the Swedish Environmental Protection Agency awarded HYBRIT its Environmental Goals Prize for "boldness and momentum". The Prize was founded by the Agency to recognize and reward ambitious and successful environmental work that contributes to Sweden achieving its environmental goals.

## Exporting Swedish gambling responsibility

**SVENSKA SPEL** Playscan, Svenska Spel's tool for identifying and communicating with risk gamblers, is spreading internationally. Following agreements with the Norwegian gambling company Norsk Tipping, La Française des Jeux in France and Miljonlotteriet in Sweden, now Société de la Loterie de la Suisse Romande in Switzerland has also opted to use Playscan. Since several large gambling companies now have Playscan, almost six million gamblers are being ana-

lysed each year; this then provides deep insights into risk gambling.

For Svenska Spel the focus is on offering a combination of gambling pleasure and gambling responsibility, where both parts are important for long-term value creation. In order to create safe and secure gambling environments, Svenska Spel is being proactive regarding gambling responsibility. In addition to developing its gambling responsibility tool, the enterprise is also

supporting Swedish research on gambling addiction through its Research Council. In 2019, SEK 5m was granted to five new research projects.

During the year Svenska Spel won the Swedish Gambling Award in the sustainability category for its outreaching care calls, where the enterprise calls gamblers who may be in the risk zone and informs them about pause functions, limits and where they can get more help.

## Green bonds attract investors

**SBAB** Sustainable financing has become an important part of the activities of many state-owned enterprises. During the year SBAB issued Sweden's first covered green bond; with home mortgages as security and an issue volume of SEK 6bn, it is also the largest green bond issued in the Swedish market. Akademiska Hus, LKAB, Svedavia and Vattenfall have all issued their first green bonds. SEK issued a green bond worth SEK 1bn. The money from its issuance will be used to finance exports of Swedish green technology and environmental exper-

tise. Jernhusen issued four green bonds worth a total of SEK 1.8bn during the period to finance investments in sustainable properties.

In 2019 the investment management organisation in the Government Offices held a network meeting on the theme of *Green Bonds* for state-owned enterprises. SBAB, Specialfastigheter and Sveaskog all provided information about their work with this form of funding and the initiatives they are running.



## An electrified transport sector

**RISE** The European Commission decided in December 2019 to approve Sweden's application for funding for the SEEL electromobility lab (Swedish Electric Transport Laboratory AB), which is owned jointly by RISE and Chalmers University of Technology. This approval was given as an "Important Project of Common European Interest" (IPCEI), an EU initiative to foster battery production in the European Union.

SEEL is a national testbed for developing the next generation of sustainable innovative solutions for electric cars, trucks, buses and other electric vehicles such as electric vessels, including battery development. SEEL will be one of the few test centres in Europe able to provide testing for all the parts required by electrified transport.

The investment in SEEL also aims to strengthen the competitiveness of the Swedish automotive industry and to help Sweden remain at the forefront of transport sector innovation. The lab is expected to be ready in 2022.

## Development work in safety issues and work environment

**AKADEMISKA HUS** was one of the actors that saw the need and took the initiative for an industry-wide organisation for safer construction sites. In 2017 the *Håll Nollan* organisation was formed; it now has over 70 members. In a relatively short time *Håll Nollan* has become established in the industry and is an important actor and a forum for focusing on safety issues. In 2019 Akademiska Hus participated in an array of activities in the *Håll Nollan* initiative, including leadership training in safety culture and the formulation and implementation of training in safer work environments for property developers.

During the year the investment management organisation in the Government Offices also held a network meeting on the theme of *Health and safety in the workplace* for state-owned enterprises at which Akademiska Hus provided information about its safety work.

*Håll Nollan's* work environment award was presented for the second successive year in spring



2020 to inspire, recognise and drive the development of work environment management that promotes safety in the construction and property industry. This time the award went to the team in Nya Ångström stage 4, a construction project being built for Uppsala University. Akademiska Hus and NCC are the developer and contractor behind the building. The enterprise has also been awarded the prestigious Building of the Year prize for 2020. For the second successive year the prize went to a building constructed by Akademiska Hus, this year for the Student Building [*Studenthuset*] at Linköping University.

# 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 digitalisation 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. Systembolaget and PostNord hosted its first two meetings.

## Training in IT security an important digitalisation issue

**SPECIALFASTIGHETER** In the property industry, property automation is one of the biggest digitalisation issues, and for Specialfastigheter security on this point is a prioritised and constantly ongoing part of digitalisation work. Staff skills, awareness, interest and engagement are key factors in security work. Along with the Swedish Defence Research Agency (FOI), which has experts in assessing information security risks and holds exercises and courses in IT security, Specialfastigheter has therefore developed security training in property auto-

mation for staff in operations and management, projects and development, and IT, as well as for its senior management and board. The aim is to foster understanding of cyber threats and how to counter them. Cyber security is a process, not a project, and must be constantly evaluated, improved and reported. Continuity planning is the most important measure, but robust IT systems and architecture, surveillance of own networks, procurement and installation specifications, controls and audits, and training are also key activities.



## Digital maintenance systems



**GÖTA KANALBOLAG** fully implemented a digital maintenance system in 2019; it helps the enterprise to conduct proactive maintenance work and keep a check on a 190 km-long outdoor facility. The programme is used by staff in the field and, for example, supports round checks as part of the enterprise's dam safety work. This initiative operates as part of the enterprise's long-term strategic work on a safe and secure facility for both staff and visitors. This internal cooperation meshes effectively since all functions use the system and measures can easily be allocated among staff.

## The 112 app – mobile security



**SOS ALARM** has long worked on methods and projects to enable it to improve emergency call positioning. It is sometimes vital to be able to quickly send the right help to the right place at the right time. In 2019 the 112 app was launched,

bringing SOS Alarm a step closer to its vision of a more secure Sweden for everyone.

The 112 app now assigns the 112 operator the help-seeker's exact position, which was previ-

ously impossible. GPS positioning now improves accuracy from a hectare to a metre and makes the enterprise better placed to quickly find the help-seeker and ultimately to save lives.

The app is also preventive. Via the app the user gets quick, relevant and reliable information such as Important Notices to the Public, fires or road accidents in their vicinity, enabling the user to take more responsibility and make conscious choices to stay safe. Today the app has around 1.8 million downloads, which is far above the expected result. This is an indication that safety and security have high priority for Swedes.

## Digital development for sustainable winter road maintenance

**SVEVIA** There can be great variations in the road climate in a geographical area. "Forecast-steered dynamic road operation" is an innovation project with the objective of using real-time information from various fixed and mobile sensors to tailor production measures so as to optimise winter road maintenance.

Svevia – which is leading a collaborative project with external partners including VTI, Volvo and specialists in road weather services – is developing a decision support system that suggest optimal routes based on current and coming road conditions.

The weather services are integrated with GPS, management and monitoring systems to optimise where, when and how winter

road maintenance measures are carried out. Based on forecasts for combating slippery conditions, optimised routes are sent to the driver and the salt spreader gets steering files.

Svevia sees considerable effects on its resource consumption, CO<sub>2</sub> footprint and salt use, all of which

are reduced by around 20%. Dispatchers at contractors are more secure when making crucial decisions and traffic safety increases when the stress on machine operators decreases. The initiative is at the forefront and follows Svevia's long-term sustainability strategy.



# 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 its mandate from the Riksdag.

The portfolio of state-owned enterprises consists of 40 fully owned and 6 partly owned enterprises with a total value of around SEK 640bn. Together, state-owned enterprises and their subsidiaries employ around 108 000 people, and around 129 000 when associates are also included.

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.

Of the state-owned enterprises, 22 have been given a specifically adopted public policy assignment by the Riksdag, meaning that they generate public benefit that cannot always be measured in financial terms.

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 the 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. It also means that the board of directors is responsible for the enterprise's organisa-

tion and the management of its affairs; that the board is responsible for adopting business targets and strategy; and that the enterprise's executive management handles the day-to-day management of the enterprise's 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 corporate 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 companies 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.

## Framework for state-owned enterprises

Like privately owned companies, state-owned enterprises are primarily governed by the Swedish Companies Act.

	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>1</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>2</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

1) Applies to external reporting. 2) Mainly used in enterprises that have specifically adopted public policy assignments.

## State Ownership Policy 2020 – a climate-proofed enterprise portfolio offering decent conditions

To ensure that State Ownership Policy is a relevant and up-to-date framework for corporate governance of state-owned enterprises, it has recently been revised. The major changes are described below.

### Sustainable value creation and strategic targets

The Government is continuing to raise its ambitions in sustainable business and wants to use corporate governance to increase the pace at which enterprises are moved from separate sustainability strategies to sustainable strategies centred on long-term sustainable value creation. One important step here is requiring their boards to set clear strategic targets pointing towards long-term sustainable value creation. The state enterprise portfolio is important in the transition to a society without emissions of greenhouse gases. So additional requirements are also being introduced in the climate area to the effect that these enterprises have to manage, and give a transparent account of, climate-related financial risks and opportunities in their activities.

Swedavia is an example of an enterprise that has long had an integrated, strategic approach to sustainable development. Swedavia's customer-centred model is the foundation for activities to achieve the enterprise's long-term strategic aims.

“Sustainable growth is going to be the only possible way of staying in business and creating value over time.”

Jonas Abrahamsson,  
CEO and President, Swedavia

Requirements of labour law conditions in purchasing  
In 2018 the Government Offices commissioned Director-General Rikard Jermsten to investigate the possibilities of requiring contractual conditions similar to collective bargaining agreements in connection with purchases for state-owned enterprises. The assessment made by his inquiry was that regulation was needed regarding labour law requirements for suppliers so as to counter unreasonable working conditions and contribute to greater uniformity between state-owned enterprises that are contracting authorities or units and those that are not covered by public procurement legislation. Under the new Policy, state-owned enterprises therefore must, when needed, specify certain requirements for their suppliers' working conditions regarding pay, working hours and holidays for purchases exceeding a threshold that is currently SEK 1.4m. This requirement provides clarification of the Government's long-standing ambition of having state-owned enterprises work for aims including a sound and safe work environment,

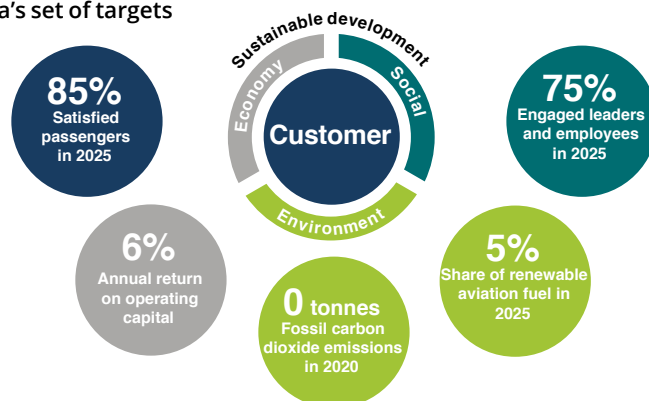
respect for human rights, and good and decent working conditions.

### Systematic and ambitious security work

As part of work to future-proof the state-owned enterprise portfolio, the Government now requires these enterprises to conduct active, systematic, ambitious and responsible security work. This contributes to creating long-term sustainable enterprises that secure important functions for society. It is particularly important that state-owned enterprises carefully follow the Protective Security Act (2018:585), which applies to activities – or parts of activities – of importance for Sweden's security.

In addition to the changes described above, the Government's principles for remuneration and other terms of employment for senior officers have been updated in the light of new rules in the Companies Act (2005:551) and the Swedish Corporate Governance Code regarding remuneration to senior officers that follow from the implementation of EU directives.

### Swedavia's set of targets



### State Ownership Policy – Background facts

- The State Ownership Policy was adopted by the Government on 27 February 2020.
- The Policy includes the Government's three principles for state-owned enterprises: (i) principles for corporate governance; (ii) principles for remuneration and other terms of

employment for senior officers; and (iii) principles for external reporting.

- The Policy is applied in 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 the principles applied. The State Ownership Policy means the Swedish Corporate Gov-

ernance Code has to be applied.

- As of 2017 the Policy is adopted at the annual general meeting of fully state-owned enterprises, which means that, under company law, the policy is a binding instruction (owner direction) to the board of the enterprise. As of 2020 the decision of the general meeting includes the three sets of principles.

OECD Guidelines on Corporate Governance of State-Owned Enterprises  
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 guidelines from 2005 and the revised guidelines from 2015. 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 and the ministers responsible for enterprises in the table on the right). 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. The 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 the investment organisation 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 in 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 fulfilment.

### *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 operates 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 the 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



## Responsible ministries

Minister responsible for the enterprise in brackets unless otherwise stated

### **Ministry of Enterprise and Innovation (Baylan)**

Akademiska Hus<sup>1</sup>  
Almi Företagspartner  
Apoteket  
Arlandabanan Infrastructure<sup>2</sup>  
Bilprovingen  
EUROFIMA<sup>2</sup>  
Green Cargo  
Göta kanalbolag  
Infranord  
Jernhusen<sup>3</sup>  
Lernia  
LKAB  
Metria  
Orio  
PostNord  
RISE, Research Institutes of Sweden  
Samhall  
Saminvest  
SAS  
SBAB  
SEK, Svensk Exportkredit  
SJ  
SOS Alarm  
Specialfastigheter<sup>3</sup>  
SSC, Svenska rymdaktiebolaget  
Statens Bostadsomvandling<sup>3</sup>  
Stiftelsen Industrifonden  
Stiftelsen Norrlandsfonden  
Sveaskog  
Svedab<sup>2</sup>  
Svenska Skeppshypotek  
Svenska Spel  
Svevia  
Swedavia  
Swedesurvey<sup>3</sup>  
Swedfund International  
Telia Company  
Teracom Group  
Vasallen<sup>3</sup>  
Vattenfall  
Visit Sweden

The Minister responsible is: 1) Ernrkans, Ministry of Education and Research.  
2) Eneroth, Ministry of Infrastructure.  
3) Bolund, Ministry of Finance.

### **Ministry of Finance (Micko)**

Miljömärkning Sverige

### **Ministry of Culture (Lind)**

Kungliga Dramatiska teatern  
Kungliga Operan  
Voksenåsen

### **Ministry of Health and Social Affairs (Hallengren)**

APL, Apotek Produktion & Laboratorier  
Systembolaget

### **Ministry for Foreign Affairs (Linde)**

Sweden House

## Active ownership

Active ownership within the framework of state ownership policy



State Ownership Policy



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 the enterprise and 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 should 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 18. 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 a company owner, see the figure on page 17. The development of the enterprises 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 page 15. The political leadership of the various ministries 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.

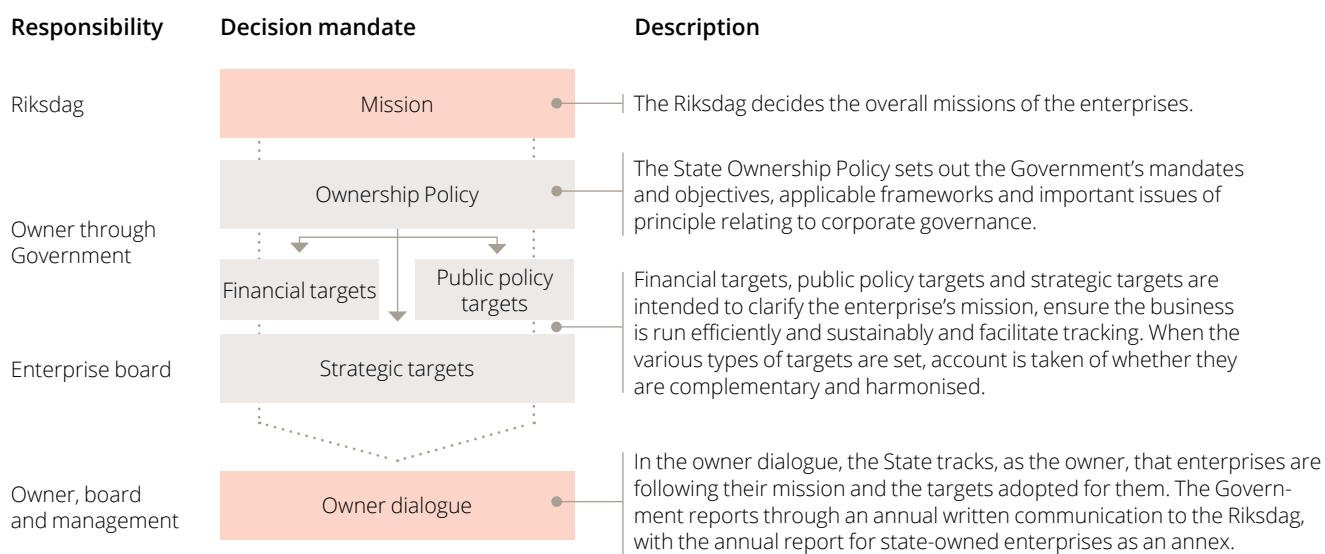
### Transparency requirement

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 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.



## 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.



### 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 Guidelines 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.



### Cost

In 2019 the cost of the investment management organisation at the Ministry of Enterprise and Innovation was SEK 40.5m (41.1m), 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 8.2m (15.0m). The costs of the investment management organisation mainly consist of salaries, but also include other current expenses such as travel and 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). As Swedesurvey is no longer conducting any active operations, an extraordinary general meeting in 2019 decided to wind the enterprise up by placing it in voluntary dissolution. There are five other current authorisations to change state ownership, see the table below.

### Changes in the portfolio

In February 2018 it was decided to place Bostadsgaranti in voluntary dissolution. The voluntary dissolution of the enterprise was completed on 19 March 2019.

### 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	14.8	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>1</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 is intended to give the board a wider range of com-

petence and better dynamics, so that diversity will reduce group-thinking.

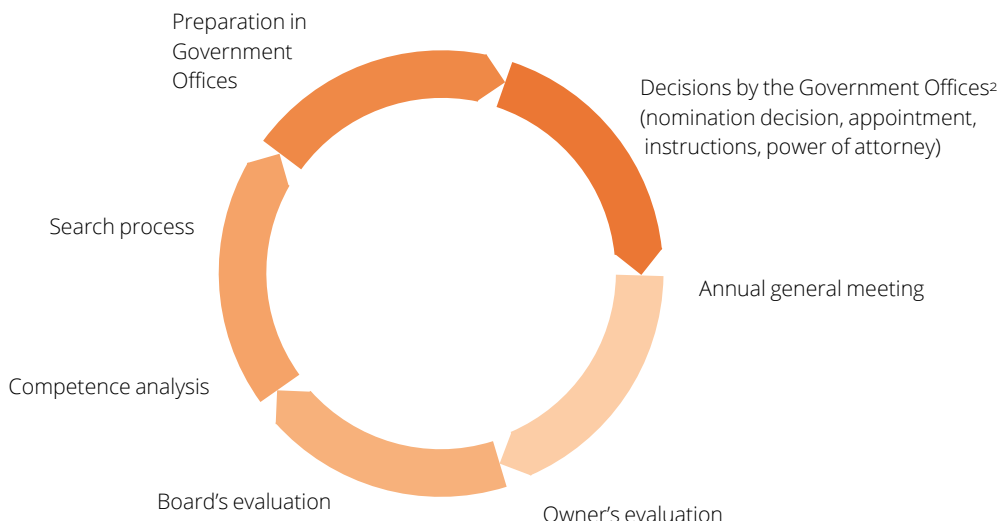
The gathering of political support, i.e. the preparation of the decisions, is an ongoing process during the autumn and winter. Consideration is given to which chairs and directors should be re-elected and which replaced, and proposals are prepared for new chairs and other new directors. The minister 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.

1) The board nomination process also covers the boards of the foundations, Stiftelsen Industrifonden and Stiftelsen Norrlandsfonden, and of Svenska Skeppshypotekskassan (Swedish Ships Mortgage Bank). Board recruitment in the listed companies Telia Company and SAS is handled by their nominating committees.

### Board nomination process

Annual cycle



2) 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 so as 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 usually address 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; and
- measure, track and evaluate profitability, efficiency and level of risk in a structured manner.

## 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.

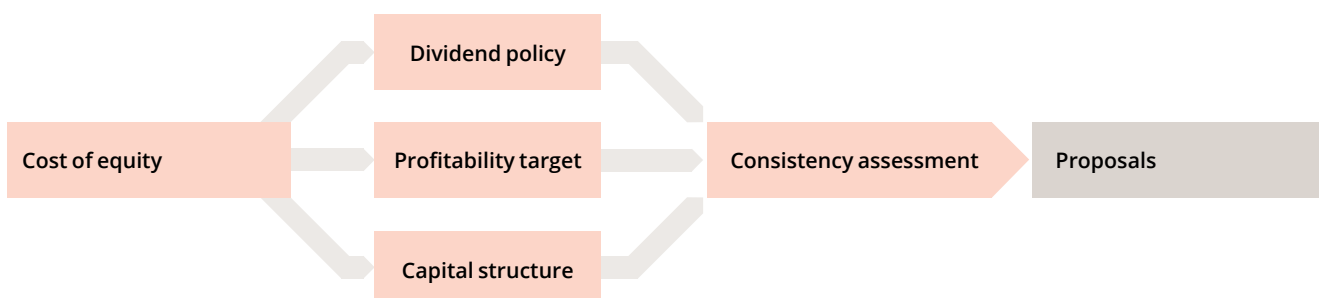
### *Efficient capital structure*

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.

### *Ambitious profitability target*

A profitability target is set for the 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

## Method of setting financial targets





Swedfund's targets require its operations to be financially sustainable and to be conducted in a way that is cost-effective for taxpayers.

some, which tie up a relatively small amount of capital, a margin target, such as operating margins, 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, mostly as an acceptable range.

#### *Consistency assessment*

When proposals for the capital structure target, profitability target and dividend policy have been prepared, an analysis is needed to be sure 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 must 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 2019 new financial targets were adopted for Akademiska Hus, Svenska Spel, Swedavia and Swedfund. Target projects were also started during the year for Almi, Jernhusen, Samhall and Saminvest that then led to the adoption of new targets at their annual general meetings in 2020.



# 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 Företagspartner 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 Företagspartner  
 APL, Apotek Produktion & Laboratorier  
 Göta kanalbolag  
 Kungliga Dramatiska teatern  
 Kungliga Operan  
 Miljömärkning Sverige  
 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



Systembolaget has the task of helping to limit the harmful effects of alcohol, thereby improving public health.

# 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; and
- 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.

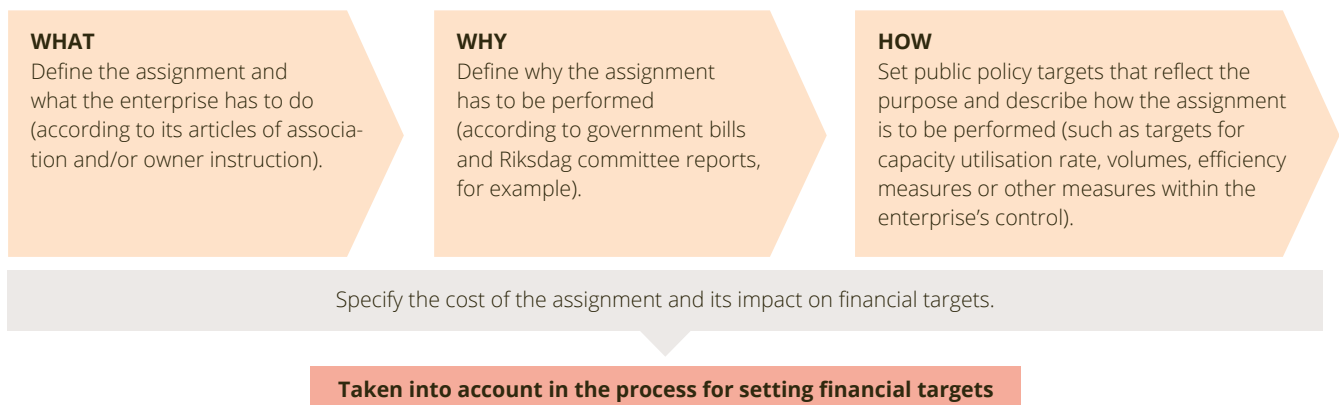
When the financial targets are set, the cost of the public policy assignment is taken into account. The specifically adopted public policy assignment may also be linked to the enterprise's risk and the assessment of what is an appropriate capital structure. The interpretation of the specifically adopted 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 enterprises. It can be summarised in three steps:

- (1) Define what the enterprise is to do, i.e., the assignment.





In 2019 public policy targets were adopted for Svenska Spel. They apply to the forms of gambling that are reserved for the State, i.e. physical casinos (Casino Cosmopol) and slot machines elsewhere than casinos (Vegas).

- (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 must be reviewed to determine the public benefit.

Uniform public policy targets are set by categorising various types of 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 transforma-

tion pressure on the enterprise to improve its efficiency.

New public policy targets were adopted for Svenska Spel at an extraordinary general meeting in June 2019. Swedfund's public policy targets were updated in conjunction with an extraordinary general meeting in December. At the end of 2019 there were a total of 11 enterprises with adopted public policy targets in the state enterprise portfolio, see the table on the right. Target projects were also started during the year for Almi, Samhall and Saminvest and these then led to the adoption of new targets at the enterprises' annual general meetings in 2020.

#### 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 conditions 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.

#### Enterprises already given specifically adopted public policy targets

Almi Företagspartner  
 Göta kanalbolag  
 RISE, Research Institutes of Sweden  
 SEK, Svensk Exportkredit  
 SOS Alarm  
 SSC, Svenska rymdaktiebolaget  
 Svedab  
 Svenska Spel  
 Swedavia  
 Swedfund International  
 Systembolaget

# 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 comparing performance with the targets set.

## Financial targets and outcomes 2019

% , unless otherwise stated	Profitability Return on equity, unless otherwise stated		Capital structure Equity/assets ratio, unless otherwise stated		Approved dividend based on earnings for 2019, unless otherwise stated	
	Target	Outcome 2019	Target	Outcome 2019	Target	Outcome 2019
Enterprise						
Akademiska Hus	≥6.0 <sup>1</sup>	10.3 <sup>1</sup>	35–45	45.7	40–70	70
APL	>8	-56.7	40–50	24.4	≥50	-
Apoteket	≥3 <sup>2</sup>	1.8 <sup>2</sup>	40–80 <sup>3</sup>	53.0 <sup>3</sup>	40–60 <sup>4</sup>	-4
Bilprovingen	≥8 <sup>2</sup>	3.7 <sup>2</sup>	30–40	40.0	≥80	143
Green Cargo	≥10 <sup>6</sup>	-4.6 <sup>6</sup>	0.6–0.9 <sup>3</sup>	3.5 <sup>3</sup>	50	-
Göta kanalbolag	≥0 <sup>7</sup>	0.17	-10–50 <sup>3</sup>	-16.6 <sup>3</sup>	-	-
Infranord	≥16	-7.2	>33	32.4	50–75	-
Jernhusen	≥12	14.3	35–45	42.7	33	33
Lernia	≥20	-40.0	30–50	18.0	≥50	-
LKAB	>12	24.2	0–30 <sup>3</sup>	-2.5 <sup>3</sup>	40–60	60
Metria	≥10 <sup>5</sup>	-1.1 <sup>5</sup>	≥30	51.3	≥30	-
PostNord	10.5 <sup>6</sup>	3.6 <sup>6</sup>	10–50 <sup>3</sup>	259.0 <sup>3</sup>	40–60	-
RISE	≥3 <sup>2</sup>	1.8 <sup>2</sup>	0–30 <sup>3</sup>	19.0 <sup>3</sup>	-	-
Samhall	7	5.7	≥30	35.0	-	-
SAS	>12 <sup>16</sup>	8.0 <sup>16</sup>	<3 <sup>8</sup>	3.7 <sup>8</sup>	-	-
SJ	≥7 <sup>6</sup>	16.2 <sup>6</sup>	0.5–1.0 <sup>3</sup>	-0.1 <sup>3</sup>	30–50	-
SOS Alarm	≥2 <sup>2</sup>	2.7 <sup>2</sup>	25–35	47.2	≥50	-
Specialfastigheter	8 <sup>9</sup>	9.99	25–35	39.2	50	50
SSC	≥6 <sup>6</sup>	5.0 <sup>6</sup>	0.3–0.5 <sup>3</sup>	0.4 <sup>3</sup>	≥30	-
Sveaskog	≥4.5 <sup>10</sup>	4.9 <sup>10</sup>	0.3–0.6 <sup>3</sup>	0.3 <sup>3</sup>	65–90	88
Svedab	-	-	500 <sup>11</sup>	1341 <sup>11</sup>	50	100
Svenska Spel	≥30 <sup>2</sup>	28.7 <sup>2</sup>	20–40	39.3	≥80	-
Svevia	≥20	12.0	20–30	29.8	≥50	51
Swedavia	≥6 <sup>6</sup>	4.6 <sup>6</sup>	0.7–1.5 <sup>3</sup>	1.1 <sup>3</sup>	10–50	-
Swedfund	positive <sup>12</sup>	41.4 <sup>12</sup>	-	-	-	-
Systembolaget	risk free (rf)+7	15.5	20–30	25.9	80–100	100
Telia Company	-	-	A- to BBB+ <sup>13</sup>	A- to BBB+ <sup>13</sup>	≥80 <sup>13</sup>	60 <sup>13</sup>
Teracom Group	17	2.0	30	75.0	40–60	60
Vasallen	risk free (rf)+4	-3.2	≥50	95.0	30–50	(negative result)
Vattenfall	≥8 <sup>14</sup>	8.5 <sup>14</sup>	22–27 <sup>15</sup>	26.5 <sup>15</sup>	40–70	28

1) Return on operating capital excluding changes in value. 2) Operating margin. 3) Debt/equity ratio, % or multiple. 4) Share of net profit for the year adjusted for earnings and tax related to pension assets and pension commitments. 5) EBITDA margin. 6) Return on operating capital. 7) EBT margin. 8) Net debt/EBITDAR. 9) Return on equity based on profit after tax and after reversal of changes in value and deferred tax. 10) Dividend yield. 11) Equity to be at least SEK 500m. 12) EBIT to be positive, irrespective of accounting standard, outcome in SEK m. 13) Solid long-term credit rating and dividend of at least 80% of free cash flow from operations including dividends from associates. 14) Return on capital employed. 15) Funds from operations (FFO)/adjusted net debt. 16) ROIC.

%	Profitability Return on equity, unless otherwise stated		Capital structure				Approved dividend based on profit for 2019, unless otherwise stated	
			Total capital ratio		Common equity Tier 1 capital ratio			
Enterprise	Target	Outcome 2019	Target	Outcome 2019	Target	Outcome 2019	Target	Outcome 2019
SBAB	≥10	11.7	≥0.6 <sup>17</sup>	20.1 <sup>17</sup>	≥0.6 <sup>17</sup>	13.1 <sup>17</sup>	≥40	-
SEK	≥6	5.5	2–4 <sup>18</sup>	20.6 <sup>18</sup>	≥4 <sup>18</sup>	20.6 <sup>18</sup>	30	-

17) 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 15.5% for the total capital ratio and 11.3% for the Common Equity Tier 1 capital ratio. 18) Total capital ratio under normal circumstances to be between 2 and 4 percentage points above the capital requirement communicated by Finansinspektionen: 18.8–20.8%. SEK's Common Equity Tier 1 capital ratio to be at least 4 percentage points above the capital requirement communicated by Finansinspektionen: 15.9%.

**Public policy targets and outcomes in 2019**

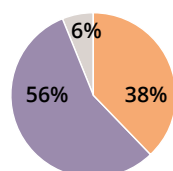
The public policy assignments, public policy targets and outcomes of each enterprise are presented in the enterprise overviews on pages 40–85.

Enterprise	Public policy targets adopted	Target level	Outcome 2019
Almi	Share of companies still operating higher than control group	Control group 77%	75%
Företags-partner	Increase in sales higher for Almi customers than control group	Control group 44%	67%
	Increase in value added higher than control group	Control group 38%	63%
	Share seeing Almi solely as a complement to the market	100%	Index not complete
	Share of women higher than control group	Control group 30%	28%
	Share of persons with foreign backgrounds higher than control group	Control group 24%	31%
	Share of early-stage companies	>50%	85%
Göta kanalbolag	Number of boats in whole season	≥1 700	1 784
	Number of boats in booking season	≥400	430
	Regular passenger boat traffic to be operated throughout the peak season	100%	100%
	Navigability in peak season	98%	91%
	Share of lock-keeper and bridge master's homes of year-round standard (by 2020)	100%	96%
	Maintain avenue trees along canal and replant to original number	No target level	260 trees planted
	Number of accidents on account of condition of facility	0	0
	Customer satisfaction (index)	≥4 (of 5) for four customer categories	4.5 / 4.6 / 4.3 / 3.4
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%	64%
	Innovation Partner Capacity (positive responses)	≥78%	74%
	Customer Satisfaction Index (CSI) (positive responses)	≥75%	72%
SEK	Customer survey, added value of export credits (positive responses)	>60%	73%
	Stakeholder dialogue to promote competitiveness	No target level	Conducted in 2019
SOS Alarm	Response time for the 112 emergency number (seconds)	≤8	8.6
	Service level, response within 15 seconds for 112	92%	86%
	Service level, response within 30 seconds for 112	100%	97%
	Time to identify need of assistance (seconds)	≤40	24
	Customer Satisfaction, Emergency Calls and Response (index)	≥71	68
	Confidence Index	≥70	86
SSC	Capacity utilisation rate, Estrange	≥70%	82%
	Quality index, Estrange	≥80%	96%
	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%	2%
	Gambling awareness index, Casino Cosmopol and Vegas	Target level to be set in 2020	81 and 84
	Outreach care calls and effect measurements, Casino Cosmopol	90%	96%
	Outreach care calls and effect measurements, Vegas	100%	100%
Swedavia	Reporting of share of satisfied customers	No target level	76%
	Reporting of number of passengers, domestic flights (millions)	No target level	12.4
	Reporting of number of passengers, international flights (millions)	No target level	27.8
	Reporting of number of international destinations	No target level	314
	Reporting of number of accidents or serious incidents	No target level	3
	Reporting of carbon dioxide footprint (ktonnes)	No target level	506
Swedfund	Share of investments with increased sales while held	≥60%	*
	Share of investments with increased profitability while held	≥60%	*
	Climate footprint, portfolio's estimated emissions of CO <sub>2</sub> e (ktonnes)	0 in 2045 (decrease over time)	*
	Share of investments meeting 2x Challenge criteria	≥60% after 3 years	*
	Share of investments complying with ILO core conventions	100% after 3 years	*
	Mobilisation of investment portfolio in commercial capital	≥30%	*
Systembolaget	Customer Satisfaction Index (CSI)	≥80%	85.1%
	Alcohol index	Positive development (index 2018: 61.4)	61.6
	Reporting of alcohol consumption (litres per capita/enterprise's share)	No target level	8.8 / 65.6%

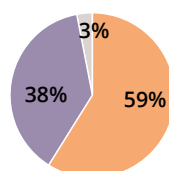
\* Target was adopted at EGM in December 2019 and will be reported for the first time in the annual report for 2020.

**Achievement of targets at portfolio level in 2019****Financial targets**

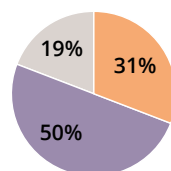
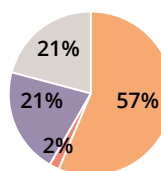
Profitability



Capital structure



Dividend

**Public policy targets**

■ Target achieved  
■ Target partly achieved <sup>1</sup>  
■ Target not achieved  
■ No target/target level set

<sup>1</sup>) The enterprise has several relevant targets, some of which have been achieved.

# 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 have to 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. 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.

In the area of sustainable business, state-owned enterprises have to act in an exemplary way, which includes working strategically and transparently with a focus on cooperation. This work is guided by international guidelines and, since 2017, also by the 2030 Agenda and the global Sustainable Development Goals (Global Goals).

The 2030 Agenda is a common agenda for the countries of the world that contains 17 global Sustainable Development Goals for the period up to 2030. All actors in society are important in the implementation of the 2030 Agenda, and business plays a key role. This also means that state-owned enterprises have to analyse the Goals to identify which targets the enterprises have an impact on and can contribute to through their operations.

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.

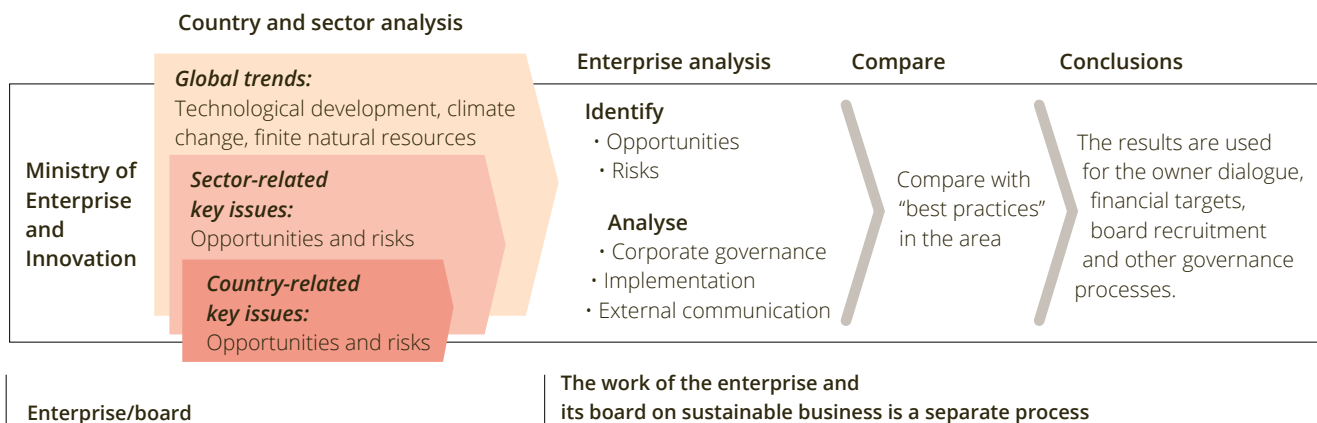
Formulation of targets and strategies  
The strategic targets for sustainable value creation have to focus on value

creation and be relevant to the enterprise’s business operations and 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.

Tracking by means of sustainability analysis  
The investment management organisation carries out enterprise-specific sustainability analyses to evaluate the enterprises’ work on sustainable business. This analysis is based on broad business intelligence that takes account of 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 devel-

## Sustainability analysis process



## High awareness around the climate issue

Using the enterprises' public reporting for the period 2014–2018, KPMG has carried out a climate analysis of the state enterprise portfolio, as a commission from the Government Offices. A previous analysis was carried out in 2015. The analysis included the enterprises' total direct emissions of greenhouse gases (Scope 1), the enterprises' energy efficiency and the share of renewable energy used by the enterprises.

A new feature of the latest analysis is an assessment of whether the enterprises' strategies are in line with the Paris Agreement. The results show that out of the 15 enterprises judged to have material direct emissions from a portfolio perspective, 14 enterprises have strategies that are fully or partly consistent with the Paris Agreement. Enterprises with targets approved by the Science Based Targets initiative (SBTi) account for more than 80% of the portfolio's direct emissions. An undertaking of this kind means that the targets for greenhouse

““ Telia Company has worked with its own environmental impact for many years. Last year this work moved up another gear when we launched a bold environmental agenda for 2030. We are working to be climate-neutral in our own business before 2022 and to only use renewable electricity irrespective of where we operate. We use our influence to make sure that our suppliers set targets that are consistent with the Paris Agreement. By doing so, we can greatly reduce our emissions. Our biggest potential is probably on the customer side. Our digital solutions enable our customers to reduce their emissions and other resource use. Studies show that our sector can enable customers to achieve effects ten times as large as the sector's own footprint. So the climate challenge speaks directly to Telia Company's core business.”

Sara Nordbrand, *Head of Group Sustainability, Telia Company*

gas emissions are grounded in science and contribute to limiting global warming to under 2 degrees Celsius.

The total direct greenhouse gas emissions in the enterprise portfolio, not taking account of the state holding, decreased from 88 till 28 Mtonnes per year in the period 2014–2018. The change is mainly due to Vattenfall's sale of German coal-fired power. Indirect emissions in the portfolio have also decreased in the period, and this is partly explained by procure-

ments of new electricity contracts from renewable sources.

Several state-owned enterprises are good examples in the climate area and have innovative, climate-smart solutions that contribute to the transition to a green economy; some of these initiatives are described on pages 8–9. When a revised ownership policy was adopted in spring 2020, the Government also raised the level of ambition in the climate area, for instance, enterprises have to manage and report climate-related financial risks and opportunities linked to their activities. For more information about the State Ownership Policy 2020, see page 14.

The results of the climate analysis will be followed up in a number of different forums, including owner dialogues and a web seminar for portfolio enterprises focusing on the climate analysis.

““ In a screening of the state enterprise portfolio in 2019, KPMG evaluated whether the enterprises' climate strategies were consistent with the Paris Agreement. The analysis showed that, in general, there is high awareness of the climate issue in state-owned enterprises and that many of them have it high on their agenda. The enterprises with the largest direct emissions have designed climate strategies and greenhouse gas emissions targets that enable them to contribute to absolute emissions reductions for Sweden as a whole, which is positive.”

Stefan Lundström, *partner, KPMG*

oping financial and public policy targets because it reduces the risk of conflicting targets.

### 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, 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.



## The responsibility of the State as an owner

In June 2011 the UN Human Rights Council endorsed the UN Guiding Principles on Business and Human Rights. The mainstays of the Guiding Principles are:

1. The State Duty to Protect Human Rights.
2. The Corporate Responsibility to Respect Human Rights, which means that business enterprises should avoid causing or contributing to adverse human rights impacts and seek to prevent or mitigate human rights impacts.
3. Access to remedy when human rights abuses occur.

The fourth principle under the first pillar is directed at States as owners and declares that States should take additional steps to protect against human rights abuses by business

enterprises owned or controlled by the State.

The basis for this is that where States own or control business enterprises, they have the greatest means within their power to ensure that relevant policies, legislation and regulations regarding respect for human rights are implemented.

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.



## 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 ambitions 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 they affect and contribute to through their operations.

## Challenges and opportunities for sustainable 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 well-established international

guidelines for sustainable business. 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. State-owned enterprises have to analyse the





Global Goals and identify the Goals that enterprises each 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 iden-

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

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 reports or on their websites.

### Samhalls agenda for inclusive transition

The 2030 Agenda emphasises that no one should be excluded, but people with disabilities that decrease their work capacity are a group that meets particular challenges in the Swedish labour market. In Samhall, sustainability is about contributing to a transition that takes care of both people and the environment. Quite simply, an inclusive transition.

Samhall fulfils an important function by creating enriching jobs for people with disabilities and show-

ing society their hidden strengths and abilities. This contributes to Global Goals 4, 8 and 10, which all have targets to do with improving the possibilities for people with disabilities to access education, work and social inclusion.

Goal 12 "Sustainable consumption and production" and Goal 13 "Climate Action" guide the development of Samhall's services. In 2019 Samhall decided to halve emissions of carbon dioxide by 2025. The transition to a fossil-free and



circular economy will lead to the creation of new services and work tasks. Samhall is therefore acting to develop new customer offers aimed at actors who want to contribute to the circular economy.

### SSC Global Watch – a transparent world for the 2030 Agenda



Current rapid developments in space offer new opportunities of addressing the global challenges the world is facing. Strong growth in the number of satellites with advanced sensors is delivering ever more data about the state of the planet. Today, however, only a limited part of this data comes to use.

With modern technology, great quantities of data from satellites could be gathered, merged and analysed. Global situation snapshots can then be created and shared all over the world to achieve the 2030 Agenda goals. Examples can be addressing climate change and its impacts, as well as contributing to greater global cooperation and stronger

international institutions such as the UN.

SSC's *Global Watch Center* initiative is intended to realise a development like that. Positive responses have been obtained in dialogue with the Government Offices and the UN. A study was delivered in 2019, in cooperation with regional actors in Norrbotten, Luleå University of Technology and AFRY, a consultancy. The study shows that the initiative is feasible. An initial application is now on the way to being realised and can be a new important international business area for SSC, with good potential to grow and contribute to the 2030 Agenda goals.

# Gender balance

The Government aims for gender balance both on individual boards and at portfolio level. Board representation in the state enterprise portfolio has to be at least 40% for both women and men.<sup>1</sup>

## 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 48% and men for 52% of directors of state-owned enterprises elected by the annual general meeting as on 1 May 2020. This can be compared with the boards of listed companies, where the figures were 34% women and 66% men.<sup>1</sup>

The gender balance on the board of each enterprise has to follow the “ladder”, 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 100.) Gender balance was achieved in all 41 state-owned enter-

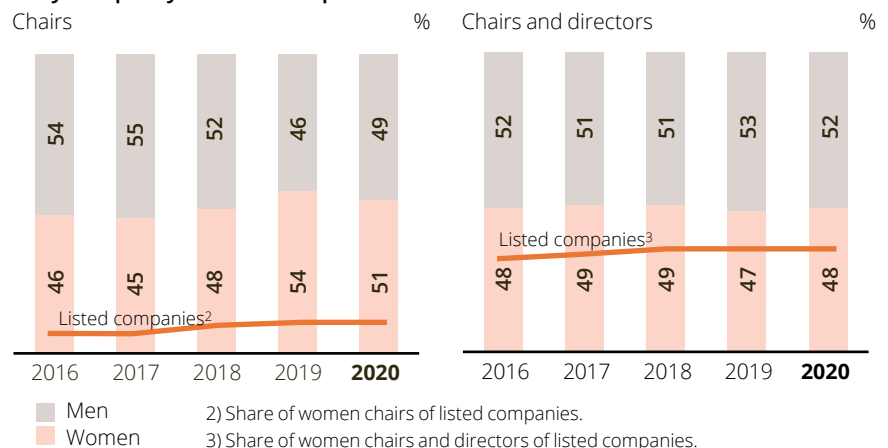
prises included in the statistics, which is an improvement compared with 2019 when 39 of 41 enterprises reached the target. In both enterprises that deviated from the target men were overrepresented.

The share of women chairs of enterprises fully and partly owned by the State has increased from 46% in 2016 to 51% in 2020, which can be compared with 10% in listed companies.<sup>1</sup>

1) Second Swedish National Pension Fund's Women's Index 2019.

## Gender distribution

### Fully and partly owned enterprises



## Gender distribution – CEO and executive management<sup>4</sup>

	2019					2018		2017		2016	
	W, no	M, no	Total	W, %	M, %	W, %	M, %	W, %	M, %	W, %	M, %
CEO	18	25	43	42	58	39	61	36	64	36	64
Executive management <sup>5</sup>	127	163	290	44	56	42	58	46	54	43	57

4) There were 46 enterprises at year-end. The evaluation for 2019 does not include EUROFIMA, Sweden House and Swedesurvey.

5) Executive management excluding the CEO.

## Gender distribution – directors appointed by AGM

	2020					2019		2018		2017		2016	
	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	54	46	48	52	45	55	46	54
Directors	121	136	257	47	53	45	55	49	51	49	51	49	51
<b>Total chairs and directors appointed by AGM</b>	<b>142</b>	<b>156</b>	<b>298</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>48</b>	<b>52</b>
<b>Fully owned enterprises</b>													
Chairs	20	17	37	54	46	53	47	46	54	45	55	44	56
Directors	107	120	227	47	53	47	53	49	51	50	50	51	49
<b>Total chairs and directors appointed by AGM</b>	<b>127</b>	<b>137</b>	<b>264</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>	<b>50</b>	<b>50</b>

The calculation covers limited companies whose registered office is in Sweden. The report does not include EUROFIMA, Svenska skeppshypotekskassan, Sweden House or Voksenåsen. Swedesurvey is not included in the statistics for 2020 since an EGM in 2019 decided to wind up the enterprise by placing it in voluntary dissolution.

# 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

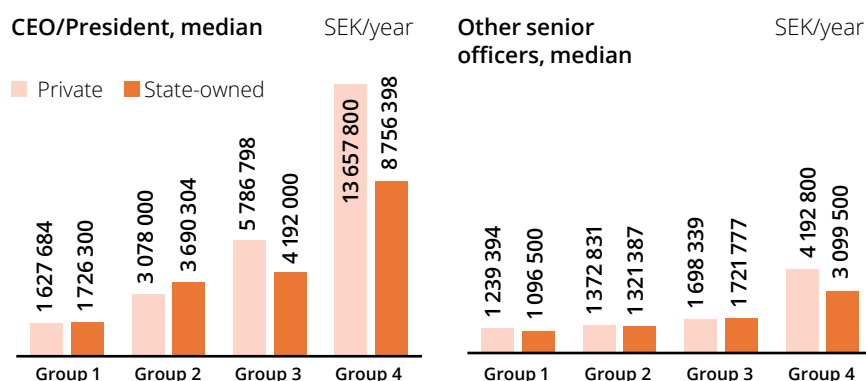
On 27 February 2020 the Government adopted new principles for remuneration and other terms of employment for senior officers of state-owned enterprises. The guidelines are applied as of the annual general meeting in 2020 and replace the previous guidelines adopted in 2016. The boards of state-owned enterprises 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 previous guidelines in state-owned enterprises in 2019, and a comparison has also been made of remuneration levels in these enterprises with market data from privately owned companies. A total of 143 representative peer companies were identified and included in the survey. The starting

## Total cash remuneration



**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 greater than or equal to SEK 14 001m.

point was whether or not total cash remuneration to 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 2019 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 CEOs with defined-benefit pension plans has increased. In 2019, 18% of all CEOs and 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 came into force must not be below 65. In 2019 no senior officer had a retirement age below 65.

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 2019, 39 senior officers had severance pay of 18 months' salary. These referred to old contracts and are therefore not in conflict with the guidelines. One senior officer has severance pay in excess of 18 months' salary.

State-owned enterprises and their market peers 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. However, 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 performance in 2019

## General information about the accounts

The full-portfolio presentation for 2019 does not include Swedesurvey since it was decided at an extraordinary general meeting in March 2019 to dissolve the enterprise. The comparative figures for 2018 have been adjusted.

In conjunction with the AGM of Bostadsgaranti in 2018 it was decided to place the enterprise in voluntary dissolution, so the full-portfolio presentation has not included Bostadsgaranti since 2018.

SAS is not included in consolidated earnings for 2019 or 2018 since the State's share of equity is below 20%.

## Income statement

SEK m	2019	2018
Net sales (including appropriation, if any)	371 214	348 854
Other income	1 727	4 398
Expenses	-322 872	-311 823
Profit from investments in associates	4 372	2 740
Changes in value	5 575	4 961
<b>Operating profit (EBIT)</b>	<b>60 015</b>	<b>49 131</b>
Financial income	5 189	4 716
Financial expenses	-8 719	-8 971
<b>Profit before tax</b>	<b>56 485</b>	<b>44 876</b>
Tax	-9 981	-6 240
Profit/loss from operations wound up	16	172
<b>Net profit for the year</b>	<b>46 507</b>	<b>38 874</b>
Attributable to parent shareholders	44 794	36 995
Attributable to minority interests	1 713	1 879
<b>Total</b>	<b>46 507</b>	<b>38 874</b>

## Sales

Consolidated sales for state-owned enterprises rose by 6.4% in 2019, year-on-year, to SEK 371.2bn (348.9bn). Total sales including the state holding in associates rose by 6.4% in 2019.

## Operating profit

The consolidated operating profit for 2019 was SEK 60.0bn (49.1bn).

## Balance sheet

SEK m	2019	2018
<b>Assets</b>		
Property, plant and equipment	517 383	485 960
Right-of-use assets	12 173	51
Intangible assets	25 447	24 751
Financial assets	95 563	908 253
Current assets	193 872	218 032
<b>Total assets</b>	<b>1 701 439</b>	<b>1 637 048</b>
<b>Equity, provisions and liabilities</b>		
Equity attributable to parent shareholders	364 526	343 426
Equity attributable to minority interest shareholders	16 656	17 854
<b>Total equity</b>	<b>381 183</b>	<b>361 280</b>
<b>Total liabilities and equity</b>	<b>1 701 439</b>	<b>1 637 048</b>

## Equity

In 2019 equity increased by SEK 19.9bn, mainly due to a positive result after tax for 2019 of SEK 46.5bn.

## Cash flow

SEK m	2019	2018
Cash flow from operating activities	45 267	65 662
Cash flow from investing activities	-40 109	-34 927
Cash flow from financing activities	-14 769	-21 558

*Cash flow from operating activities*  
Cash flow from operating activities decreased by 31.1% in 2019 compared with 2018, from SEK 65.7bn to 45.3bn.

*Cash flow from investing activities*  
Cash flow from investing activities increased by 14.8% in 2019 compared with 2018, from SEK -34.9bn to -40.1bn.

*Cash flow from financing activities*  
Cash flow from financing activities was SEK -14.8bn (-21.6bn) for financial year 2019.

## Total payments by state-owned enterprises to auditors in 2019

SEK m	Audit fees	Other consultancy services	Total	Audit fee share, %	Share of total audit fees, %
BDO	0.9	0.5	1.5	63.3	0.5
Deloitte	52.0	9.4	61.4	84.7	20.5
EY	45.2	52.6	97.8	46.2	32.6
KPMG	37.1	24.8	61.9	59.9	20.7
PwC	32.1	42.9	75.0	42.8	25.0
Others	0.8	1.3	2.0	38.8	0.7
<b>Total</b>	<b>168.1</b>	<b>131.5</b>	<b>299.6</b>	<b>56.1</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, 14 decided to pay dividends for financial year 2019. In total, these enterprises paid SEK 17.6bn to the State. The largest dividends for 2019 come from LKAB (SEK 6 104m), Vattenfall (SEK 3 623m), Telia Com-

pany (SEK 2 906m), Akademiska Hus (SEK 1 905m) and Sveaskog (SEK 1 100m). Their combined dividends correspond to almost 90% of total dividends resolved for 2019.

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 2019 for sheltered jobs in its core assignment, SEK 6 080m, corresponded to 66% of the total appropriation. Other examples of enterprises that receive annual appropriations are Dramaten (Royal Dramatic Theatre) and Kungliga Operan (Royal Swedish Opera), which receive funding to provide national stages for dramatic theatre and for opera and ballet. In total, state-owned enterprises received SEK 9 207m in appropriations in 2019.

### Dividends, state share

SEK m	Holding, %	2019	2018
Akademiska Hus	100	1 905	1 663
Apoteket	100	0	230
Bilprovningen	100	19	29
EUROFIMA	2	2	2
Infranord	100	0	41
Jernhusen	100	219	700
LKAB	100	6 104	3 164
Orio	100	0	25
SBAB	100	0	690
SEK	100	0	194
SJ	100	0	194
SOS Alarm	50	0	17
Specialfastigheter	100	570	555
Sveaskog	100	1 100	1 100
Svedab	100	653	325
Sweden House	36	0	2
Svenska Spel	100	0	4 478
Svevia	100	88	335
Systembolaget	100	240	180
Telia Company	39	2 906	3 810
Teracom Group	100	51	206
Vasallen	100	125	0
Vattenfall	100	3 623	2 000
<b>Total</b>		<b>17 605</b>	<b>19 940</b>

### Appropriation/total income for 2019

SEK m	Appropriation 2019	Total income 2019	Share of financing via appropriation, %
Almi Företagspartner	279	1 016	28
Dramaten	244	288	85
Göta kanalbolag	13 <sup>1</sup>	54	25
Lernia	1	2,627	0
Miljömärkning Sverige	4	73	5
Operan	508	621	82
PostNord	19	38 278	0
RISE	1 571	3 568	44
Samhall	6 080	9 130	67
SOS Alarm	305	1 257	24
Swedfund International	37	245	15
Teracom Group	9	1 366	1
Visit Sweden	126	215	59
Voksenåsen	11	38	29
<b>Total</b>	<b>9 207<sup>2</sup></b>	<b>58 777</b>	<b>16</b>

- 1) Excluding appropriations recognised in the balance sheet.  
 2) In addition, Swedfund received a capital injection during the year of SEK 600m (600m) financed within expenditure area 7 International development cooperation of the central government budget. This corresponds to just under half of the enterprise's investments in 2019, which totalled almost SEK 1 400m.

# Divestments and dividends

## – how they affect central government finances

The Government did not decide on any new divestments of enterprises or shares in 2019. For financial year 2019 dividends to the State from state-owned enterprises are expected to be SEK 17.6bn.

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.

As a result of the annual dividends from state-owned enterprises, the central government borrowing requirement decreases and interest expenditure therefore falls. Since 2010 a total of SEK 222.8bn 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 divestments 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
2010	37.6
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	17.6
<b>Total</b>	<b>222.8</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 its affairs; here risk management forms an integrated part of the overall responsibility for the enterprise's business operations. Each board 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, for example, 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 acquisition 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. The company has left all these markets apart from Moldova, where a divestment agreement was signed in February 2020. These sales processes have been highly complex and there have been great uncertainties

regarding expected outcomes. The company's withdrawal from the region is considered to have reduced the risks in the portfolio.

Another 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 as 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-commerce firms are squeezing prices, partly through efficient logistics solutions, and offering new digital services. Enterprises also need to be alert to the cyber security 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 a recession would probably lead to higher credit losses.

Currency risk and interest rate risk are other financial risks. Currency risk refers to adverse impacts from movements in exchange rates on the enterprises' income statements and balance sheets. Interest rate risk refers to the risk of adverse impacts from 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. It is, at present, difficult to assess all the effects that may result from this pandemic, but state-owned enterprises are working actively to limit the adverse effect on customers, staff and society as a whole.



## Responsible security work to reduce risks

All state-owned enterprises own assets that need some protection from ill-intentioned acts, what are called 'antagonistic attacks'. These include intrusion, theft, extortion, espionage and sabotage. In addition, state-owned enterprises work in a number of essential sectors such as energy, transport infrastructure and telecom, where an attack can have far-reaching consequences on society and ultimately on Sweden's security.

In 2019 the investment management organisation at the Ministry of Enterprise and Innovation screened the implementation by these enterprises of the new Protective Security Act (2018:585). The new Act introduces stricter requirements regarding protective security analysis and protective measures for security-sensi-

tive activities and information. For enterprises whose activities are covered by the new Act and where it is appropriate to do so, the Government Offices will make decisions on the placement of directors in a security class, as provided by the Protective Security Ordinance (2018:658).

In all state-owned enterprises, and not only those falling specifically under the Protective Security Act, successful security work is likely to be founded on a systematic approach in which requirements are specified and are tracked regularly by their board of directors. The new State Ownership Policy therefore specifies that state-owned enterprises have to conduct active, systematic, ambitious and responsible security work.

### Teracom – focusing on security

For some state-owned enterprises, security is part of their business concept as such. Teracom offers secure and robust communication services to essential actors. Vulnerability rises in an ever more connected society in which ever more systems of importance are dependent on digital communication networks. Since its start in 1992, Teracom has had the public policy assignment of guaranteeing TV and radio transmissions via the terrestrial network. This is an assignment that requires robust and complex infrastructure covering 99.8% of Swedish households. Teracom has also, since its start, had a central role in media preparedness. Together, its public policy and preparedness assignments have led to Teracom developing networks that are not dependent on external electricity and internet.



In 2019 Teracom acquired a mobile communication network operating in the low-frequency 450 MHz-band, which enables broader area coverage, and this now supplements Teracom's provision. Teracom's staff undergo security clearance and a proportion have wartime postings in the enterprise. All in all, since its start Teracom has developed capabilities that are now an important part of society's resilience.

2011	Government appoints an inquiry to review protective security legislation. The main purpose is to better adapt the legislation to what is required to protect activities of importance for national security and to the requirements made by international cooperation.
2016	New Data Protection Regulation (GDPR) regulating the processing of personal data in the EU enters into force.
2017	Government presents new national security strategy providing a cohesive presentation of how the Government views security in the broad sense.
2018	European Directive on Security of Network and Information Systems is incorporated into Swedish legislation through the Act on Information Security for Essential and Digital Services (2018:1174). The purpose of the Act is to achieve a high level of security in networks and information systems for essential services in the sectors of energy, transport, banking, financial market infrastructure, health care, drinking water supply and distribution and digital infrastructure and for digital services.  Government presents a national strategy for society's information and cyber security.
2019	New Protective Security Act (2018:585) enters into force on 1 April. The Act applies to any party that to any extent conducts activities that are of importance for Sweden's security or that are covered by an international commitment on protective security that is binding on Sweden (security-sensitive activities). Protective security means protection of security-sensitive activities from espionage, sabotage, terrorist offences and other offences that can threaten these activities and protection in other cases of information classified as security-sensitive.
2020	State Ownership Policy for state-owned enterprises supplemented with a separate section on security.



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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 knowledge nation and of contributing, within that framework, to an increasing supply of researcher and student housing.

### Important events in 2019

- Akademiska Hus issued its first green bond worth SEK 1 500m.
- In August the Student Building [Studenthuset] at Campus Valla in Linköping opened. The building has a gold rating according to the Miljöbyggnad environmental certification system.
- Akademiska Hus started the construction of new student flats at Ultuna that will give 132 students and researchers housing close to their campus. The project is a conversion of a laboratory and is an example of how existing buildings can be repurposed as an alternative to new build.
- The enterprise has broadened its offer of services by launching a national concept for co-working, makerspaces, learning labs and other flexible meeting places.

### Targets and tracking

#### Financial targets

- **Profitability:** Return on operating capital of at least 6.0%. The return increased to 10.3% (9.2%) and was affected positively by considerable changes in the value of investment properties, even though a slight increase in the operating surplus also contributed. The key indicator for profitability has a new definition, following the adoption of new targets in 2019.
- **Capital structure:** Equity/assets ratio of 35-45%. The equity/assets ratio decreased to 45.7%.
- **Dividend:** 40-70% of net profit after tax after reversal of changes in value and associated deferred tax. In line with policy, the ordinary dividend was 70% of adjusted profit.

### Sustainable business targets

- **Customer:** Customer Satisfaction Index (CSI) of 70% in 2021. This year's CSI of 61 (62) shows a level comparable with the level in 2018 and below the target for the year of 65. During the year many initiatives have been started to enhance customer relationships. Company initiatives include introducing micro feedback in daily operations and developing a new application to improve the fault reporting process.
- **Employees:** Performance index (AHPI) of 77 and accident-free workplace index (ELTAR) not above 2 in 2021. AHPI was 73, which is below the target for the year of 75. In management AHPI has been raised nine units. ELTAR was 2.4 (2.4).
- **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 -4.6% (+0.3%), which is close to the target for the year of -5%. This improvement results from the enterprise's efforts to accelerate work on energy-saving projects.
- **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 62% (47%). The number of students housing units was 710 (510).
- **Climate footprint:** The enterprise is to achieve climate neutrality in property management and internal operations by 2025 and in project operations by 2045.

### Public policy assignment

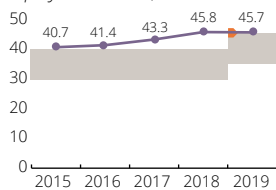
No specifically adopted public policy assignment.

### Financial targets and tracking

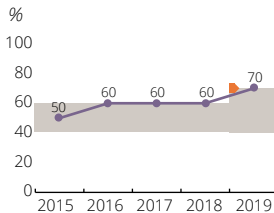
Profitability  
ROOC, %



Capital structure  
Equity/assets ratio, %



Dividend  
%



— Target: ≥6%

— Target: 35-45%

— Target: 40-70%

— Outcome — New target adopted by AGM

An additional dividend of SEK 6.5bn was approved at an EGM on 19 October 2015.



Chair: Anitra Steen



CEO: Kerstin Lindberg Göransson

**State holding:** 100%

**Board and auditor elected for 2020/2021**

**Chair:** Anitra Steen **Directors:** Britta Burreau, Peter Gudmundson, Anna Magnusson, Christer Nerlich and Örjan Wikforss. New election of Svante Hagman and Robin Teigland at AGM 2020, with Ingemar Ziegler stepping down

**Employee reps:** Thomas Jennlinger, Anders Larsson **Auditor:** Helena Ehrenborg (PwC)

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

2019 2018

### Income statement, SEK m

	2019	2018
Net sales	6 217	6 117
Changes in value	3 368	2 225
Operating profit	7 420	6 085
Profit before tax	6 957	5 818
Net profit	5 658	5 314
- of which, minority interests	0	0

### Balance sheet, SEK m

	2019	2018
Total assets	104 986	93 477
Non-current assets	98 993	87 933
Equity	46 760	42 832
- of which, minority interests	0	0
Net debt	32 902	30 416
Operating capital	79 662	73 248

### Key indicators

	2019	2018
Operating margin, %	119.3	99.5
Return – equity, %	12.2	11.2
Return – operating capital, %	10.3	5.5
Net debt/equity ratio	0.7	0.7
Equity/assets ratio, %	45.7	45.8
Gross investments, SEK m	3 190	2 779
Appropriation, SEK m	0	0
Dividend, SEK m	1 905	1 663
Climate footprint, Scope 1	86	97
tCO <sub>2</sub> e, Scope 2	28 246	29 129
Sickness absence, %	3.8	4.1
Average no of employees	490	480

Reports in compliance with GRI Yes

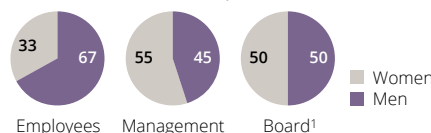
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021



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 business development and lending, as well as equity 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. Financing is provided through Almi's lending fund of some SEK 5.5bn and through fund capital of some SEK 3bn, half of which is funding from the European Regional Development Fund. Almi's services have to be available throughout the country, but the range offered may vary due to regional conditions.

#### Important events in 2019

- The number of new loans increased to 3 336 (3 180) and the sum advanced to SEK 1 975m (1 700m). A new generation of growth loans, which respond to the funding needs of companies with innovative business ideas, was introduced during the year.

#### Targets and tracking

##### Financial targets

According to Govt Bill 1993/94:40, Almi is to conduct long-term lending activities so that its nominal capital is kept intact. This target has been achieved. Financial targets were adopted by the owner at the AGM in 2020.

##### Sustainable business targets

- Almi is to contribute to sustainable growth, see the public policy target set out below.
- Almi is to be a sustainable workplace that attracts, develops and retains employees with the right skills, and is characterised by diversity and gender equality. In the latest staff survey the Employee Engagement Index (EEI) rose to 84 (79), bringing Almi close to its target of 85. A new method for learning that places greater focus on group-wide training was implemented during the year. At year-end 86% of Almi's advisers had been certified in its adviser programme; the target was 100%.
- Almi is to work for good business ethics by acting to counter and prevent economic crime with a particular focus on know-your-customer processes and to identify the risks of corruption, money laundering and financing of terrorism. Ahead of financial year 2019 a large number of training and system-support measures were planned so as to support work for good business ethics; 82% (71%) were delivered. The target was 100%.

##### Public policy assignment and targets

- Almi is to work for sustainable growth. The development of companies receiving a service from Almi is measured in terms of survival, sales and added value around four years after provision of the service. The target is for Almi's customer and portfolio companies to outperform a control group. The survival until and including 2018 of companies that received a service from Almi in 2015 was 75% (81%) (control group: 77%), sales increased by 67% (33%) (control group: 44%) and value added increased by 63% (32%) (control group: 38%).
- Almi's activities are intended to complement the market and are therefore aimed at companies whose need for funding and business development is not met by private actors. The target is for Almi to be seen solely as a complement to the market in measurements aimed at customer and portfolio companies, co-financiers and partners. Among loan customers, banks and co-investors polled, between 90 and 100% reply that Almi's activities complement the market. Since only three of eight identified groups were polled, it is not possible to fully assess target achievement in 2019.
- Almi is to conduct its activities with a particular focus on companies in early stages or expansion phases and business owners who are women or have a foreign background. The target is for early-stage companies to make up the main part of Almi's activities and for the share of business owners or companies run by women or persons with foreign backgrounds to be higher than the corresponding share in the stock of companies and in new business starts. In 2019 early-stage companies made up more than 85% of Almi's customer and portfolio companies; women accounted for 28% (28%) (control group: 30%) and persons with foreign backgrounds 31% (36%) (control group: 24%).
- New public policy targets were adopted at the 2020 AGM.



Chair: Monica Caneman CEO: Göran Lundwall

State holding: 100%

#### Board and auditor elected for 2020/2021

Chair: Monica Caneman Directors: Anders Byström, Ulrika Geeraedts, Hanna Lagercrantz, Pia Sandvik, Anna Söderblom and Emad Zand. New election of Jacob Dalborg at AGM 2020, with Nicolas Hassbjör stepping down  
Employee reps: Matilda Lembke, Emil Nordlander Employee alts: Karl Grudén, Sebastian van den Bergen Auditor: Jonas Ståhlberg (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.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	1 016	1 072
Operating profit	25	45
Profit before tax	74	118
Net profit	74	118
- of which, minority interests	4	11

#### Balance sheet, SEK m

Total assets	8 895	8 601
Non-current assets	5 714	5 914
Equity	7 648	7 575
- of which, minority interests	208	204
Net debt	-7 839	-7 625
Operating capital	-191	-51

#### Key indicators

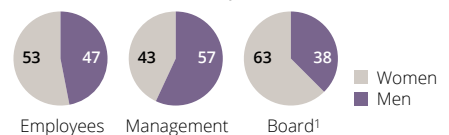
Operating margin, %	2.5	4.2
Return – equity, %	1.0	1.6
Return – operating capital, %	-21.0	-50.0
Net debt/equity ratio	-1.0	-1.0
Equity/assets ratio, %	86.0	88.1
Gross investments, SEK m	2 236	1 932
Appropriation, SEK m	279	313
Dividend, SEK m	0	0
Climate footprint, Scope 1	21	-
tCO <sub>2</sub> e, Scope 2	-	-
Sickness absence, %	2.4	2.8
Average no of employees	495	490

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

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



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 provided by the pharmaceutical industry.

**Important events in 2019**

- The previous CEO, Eva Sjökvist Saers, left APL at the end of the year and Ulf Skough, head of Markets, was appointed acting CEO. Jan Erneberg took up the post of CEO on 1 April 2019.
- In 2019 APL received a capital injection of SEK 150m from the State to be able to perform its public policy assignment.

**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 24%.
- Dividend:** At least 50% of net profit after tax, taking account of the capital structure target and implementation of the Group's strategy/investment needs. No dividend is being paid for 2019.

The owner's targets were not achieved in 2019. The targets are long-term and are assessed over a business cycle, around five to seven years.

**Sustainable business targets**

**Targets for 2019:**

- Reduce indirect carbon dioxide emissions by 2% compared with 2018. Outcome: 0%, unchanged from 2018, due to an increase of 31% in indirect carbon dioxide emissions from district heating (mostly due to an increase in emissions from district heating plants), but decreases in indirect carbon dioxide emissions via business travel of 30% and goods transports of 43%.

- No (0) critical deviations in SHE (safety/health/environment). Outcome: 0.
- Sickness absence not to exceed 5%. Outcome: 6.3%.
- No cases of discrimination (zero tolerance). APL is to be a gender-equal workplace with no form of discrimination or harassment. In 2019 APL strengthened its message by introducing a secure channel for anonymous reporting and dialogue with the employer. Outcome: No cases of discrimination were reported in 2019.

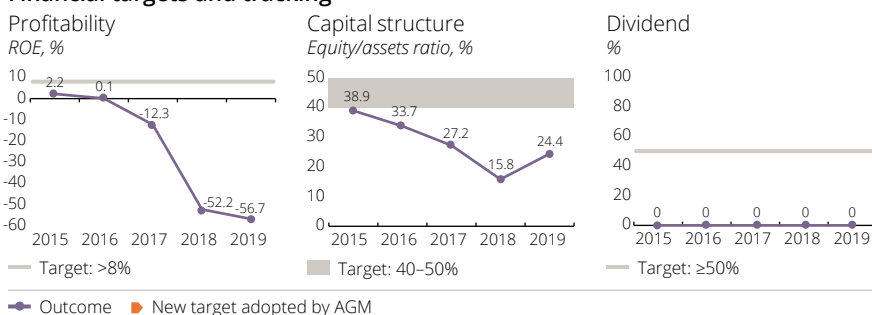
**Public policy assignment**

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 outpatient and inpatient care. In doing so, the enterprise has a particular responsibility to produce and deliver extemporaneous pharmaceuticals and stock preparations on demand 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 2020/2021**

**Chair:** Johan Assarsson **Directors:** Eugen Steiner and Agneta Edberg. New election of Lotta Medelius Bredhe, Göran Stiernstedt, Kjell Johansson and Malin Sandquist at AGM 2020, with Britt Hansson and Ulf Tossman stepping down **Employee reps:** Susann Danielsson, Erik Strandmark **Employee alt:** Hanna Enwald **Auditor:** Ingrid Hornberg Román (KPMG)

The fee paid to the board chair is SEK 265 (265) thousand. The fee paid to directors elected by the AGM is SEK 133 (133) thousand.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	1 298	1 473
Operating profit	-82	-79
Profit before tax	-85	-82
Net profit	-83	-80
- of which, minority interests	0	0

	2019	2018
<b>Balance sheet, SEK m</b>		
Total assets	739	718
Non-current assets	430	389
Equity	180	113
- of which, minority interests	0	0
Net debt	370	382
Operating capital	550	495

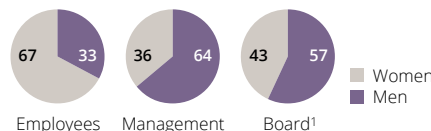
<b>Key indicators</b>		
Operating margin, %	-6.3	-5.4
Return – equity, %	-56.7	-52.2
Return – operating capital, %	-15.6	-16.6
Net debt/equity ratio	2.1	3.4
Equity/assets ratio, %	24.4	15.8
Gross investments, SEK m	100	119
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint, Scope 1	0	0
tCO <sub>2</sub> e, Scope 2	243	185
Sickness absence, %	6.3	5.6
Average no of employees	475	489

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

**Priority Global Goals**



**Gender distribution, %**



1) Elected for 2020/2021



Apoteket AB offers products and services in the area of medicines and health. Apoteket operates in a competitive market on a commercial basis. Its operations have to be run in a way that promotes good provision of medicines in Sweden. In the retail pharmacy market, the enterprise supplies prescription and non-prescription medicines, traded goods, health services, and information and advice to consumers through almost 400 pharmacies in Sweden. The enterprise also has a well-developed e-commerce business and operates through the enterprise's pharmacy agents. Through its operations, Apoteket also plays an important role for multi-dose packaged medicines. The enterprise conducts long-term sustainable operations including areas such as high-quality advice, good quality control, environmentally sustainable medicine use and high availability of medicines.

#### Important events in 2019

- Solid sales in the consumer market, in both shops and e-commerce.
- Intensified initiatives for digital solutions have increased costs. Digital customer meetings provide solutions both to simplify matters for customers and to increase the efficiency of operations.
- Continued pressure on margins in deliveries of procured medicines to the regions.

#### Targets and tracking

##### Financial targets

- **Profitability:** Operating margin of at least 3%. The operating margin for 2019 fell to 1.8%, mainly as a result of lower sales of multi-dose packaged medicines, lower margins in medicine deliveries to the regions and higher development costs attributable to the development of the digital customer offer.
- **Capital structure:** Debt/equity ratio of 40–80% of pension-adjusted equity. At the end of 2019 the debt/equity ratio was 53%, including lease commitments under IFRS 16, and therefore within the target range.
- **Dividend:** 40–60% of net profit adjusted for earnings and tax related to pension assets and pension commitments. No dividend was proposed to the AGM 2020.

##### Sustainable business targets

- 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 2019 the Index was 68 and was unchanged from 2018.
- 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 traded goods, 75% (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 was 1.9%.
- 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 medicines in the community where the agent operates. At the end of the year Apoteket had 603 pharmacy agents across Sweden.



Chair: Ingrid Bonde



CEO: Ann Carlsson

State holding: 100%

##### Board and auditor elected for 2020/2021

**Chair:** Ingrid Bonde **Directors:** Barbro Fridén, Pia Gideon, Lars Nilsson, Erik Sandstedt and Per Uebel. Inger Andersson stepped down at 2020 AGM **Employee reps:** Lena Rhodin and Katarina Rabe **Employee aits:** Ingela Brindell-Lindberg and Britt-Marie Brink **Auditor:** Ingrid Hornberg Román (KPMG)

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

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	20 321	20 083
Operating profit	365	509
Profit before tax	417	593
Net profit	332	457
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	8 588	8 456
Non-current assets	3 804	3 405
Equity	4 291	4 453
- of which, minority interests	0	0
Net debt	1 273	751
Operating capital	5 564	5 204

##### Key indicators

Operating margin, %	1.8	2.5
Return – equity, %	8.2	10.1
Return – operating capital, %	6.8	9.6
Net debt/equity ratio	0.5	0.3
Equity/assets ratio, %	50.0	52.7
Gross investments, SEK m	223	164
Appropriation, SEK m	0	0
Dividend, SEK m	0	230
Climate footprint, Scope 1	315	295
tCO <sub>2</sub> e, Scope 2	2 654	3 209
Sickness absence, %	5.2	5.4
Average no of employees	3 047	3 023

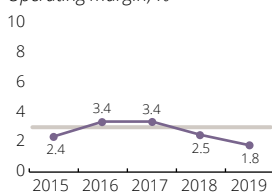
Reports in compliance with GRI	Yes
Externally assured GRI report	Yes
Reports in compliance with IFRS	Yes

##### Priority Global Goals

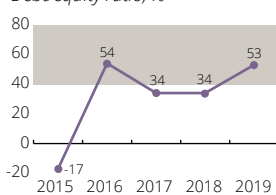


#### Financial targets and tracking

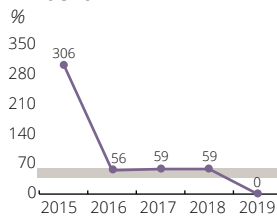
Profitability  
Operating margin, %



Capital structure  
Debt/equity ratio, %



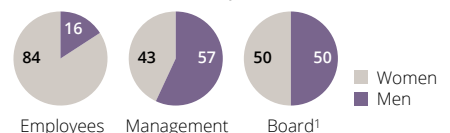
Dividend  
%



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

◆ Outcome      ■ New target adopted by AGM

##### Gender distribution, %



1) Elected for 2020/2021



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 2019

- The number of rail passengers decreased by 0.7%.
- The market share of rail travel increased from 22 to 23%, measured as the number of passengers in relation to air travel passengers at Arlanda Airport.
- A-Train's traffic contract was extended during the year for a payment of SEK 683m.

#### Targets and tracking

##### Financial targets

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

##### Sustainable business targets

- Increase ridership: 8 million trips per year in 2040; 6.2 million trips in 2019. The outcome in 2019 is some 388 000 passengers below the target.
- Financial commitments and earnings: Repay SEK 1.9bn in conditional loans. Royalty payments are estimated at SEK 4.2bn up until 2040, with a further SEK 3.7bn up until 2050. The royalty received in 2019 was SEK 45.6m.
- Reduce emissions of greenhouse gases: -182 000 tonnes net by 2040. Greenhouse gases -118 000 tonnes net until and including 2019.

- Better diversity and gender equality: More than 40% of each gender. Outcome: The share of women on the relevant enterprise boards was 33%.
- Impact on our neighbours: Comprehensive and detailed development plans. Outcome: Building permits granted that have legal force are consistent with AIAB's demands.
- 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 attempt on the Swedish Transport Administration's track. The person died.
- Satisfied customers: 100% satisfied customers. Outcome: 95% satisfied passengers/rail companies, with 98% for Arlanda Express and 91% for other rail services.

##### Public policy assignment

No specifically adopted public policy assignment.



Chair: Jan Olson



CEO: Ulf Lundin

State holding: 100%

##### Board and auditor elected for 2020/2021

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

Auditor: Jenny Jansson (KPMG)

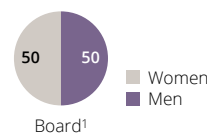
The fee paid to the board chair is SEK 135 (135) thousand. The fee paid to directors elected by the AGM is SEK 68 (68) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	64	67
Operating profit	5	0
Profit before tax	6	0
Net profit	6	0
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	1 862	1 232
Non-current assets	1 804	1 212
Equity	16	10
- of which, minority interests	0	0
Net debt	-683	-11
Operating capital	-667	-1
<b>Key indicators</b>		
Operating margin, %	7.9	0.0
Return – equity, %	47.6	0.0
Return – operating capital, %	-1.5	0.0
Net debt/equity ratio	-42.1	-1.1
Equity/assets ratio, %	0.9	0.8
Gross investments, SEK m	639	0
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
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

##### Priority Global Goals



##### Gender distribution, %



1) Elected for 2020/2021



# 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 100 stations and 517 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 2019 Bilprovningen performed about 1.4 million inspections.

## Important events in 2019

- Bilprovningen continues to be the market leader, with a market share of 26% at the end of the year.
- On 20 May 2018 new appearance rules for vehicle inspections came into force. The change led to a decrease in inspection volumes.
- Andreas Myhrman took up the post of CEO.

## Targets and tracking

### Financial targets

- **Profitability:** Operating margin of at least 8%. The enterprise's operating margin for financial year 2019 was 3.7%.
- **Capital structure:** Equity/assets ratio of 30–40%. The equity/assets ratio was 40%.
- **Dividend:** At least 80% of net profit after tax. The dividend for financial year 2019 is SEK 19m.

### Sustainable business targets

- **Increased traffic safety:** Bilprovningen's contribution to increased traffic safety to be 76%. Outcome: 78%.
- **Attractive employer:** Employee turnover of at most 7%, at least 14% women inspection technicians, at least 17% employees with foreign backgrounds and share of approved certifications of at least 92%. Outcome: Employee turnover 7.3% (12.7%), women technicians 13.4% (11.6%), employees with foreign backgrounds 14.6% (15.2%) and share of approved certifications 94% (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.



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

**State holding:** 100%

### Board and auditor elected for 2020/2021

**Chair:** Karin Strömberg **Directors:** Måns Carlsson, Johan Ekessiö, Gunnar Malm and Ludvig Nauckhoff. New election of Lena Larsson and Anna Ullman Sersé at AGM 2020, with Anna Nilsson-Ehle and Kristina Patek 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 200 (200) thousand. The fee paid to directors elected by the AGM is SEK 95 (95) thousand. No fee is paid to directors employed by the Government Offices.

2019 2018

### Income statement, SEK m

	2019	2018
Net sales	647	647
Operating profit	24	17
Profit before tax	18	12
Net profit	13	9
- of which, minority interests	0	0

### Balance sheet, SEK m

	2019	2018
Total assets	271	262
Non-current assets	53	58
Equity	64	80
- of which, minority interests	0	0
Net debt	0	0
Operating capital	64	80

### Key indicators

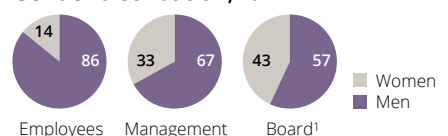
	2019	2018
Operating margin, %	3.7	2.6
Return – equity, %	11.7	7.1
Return – operating capital, %	33.4	18.6
Net debt/equity ratio	0.0	0.0
Equity/assets ratio, %	40.0	45.3
Gross investments, SEK m	10	12
Appropriation, SEK m	0	0
Dividend, SEK m	19	29
Climate footprint, Scope 1	188	190
tCO <sub>2</sub> e, Scope 2	979	1 138
Sickness absence, %	4.6	4.9
Average no of employees	543	569

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

### Priority Global Goals



### Gender distribution, %

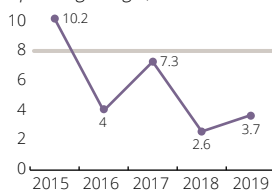


1) Elected for 2020/2021

## Financial targets and tracking

### Profitability

Operating margin, %

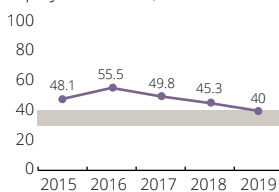


— Target: ≥8%

● Outcome ● New target adopted by AGM

### Capital structure

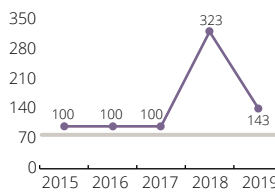
Equity/assets ratio, %



— Target: 30–40%

### Dividend

%



— Target: ≥80%

# DRAMATEN

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

## Important events in 2019

- Three property-related projects have been under way during the year. Piping replacement in the Thalia building means that four of the theatre's stages were closed to the public for eight months. A renovation of the fly machine on the main stage began at the same time. Along with Operan, Dramaten has also signed a contract for construction of a new production centre at Flemingsberg including studios and workshops.
- Dramaten has delivered a large number of tours and cooperations with other theatres and performing arts bodies in Sweden.
- Dramaten's board decided to change the management structure by splitting responsibility for the theatre's activities between a CEO and a theatre director. A new CEO and a new theatre director were appointed during the year.
- A new organisational structure established during the year that is continuing work of change concerning the organisational and social environment, particularly in the wake of #metoo, #tystnad tagging and #backstage that erupted in 2017.

## Targets and tracking

### Financial targets

Dramaten is to have equity that provides a solid financial foundation for its activities. With negative earnings of SEK 8.9m, equity amounts to SEK 21.9m.

### Sustainable business targets

- The role of theatre in society: Dramaten sees itself as having a key function in society by being a place where people can reflect themselves in theatrical art.
- Theatre for the whole of Sweden: As a national stage, Dramaten has to reach out to the whole of the country and reach as big an audience as possible, partly through digitalisation initiatives. It also has to reach a diverse audience and range of visitors.

- Dramaten as a professional and inclusive workplace: Dramaten's work to create an inclusive work environment for all is based on the Work Environment Act, the Discrimination Act and a number of internal policies, action plans and procedures.
- Financial responsibility: Through its own earnings, Dramaten is to secure equity that provides financial stability.
- Environmental responsibility: Dramaten is to work continually to improve processes and working methods with the environment in focus.

### 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 2020/2021**

**Chair:** Ulrika Årehed Kågström **Directors:** Jesús Azpeitia Seron, Maria Eka, Aris Fioretos, Raoul Grünthal, Biljana Pehrsson and Tasso Stafilidis. New election of Angelica Hadzikostas at AGM 2020, with Amanda Lundeteg stepping down

**Employee reps:** Tanja Lorenzon, Jens Thiman

**Employee alts:** Johan Holmberg, Eva Strengbohm

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

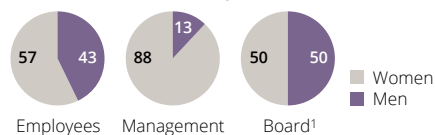
The fee paid to the board chair is SEK 75 (75) thousand. The fee paid to directors elected by the AGM is SEK 37.5 (37.5) thousand.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	288	301
Operating profit	-11	-2
Profit before tax	-9	-2
Net profit	-9	-2
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	133	112
Non-current assets	55	40
Equity	22	31
- of which, minority interests	0	0
Net debt	-5	-25
Operating capital	16	6
<b>Key indicators</b>		
Operating margin, %	-3.9	-0.5
Return – equity, %	-33.9	-6.6
Return – operating capital, %	-101.9	56.6
Net debt/equity ratio	-0.2	-0.8
Equity/assets ratio, %	16.5	27.5
Gross investments, SEK m	21	15
Appropriation, SEK m	244	245
Dividend, SEK m	0	0
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e Scope 2	-	-
Sickness absence, %	3.3	3.8
Average no of employees	276	293
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

## Priority Global Goals



## Gender distribution, %



1) Elected for 2020/2021



Green Cargo AB is Sweden's largest rail freight operator and focuses on efficient and sustainable rail logistics. The enterprise offers transport services in a network throughout Sweden and in Norway, and has partners in numerous locations on the European continent. Green Cargo's systems have around 5 000 wagons, 360 locomotives and staff in the whole of Scandinavia to meet the transport needs of business.

#### Important events in 2019

- In January Ted Söderholm took up the post of CEO.
- A serious workplace accident occurred in an industrial area in Piteå. One employee was injured seriously, dying of their injuries.
- During the year new transport agreements were signed with e.g. IKEA, DB Schenker AS (Norge), Holmen and Scanlog. In all, Green Cargo has signed new transport agreements worth some SEK 550m.

#### Targets and tracking

##### Financial targets

- **Profitability:** Return on operating capital of 10%. The return on operating capital in 2019 was negative.

- **Capital structure:** Net debt/equity ratio, multiple of 0.6–0.9. The net debt/equity ratio at year-end 2019 was 2.5 (excluding IFRS 16). The deterioration of the net debt/equity ratio is mainly explained by the Group's negative earnings.
- **Dividend:** 50% of net profit after tax taking account of the net debt/equity ratio. The enterprise did not pay a dividend in 2019.

##### Sustainable business targets

Green Cargo's board has set targets in the areas of Safety, Employees, Environment, Customer & Quality and Finance. The baseline year, where relevant, is 2019 and all targets have to be achieved by 2030 unless otherwise stated. See the table below.

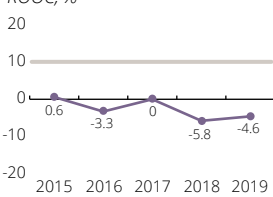
##### Public policy assignment

No specifically adopted public policy assignment.

		Outcome 2019	Objectives for 2019	Outcome 2018
<b>Sustainability targets</b>				
<b>Safety</b>	Traffic-safety index	95.4	95.6	93.7
	Sickness absence, %	4.1	4.8	4.8
<b>Employees</b>	Commitment index	74	75	72
	Leadership index	68	70	68
	Share of women, %	18	n/a	n/a
<b>Environment</b>	Gram CO <sub>2</sub> e/tonne-km	3.09	2.80	2.95
	kWh/tonne km electric rail traffic	0.037	0.036	0.037
<b>Customer &amp; Quality</b>	Customer satisfaction, selected customers (scale 1–5)	3.33	3.40	3.16
	Delivery punctuality to customers, loaded wagons, %	90.7	95	89.4
	Regularity, discontinued percentage of total trains, %	96	95	n/a
<b>Finance</b>	Operating result, Green Cargo AB, SEK m (parent)	-107	n/a	-88
	Net sales, SEK m (parent)	3 738	n/a	3 796
	Return on operating capital, % (group)	-4.6	n/a	-5.8
	Net debt/equity ratio (group, incl. IFRS 16)	3.5	n/a	2.1

#### Financial targets and tracking

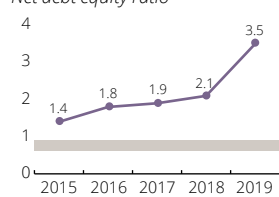
##### Profitability



— Target: ≥10%

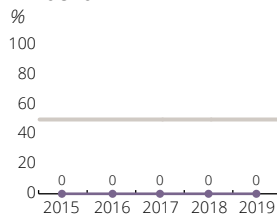
— Outcome — New target adopted by AGM

##### Capital structure



— Target: 0.6–0.9 as multiple

##### Dividend



— Target: 50%



Chair: Jan Sundling

CEO: Ted Söderholm

**State holding:** 100%

##### Board and auditor elected for 2020/2021

**Chair:** Jan Sundling **Directors:** Anna Elgh, Catarina Fritz, Charlotte Hansson, Henrik Højsgaard and Michael Thorén. New election of Crister Fritzson at AGM 2020, with Håkan Åkerström stepping down **Employee reps:** Donny Sjöberg, Jonas Blomqvist

**Employee aits:** Jerker Liljeberg, Anders Gustavsson **Auditor:** Linda Corneliusson (PwC)

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

2019 2018

##### Income statement, SEK m

	2019	2018
Net sales	4 096	4 208
Operating profit	-93	-122
Profit before tax	-129	-155
Net profit	-129	-179
- of which, minority interests	0	0

##### Balance sheet, SEK m

	2019	2018
Total assets	3 035	2 679
Non-current assets	2 407	2 012
Equity	473	596
- of which, minority interests	0	0
Net debt	1 668	1 288
Operating capital	2 141	1 884

##### Key indicators

	2019	2018
Operating margin, %	-2.7	-2.9
Return – equity, %	-24.1	-26.5
Return – operating capital, %	-4.6	-5.8
Net debt/equity ratio	3.5	2.1
Equity/assets ratio, %	15.6	22.2
Gross investments, SEK m	168	151
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint, Scope 1	22 896	24 231
tCO <sub>2</sub> e, Scope 2	3 186	3 396
Sickness absence, %	4.1	4.8
Average no of employees	1 771	1 800

Reports in compliance with GRI Yes

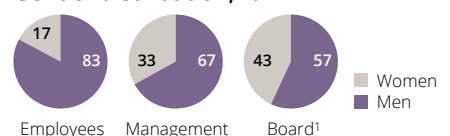
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

#### Priority Global Goals



#### Gender distribution, %



<sup>1</sup>) Elected for 2020/2021



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 every 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 2019

- The "staycation" trend is strong. The number of land visitors has increased by 20%.
- Continued focus on proactive systematic maintenance.
- A high rate of delivery of the Göta canal 2.0 renovation project continued in the winter seasons.

### Targets and tracking

#### Financial targets

- **Profitability:** The total EBT margin to be 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 -16.6% and is explained by SEK 6.6m being held in cash and cash equivalents at the end of the year for the projects to be carried out in winter 2019–20.

#### Sustainable business targets

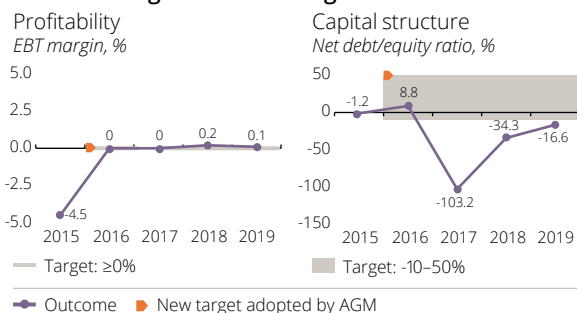
In its new business plan the enterprise is continuing to work with three overall targets – an income target, an attractiveness target and a safety target – as well as three main goals from the 2030 Agenda: clean water and sanitation, sustainable energy for all and decent work and economic growth. Activities have been carried out in these areas and targets will be set later on.

#### 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 operated along the entire canal and the number of leisure boats was 1 784, exceeding the target of 1 700, with 430 boats in the booking season compared with the target of at least 400.
- The canal was navigable 91% 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, 96% of the buildings are of year-round standard.
- 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 (4.6), leisure boats (4.5) and shipping companies (4.3), while the outcome for corporate members of Official Partners was 3.4.
- 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 260 trees were planted during the year. Working to establish a continuous cycle path alongside Göta canal is a target for 2020, and an analysis and action plans for each individual municipality have been produced to bring the cycle path up to the standard and requirements for a national cycle path.

### Financial targets and tracking



Chair: Magnus Hall

CEO: Roger Altsäter

State holding: 100%

#### Board and auditor elected for 2020/2021

**Chair:** New election of Magnus Hall at AGM 2020, with Elisabeth Nilsson stepping down **Directors:** Göran Carlberg, Anna Ernestam, Bengt-Olov Gunnarson, Jenny Lahrin and Amer Mohammed. New election of Magnus Ling and Johanna Palmér at AGM 2020, with Mikael Lundström stepping down **Employee rep:** Therese Sjöberg **Auditor:** Joakim Mårbring (Grant Thornton)

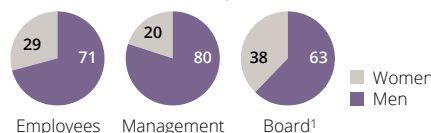
The fee paid to the board chair is SEK 88 (88) thousand. The fee paid to directors elected by the AGM is SEK 60 (60) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	39	37
Operating profit	0	0
Profit before tax	0	0
Net profit	0	0
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	70	83
Non-current assets	53	54
Equity	39	39
- of which, minority interests	0	0
Net debt	-7	-14
Operating capital	33	26
<b>Key indicators</b>		
Operating margin, %	0.4	0.6
Return – equity, %	0.1	0.2
Return – operating capital, %	0.5	1.7
Net debt/equity ratio	-0.2	-0.3
Equity/assets ratio, %	56.4	47.2
Gross investments, SEK m	2	1
Appropriation, SEK m	13	10
Dividend, SEK m	0	0
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e, Scope 2	-	-
Sickness absence, %	2.3	2.2
Average no of employees	42	41
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes (RFR 2)	

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021

# INFRANORD

Infranord AB is the leading rail contractor in Sweden, and offers operation, maintenance, reconstruction and new construction of railways in Sweden and Norway. Operations in Sweden are conducted in three regions (South, Central and North) and in the Infranord Maskin unit. In both Sweden and Norway decisions have been taken to increase spending on railway maintenance and on new construction, which will strengthen the market in the coming years.

## Important events in 2019

- Further structured work resulted in historically high safety and a low accident rate.
- Lower volumes in maintenance and construction projects had a negative impact on earnings for the year.
- Henrik Löfgren took up the post of CEO.
- The inquiry on future rail maintenance was given supplementary terms of reference and its reporting date was postponed to 31 March 2020.

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of at least 16%. The return was -7.2%.
- **Capital structure:** Equity/assets ratio at least 33%. The equity/assets ratio was 32.4%.
- **Dividend:** 50–75% of profit after tax. The dividend for financial year 2019 was SEK 0m (41m).

### Sustainable business targets

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 2019 was 1.9 (3.5).

- **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, introduction, employee development, skills transfer and succession. Infranord's enterprise culture is to be inclusive and inspiring. The ESI outcome for 2019 was 69 (68).
- **Quality in deliveries:** The Swedish Transport Administration's supplier evaluation (UppLev) to be at least 3.0 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 2019 was 2.6.

### Public policy assignment

No specifically adopted public policy assignment.



Chair: Eva Färnstrand



CEO: Henrik Löfgren

**State holding:** 100%

**Board and auditor elected for 2020/2021**

**Chair:** Eva Färnstrand **Directors:** Jan Bardell, Måns Carlson, Magnus Jonasson, Agneta Kores and Gunilla Spongh. New election of Sven-Erik Bucht at AGM 2020, with Per Westerberg 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 402 (402) thousand. The fee paid to directors elected by the AGM is SEK 197 (197) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	3 816	4 236
Operating profit	-75	113
Profit before tax	-81	110
Net profit	-57	82
- of which, minority interests	0	0

	2019	2018
<b>Balance sheet, SEK m</b>		
Total assets	2 274	2 186
Non-current assets	1 032	814
Equity	736	839
- of which, minority interests	0	0
Net debt	649	350
Operating capital	1 385	1 189

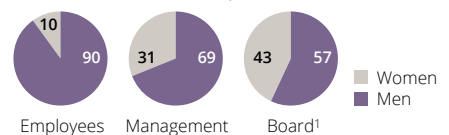
	2019	2018
<b>Key indicators</b>		
Operating margin, %	-2.0	2.7
Return – equity, %	-7.2	9.9
Return – operating capital, %	-5.8	10.8
Net debt/equity ratio	0.5	0.3
Equity/assets ratio, %	32.4	38.4
Gross investments, SEK m	158	139
Appropriation, SEK m	0	0
Dividend, SEK m	0	41
Climate footprint, Scope 1	8 808	11 135
tCO <sub>2</sub> e, Scope 2	-	-
Sickness absence, %	2.8	3.0
Average no of employees	1 869	1 942

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

## Priority Global Goals



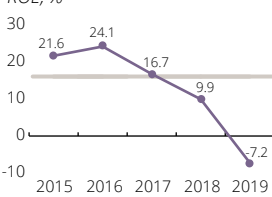
## Gender distribution, %



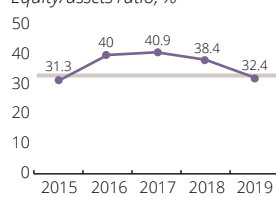
1) Elected for 2020/2021

## Financial targets and tracking

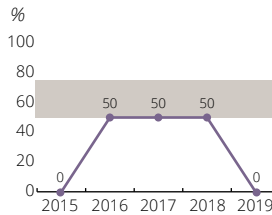
### Profitability



### Capital structure



### Dividend



◆ Outcome ◆ New target adopted by AGM

# Jernhusen

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 2019

- Higher rental revenue in the existing property stock. The market value of properties increased by SEK 978m to SEK 17 922bn. Properties with an underlying value of SEK 439m were vacated.
- Jernhusen issued four green bonds totalling SEK 1 800m. A total of SEK 3 550m of green bonds were outstanding on 31 December 2019, 45% of the enterprise's total loan debt.
- A new detailed development plan was adopted in Södra Nyhamnen alongside Malmö Central Station that contains 350 housing units and a new court building.

## Targets and tracking

### Financial targets

- Profitability:** Average return on equity of at least 12% over a business cycle. The outcome was 14.3%. The average return over the past 10 years was 11.6%.
- Capital structure:** Equity/assets ratio of 35–45%. The outcome was 42.7%. Interest coverage ratio, minimum multiple of 2.0. The outcome was 5.8.
- Dividend:** All capital not needed in operations to be distributed, while taking account of financial and strategic targets. Normally one third of the profit before tax excluding changes in value. The dividend for 2019 was SEK 219m, which is in line with the target.

New financial targets for the enterprise were adopted at the AGM in 2020.

### Sustainable business targets

#### 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. of GFA has been created. Traveller Satisfaction Index (TSI) to be above 75 and no station to be below 70 in 2020. TSI is measured every other year; the next time will be in autumn 2020 (73 in 2018). 500 000 units to be handled in Jernhusen's intermodal terminals in 2026. In 2019 more than 161 000 units were handled.

#### Sustainable properties:

- Halve the use of purchased energy in properties by 2030 compared with 2008. Use was 20.5% lower than in the baseline year.
- All built properties to have environmental classification or certification by 2020. 37 buildings were classified/certified during the year.
- Zero instances of soil contamination with a negative impact on human health or the environment by 2025. 8 properties were secured in 2019 and several decontaminations are under way according to plan.

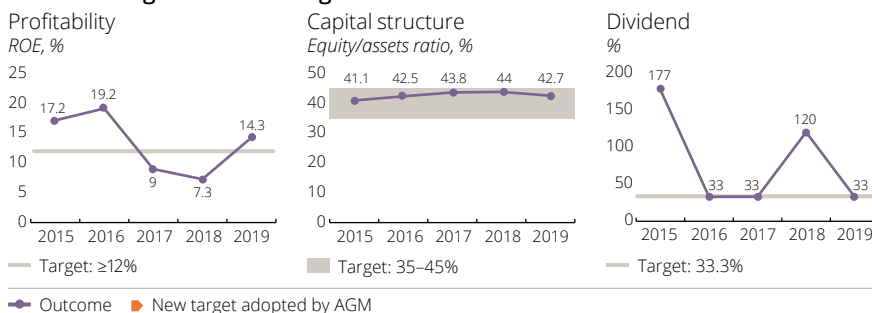
#### Sustainable business:

- 80% of the purchase volume to be quality assured for sustainability through supplier tracking in 2019. In 2019, 74%, corresponding to 256 suppliers, were quality assured. In addition, 95 suppliers have undergone an internal evaluation.
- All new or renegotiated rental leases to be green. 100% green leases signed in 2019.
- Customer Satisfaction Index (CSI) of at least 75 in 2030. The 2019 outcome was 64.
- Top 3 in Nyckeltalsinstitutet's Attractive Employer Index in 2020. For the second successive year Jernhusen took first place.
- Result > 1 above average in employee Net Promoter Score (eNPS). Scored 14 in eNPS in 2019, 5 above average.

### Public policy assignment

No specifically adopted public policy assignment.

## Financial targets and tracking



Chair: Kjell Hasslert



CEO: Kerstin Gillsbro

State holding: 100%

### Board and auditor elected for 2020/2021

**Chair:** Kjell Hasslert **Directors:** Anette Asklin, Kjell-Åke Averstad, Jakob Grinbaum, Anders Kupsu and Lotta Mellström. New election of Karolin Forsling and Louise König at AGM 2020, with Ingegerd Simonsson stepping down

**Employee rep:** Charlotte Mattsson

**Employee alt:** Ann Lindberg

**Auditor:** Helena Ehrenborg (PwC)

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

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	1 622	1 545
Changes in value	686	136
Operating profit	1 479	859
Profit before tax	1 343	721
Net profit	1 126	552
- of which, minority interests	4	7

### Balance sheet, SEK m

Total assets	18 955	17 471
Non-current assets	18 181	17 088
Equity	8 094	7 680
- of which, minority interests	25	32
Net debt	8 378	7 704
Operating capital	16 472	15 384

### Key indicators

Operating margin, %	91.2	55.6
Return – equity, %	14.3	7.3
Return – operating capital, %	11.6	5.6
Net debt/equity ratio	1.0	1.0
Equity/assets ratio, %	42.7	44.0
Gross investments, SEK m	484	564
Appropriation, SEK m	0	0
Dividend, SEK m	219	700
Climate footprint, tCO <sub>2</sub> e	Scope 1: 0	819
	Scope 2: 7 921	8 776
Sickness absence, %	2.4	2.5
Average no of employees	199	190

Reports in compliance with GRI Yes

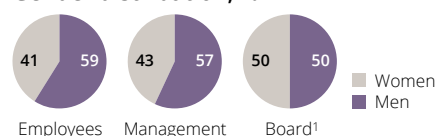
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021



Lernia AB is a leading supplier in training, staffing and transitioning. Lernia provides services to develop and match people's skills with the needs of business. Lernia operates in around 60 places throughout Sweden and is certified as a staffing, training, recruitment and transitioning company by the relevant industry associations. The enterprise's services are targeted at individuals and at customers in the private and the public sectors. Lernia is the fourth largest staffing company overall in Sweden, and the largest in the segment of staffing of "blue-collar" consultants. In the training segment, Lernia is the second largest participant after Academedia AB. In December 2012 the Riksdag authorised the Government to sell the State's shares in Lernia.

### Important events in 2019

- The restructuring work started in 2018 has also continued to characterise operations in 2019.
- The year has been characterised by major changes in the market conditions in the training industry and an economic downturn in staffing.
- An uncertain market situation in the future for both staffing operations and training operations led the enterprise to ask the owner for a capital injection.

### Targets and tracking

#### Financial targets

- **Profitability:** Return on equity of 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 net loss was SEK -82m. The enterprise's equity/assets ratio was 18%, which is below the target level. No dividend is being proposed for 2019.

### Sustainable business targets

- **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:** Approach to business ethics that stands up to full scrutiny. Number of corruption incidents: zero.
- **Diversity:** Increase diversity by valuing people's differences and different skills. 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: 37% (40%). Share in higher vocational education programmes who have employment 6 months after programme: 89% (93%).
- **Outcome for Business ethics:** 0 (0) corruption incidents.
- **Outcome for Diversity:** Total of 31% (30%) women, women's pay as a percentage of men's pay: 97% (97%).

### Public policy assignment

No specifically adopted public policy assignment.



Chair: Kjell Hasslert



CEO: Anders Uddfors

**State holding:** 100%

### Board and auditor elected for 2020/2021

**Chair:** Kjell Hasslert **Directors:** Niklas Flyborg, Gunilla Rittgård, Gunilla Spongh, Karin Strömberg and Michael Thorén. New election of Erika Rönnquist Hoh at AGM 2020, with Lisa Lindström stepping down **Employee rep:** Fadime Cayirli Falk **Auditor:** Camilla Samuelsson (PwC)

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

2019 2018

### Income statement, SEK m

Net sales	2 627	3 223
Operating profit	-100	-129
Profit before tax	-105	-130
Net profit	-82	-108
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	925	1 119
Non-current assets	194	164
Equity	169	241
- of which, minority interests	0	0
Net debt	202	191
Operating capital	370	432

### Key indicators

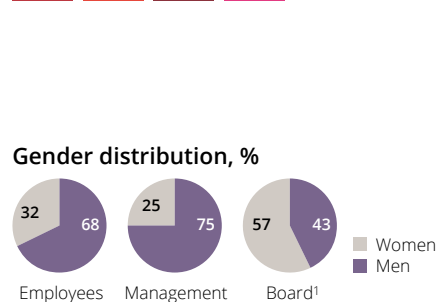
Operating margin, %	-3.8	-3.9
Return - equity, %	-40.0	-34.4
Return - operating capital, %	-34.1	-29.7
Net debt/equity ratio	1.2	0.8
Equity/assets ratio, %	18.2	21.5
Gross investments, SEK m	9	26
Appropriation, SEK m	1	0
Dividend, SEK m	0	0
Climate footprint, tCO <sub>2</sub> e	Scope 1 142	-
	Scope 2 -	-
Sickness absence, %	3.1	3.2
Average no of employees	4 613	5 478

Reports in compliance with GRI Yes

Externally assured GRI report Yes

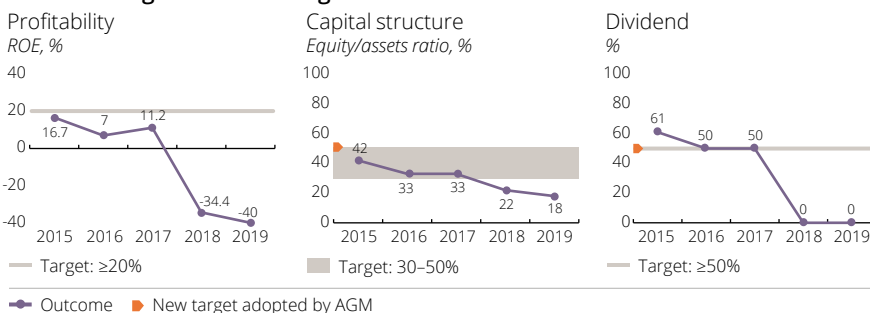
Reports in compliance with IFRS Yes

### Priority Global Goals



1) Elected for 2020/2021

### Financial targets and tracking





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. 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 2019

- Strong earnings which have been influenced by continued good market conditions with high iron ore prices and a strong USD exchange rate. Lower delivery volumes had a negative impact.
- Stable production volumes touching the production record from 2017 of 27.2 Mt on an annual basis.
- LKAB issued its first green bonds worth SEK 2bn to finance the transition to future carbon dioxide-free and autonomous mining operations.
- In HYBRIT, the construction was under way of a pilot plant in Luleå for production of hydrogen gas to test direct reduction of iron ore. HYBRIT is a cooperative venture with Vattenfall and SSAB to make the value chain from mine to steel fossil-free.
- Building of a pilot plant for testing of fossil-free pellets and pilot plants for new technology that refines waste products from iron ore production.
- Further intensified prospecting work to secure iron ore deposits after 2030.

### Sustainable business targets

- LKAB is to reduce discharges of nitrogen to water by 20% by 2021 compared with 2015. The outcome for 2019 was 28.6%.
- LKAB is to reduce point-source emissions of particulates to air from scrubbing equipment by 40% by 2021 compared with 2015. The outcome for 2019 was 23.5%.
- 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 2019 was achieved regarding nitrogen, while carbon dioxide emissions decreased by 5.1%.
- LKAB is to reduce energy intensity (kWh per tonne of finished product) by at least 17% by 2021 compared with 2015. The outcome for 2019 was 4.8%.
- Women are to make up at least 25% of employees and managers at LKAB in 2021. In 2019 the share of women in the enterprise was 23.8% and the share of women managers was 23.0%.
- The rate of accidents resulting in absence is to be no more than 3.5 per million hours worked in 2021. The outcome for 2019 was 6.8 per million hours worked.
- LKAB complies with its Code of Conduct and has a well-functioning dialogue with stakeholders. The target for 2019 was achieved.

### Targets and tracking

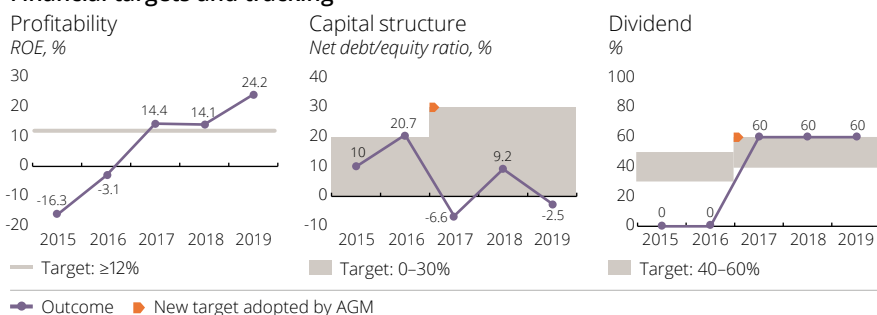
#### Financial targets

- **Profitability:** Return on equity above 12%. The outcome was 24.2%.
- **Capital structure:** Net debt/equity ratio of 0–30%. The outcome was -2.5%.
- **Dividend:** 40–60% of profit for the year. The target was achieved. The dividend for 2019 was SEK 6.1bn.

#### Public policy assignment

No specifically adopted public policy assignment.

### Financial targets and tracking



Chair: Göran Persson CEO: Jan Moström

State holding: 100%

#### Board and auditor elected for 2020/2021

Chair: Göran Persson **Directors:** Gunnar Axheim, Eva Hamilton, Bjarne Moltke Hansen, Lotta Mellström, Ola Salmén, Gunilla Saltin and Per-Olof Wedin **Employee reps:** Anders Elenius, Tomas Larsson, Björn Åström **Employee alts:** Peter Nordström, Peter Skoggård, Stefan Tallfjärd **Auditor:** Helena Arvidsson Älgné (KPMG)

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

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	31 260	25 892
Operating profit	11 788	6 869
Profit before tax	12 924	6 685
Net profit	10 173	5 274
- of which, minority interests	0	0

	2019	2018
<b>Balance sheet, SEK m</b>		
Total assets	74 681	69 073
Non-current assets	41 331	40 674
Equity	45 528	38 573
- of which, minority interests	0	0
Net debt	-1 158	3 552
Operating capital	44 370	42 125

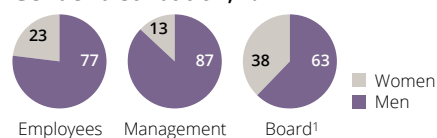
<b>Key indicators</b>		
Operating margin, %	37.7	26.5
Return – equity, %	24.2	14.1
Return – operating capital, %	27.3	18.1
Net debt/equity ratio	-0.0	0.1
Equity/assets ratio, %	61.0	55.9
Gross investments, SEK m	2 373	2 455
Appropriation, SEK m	0	0
Dividend, SEK m	6 104	3 164
Climate footprint, Scope 1	739 415	703 195
tCO <sub>2</sub> e, Scope 2	557	483
Sickness absence, %	3.5	3.6
Average no of employees	4 348	4 188

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

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021



## LKAB – urban transformation in consensus

### Background

Moving two communities. 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 2019

In 2019 the urban transformations continued in Kiruna and Gällivare. In Kiruna LKAB will build thousands of new homes and commercial premises in the coming years. So far, new flats have been produced in new areas such as Luossavaara, Jägarskolan and Kiruna's new town centre. LKAB is building a total of 47 000 sq.m. of housing, offices, shop premises and parking, and the centre is to be ready in 2022. LKAB started construction in blocks 7, 8 and 9 in Kiruna's new town centre and built 60 homes in block 4 and some 100 rental units at Luossavaara. In October the first, five km-long, phase of the new E10 was opened for vehicle traffic, and work on the second phase started. The whole stretch is expected to be ready in autumn 2020. Kiruna's old town hall was wound down, while several heritage buildings have been moved, including Gula Raden and the 16-man buildings. The company hotel is going to be replaced. Planning of a new police station in Kiruna town centre was started during the year.

In Malmberget winding-down work has continued at the same time as densification and expansion are taking place in Gällivare. Timetables have been updated during the year to provide better advance planning in processes. A completely new neighbourhood is being built in the low mountain area of Repisvaara, and during the year several of the new housing areas were ready for occupation. LKAB arranged the moving of eight buildings: the mine superintendent residence, the English barracks and five multi-dwelling buildings. During the year

decisions were also taken to build up the Managing Director's residence again at Solbacken, preserving details of the old building from 1894.

### Responsibilities

The development of LKAB and the communities that are home to the mines depends on a well-functioning dialogue and collaboration between the parties affected. According to an opinion poll by the SIFO polling organisation, some 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 look 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 acts 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 to build infrastructure and conduct planning work so that land ready for building is available when needed. Central government authorities are also involved when needed; examples are the

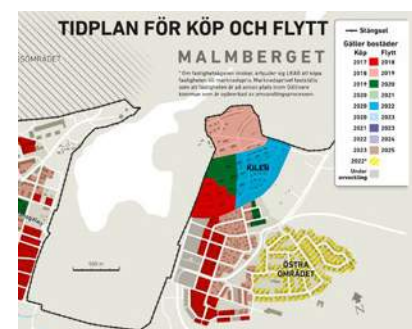
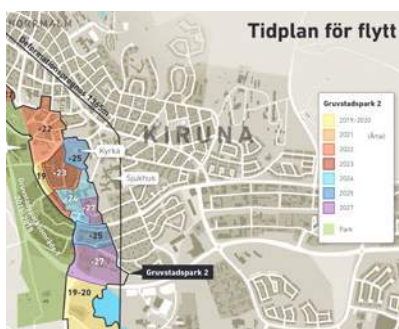
county administrative board, the Swedish Transport Administration, the Office of the Mining Inspectors and the National Property Board of Sweden. Construction and civil engineering companies then participate in building up the new communities. The principle of development before the move-out, i.e. that 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 homeowners, 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 that there will be 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.



The timetables for moving extend to 2027/2025 in Kiruna/Malmberget. The company hotel in Kiruna will be replaced.



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 is to supply products and services related to the collection, processing and application of geographical information and real property data. Metria supplies everything from major infrastructure projects to the development and operation of technical systems for geographical IT. Its customers are in banking and insurance, telecom, energy, infrastructure, forestry and defence, in addition to municipalities and the rest of the public sector. Metria has around 300 employees and is represented at some 20 places throughout Sweden. Its head office is in Gävle. Metria's objective is to generate a return in line with the market and maintain an operating margin comparable to the rest of the industry. In 2017 the Riksdag authorised the Government to sell the State's shares in Metria.

Important events in 2019

- Income totalled SEK 401.4m (433.2m). The year has been characterised by declining income, partly because of lower appropriations to Metria's largest and most important customers.
- Metria has been entrusted by the Swedish EPA and other agencies with implementing the Agenda for Landscape project over two years. The project is intended to deliver methods and systems that will be a lasting part of data provision in Sweden.
- Erik Oldmark stepped down as CEO on 2 April 2020 and was replaced by Anders Hugosson.

Sustainable business targets

- Attractive employer: The target is to have a positive trend. The employee Net Promoter Score was -5 (5).
- Increased revenues from products with positive environmental impact: The outcome for the year was 32% (30%). The target was 30%.
- Lower environmental impact of travel, grammes of CO<sub>2</sub> from business travel/krona of income: The outcome was 0.96 (1.20). The target until and including 2021 is to reduce grammes of CO<sub>2</sub>/krona of income by 20%. In 2019 a decrease of 18% was achieved.

Public policy assignment

No specifically adopted public policy assignment.

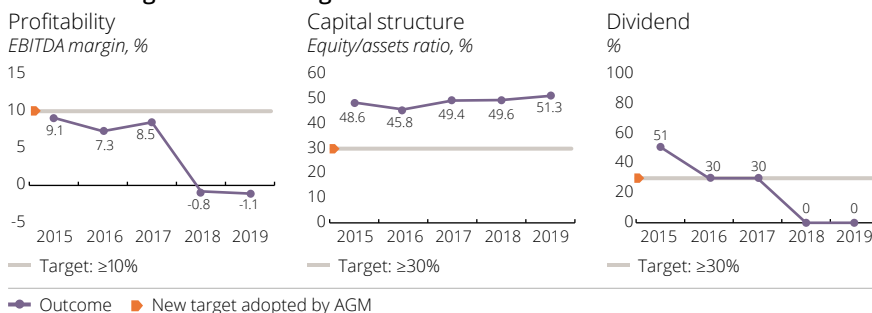
Targets and tracking

Financial targets

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

Only the equity/assets ratio target was achieved. The equity/assets ratio was 51.3%. No dividend is proposed for 2019.

Financial targets and tracking



Chair: Eva Gidlöf CEO: Anders Hugosson

State holding: 100%

Board and auditor elected for 2020/2021

Chair: Eva Gidlöf Directors: Katarina Burton, Pia Gideon, Michael Thorén, Peter Uddfors and Karl Wistrand. Anders Hugosson stepped down at 2020 AGM 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 200 (200) thousand. The fee paid to directors elected by the AGM is SEK 100 (100) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
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Income statement, SEK m

Net sales	401	433
Operating profit	-24	-22
Profit before tax	-24	-22
Net profit	-19	-11
- of which, minority interests	0	0

Balance sheet, SEK m

Total assets	169	213
Non-current assets	48	50
Equity	87	106
- of which, minority interests	0	0
Net debt	-32	-44
Operating capital	55	62

Key indicators

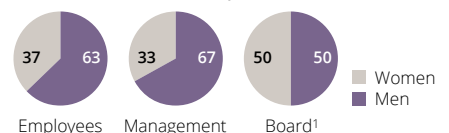
Operating margin, %	-6.0	-5.1
Return – equity, %	-19.9	-9.5
Return – operating capital, %	-41.4	-38.3
Net debt/equity ratio	-0.4	-0.4
Equity/assets ratio, %	51.3	49.6
Gross investments, SEK m	13	12
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint, Scope 1	252	260
tCO <sub>2</sub> e, Scope 2	45	103
Sickness absence, %	2.7	3.5
Average no of employees	289	294

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

Priority Global Goals



Gender distribution, %



1) Elected for 2020/2021



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 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. Surveys show that consumers see ecolabels as the best tool for making sustainable choices.

### Important events in 2019

- The Swan celebrated 30 years as the Nordic region's ecolabel.
- Sales rose strongly, by a total of 10%, for products with the Nordic Swan or EU Flower. The increase in the number of products meeting label requirements means a lower environmental impact than if other products had been bought instead.
- The first Swan-labelled school buildings have been constructed.
- The house and buildings product groups noted continued success during the year, as did the equity funds product group, with the issue of several new licences.
- Sales of Swan-labelled grilling coal rose tenfold to 10 000 tonnes.

- **Outcome for People:** After falling in 2018, stakeholder satisfaction rose in 2019. This gave an aggregate increase of just over 6 percentage points for 2017–2019. This means that the target was not reached, but a clear improvement was evident.
- **Outcome for Business:** Sales of ecolabelled products totalled SEK 28bn in 2019. Licence income from ecolabelled services totalled SEK 29.3m. This means that the target for products was achieved by a good margin, while the revised target for services was not achieved.
- **Outcome for the Planet:** The share that met the criteria set for assessment of target achievement rose by 1 percentage point to 48%. This gives an aggregate increase of 6 percentage points in the period, so the target was not achieved but a clear improvement was seen from the baseline situation.

The enterprise's targets have been revised. Next year's activities will be tracked on the basis of new targets.

### Public policy assignment

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 comparable products. An appropriation in the central government budget, corresponding for 2019 to about 5% of income, may be used 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 2019. Targets according to the public policy targets process have not yet been developed.

### Targets and tracking

#### Financial targets

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

#### Sustainable business targets

##### The following targets applied to 2017–2019:

- **Target – People:** Satisfaction and confidence among the enterprise's stakeholders (consumers, customers, employees) to increase by 10 percentage points.
- **Target – Business:** Annual sales of ecolabelled products in the Swedish market to be SEK 25bn per year, and sales volume of ecolabelled services to generate annual licence revenue of SEK 30m. The target for services was revised in 2018 from SEK 25m since that figure had already been reached in 2017.
- **Target – Planet:** Half of the enterprise's product groups to be successful, well-established financially and environmentally effective, i.e. have satisfied licensees who have succeeded with their sales, have tough environmental requirements and are financially viable.



**Chair:** Annika Helker Lundström



**CEO:** Ragnar Unge

**State holding:** 100%

#### Board and auditor elected for 2020/2021

**Chair:** New election of Annika Helker Lundström at AGM 2020, with Christina Lindbäck stepping down **Directors:** Thomas Andersson, Anders Bagge, Jan Peter Bergkvist, Anita Falkenek, Malin Forkman and Jörgen Olofsson **Employee reps:** Ulla Sahlberg, Lotten Wesslén **Auditor:** Mikael Sjölander (EY)

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

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	69	63
Operating profit	-3	-3
Profit before tax	-3	-1
Net profit	-3	-1
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	33	30
Non-current assets	12	12
Equity	17	20
- of which, minority interests	0	0
Net debt	-3	-3
Operating capital	15	17

#### Key indicators

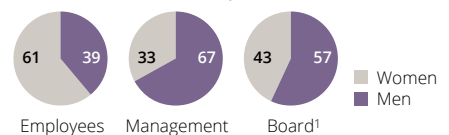
Operating margin, %	-5.1	-5.1
Return – equity, %	-15.5	-6.2
Return – operating capital, %	-22.1	-20.6
Net debt/equity ratio	-0.2	-0.2
Equity/assets ratio, %	52.2	68.3
Gross investments, SEK m	0	0
Appropriation, SEK m	4	4
Dividend, SEK m	0	0
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e Scope 2	0	-
Sickness absence, %	3.6	2.6
Average no of employees	66	61

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

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



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

### Important events in 2019

- Two property-related projects, both with a great impact on Operan's future, have been conducted. They are the **New Opera in Operan** project, and the construction of a new production centre, including studios and workshops, in Flemingsberg contracted by Operan along with Dramaten.
- In view of the #metoo and #visjungerut declarations in 2017, Operan has continued work on a range of action plans to eliminate sexual harassment and discriminatory power structures in the stage art industry.
- Further work on digitalisation and live transmissions via the SVT and SR public service broadcasters, Folkets Hus & Parker, Opera Vision, plus the launch of Operan's own channel, Opera Play. Cooperation with the Betania Foundation with concerts at care homes for older people.
- Operan achieved the highest number of visitors in its history, with more than 300 000 customers.

### Targets and tracking

#### Financial targets

Equity is to provide a stable financial foundation for operations. The profit for 2019 was SEK 4.6m, resulting in an increase in equity to SEK 39.2m.

#### Sustainable business targets

- 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 662 000 (481 000), the first-time audience share was 8% (8%). Under 40 years: 15% (12%). Visitors to Operan's activities for children, families and young people: 65 000 (54 000).
- To be a workplace 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 is now moving from ESI measurements (Employee Satisfaction Index) to the eNPS (employee Net Promoter Score), and the new measurement tool enables Operan to also carry out additional customised surveys based on operational needs. An initial measurement in 2019 of Operan's brand as an employer showed a good result.

- 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 9 (8), Ballet 7 (4) and Young People at the Opera 1 (1).
- Achieve variation and gender equality in the productions (artistic teams): Gender distribution in the artistic teams in 2019 was 71/29 for women/men (63/37), 3 of 5 directors during the year were women.

#### 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 range of opera and ballet is to be both innovative and broad: 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 2020/2021

**Chair:** Lena Olving **Directors:** Olov Carlsson, Chrisoula Faniadis, Eva Halvarsson, Kasper Holten and Örjan Wikfors (Vice Chair). New election of Anders Bäck at AGM 2020, with Mia Naidu stepping down **Employee reps:** Frida Hambræus, Anna Norrby **Employee alts:** Maria Nyström, Johan Edholm **Auditor:** Jennifer Rock-Baley (EY)

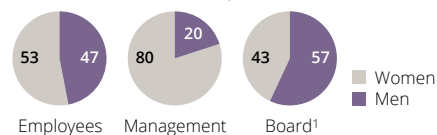
The fee paid to the board chair is SEK 75 (75) thousand and the fee paid to vice chair is SEK 65 thousand. The fee paid to directors elected by the AGM is SEK 37.5 (37.5) thousand.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	621	595
Operating profit	6	11
Profit before tax	5	9
Net profit	5	9
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	320	346
Non-current assets	186	198
Equity	39	35
- of which, minority interests	0	0
Net debt	25	25
Operating capital	64	60
<b>Key indicators</b>		
Operating margin, %	1.0	1.8
Return – equity, %	12.6	31.5
Return – operating capital, %	9.9	24.1
Net debt/equity ratio	0.6	0.7
Equity/assets ratio, %	12.3	10.0
Gross investments, SEK m	12	46
Appropriation, SEK m	508	495
Dividend, SEK m	0	0
Climate footprint, Scope 1	71	104
tCO <sub>2</sub> e, Scope 2	168	142
Sickness absence, %	4.3	4.5
Average no of employees	602	528
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



Orio AB sells vehicle parts and accessories for Saab cars and develops and sells 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 US, Sweden and the UK are markets with large Saab fleets and account for the bulk of the enterprise's sales of parts and associated services. The enterprise also provides logistics services in everything concerning storage, distribution, information management, export/import, transport, refinement and management of goods.

#### Important events in 2019

- Better operating result despite decline in net sales.
- Several major transitions in the enterprise in 2019, which also created good conditions moving forward, e.g. winding up of unprofitable business initiatives and reorganisation, including a change of CEO.
- New customers contracted in the area of logistics.

#### Targets and tracking

##### Financial targets

No financial targets adopted by the owner.

##### Sustainable business targets

The following targets apply to 2020:

- As a long-term vision, 80% of transports to Orio's customers and from suppliers to run on fossil-free fuels or be climate-compensated. Outcome in 2019: The share of transports run on biofuels/electricity or climate-compensated is under 1%.

- Orio's annual sickness absence to be less than 5%, and the number of work-related injuries leading to absence to be zero. Outcome in 2019: Sickness absence was 5.4%.
- 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 in 2019: Document review covering 51% of total purchase value and 13% of total number of suppliers.
- In 2021 the Orio group is to achieve profitability of 4.5% and an occupancy level at its facilities of 85%. Outcome in 2019: Profitability was -2.0% and the occupancy level was 47%.

##### Public policy assignment

No specifically adopted public policy assignment.



**Chair:** Charlotte Hansson **CEO:** Gustaf Ljunggren

**State holding:** 100%

#### Board and auditor elected for 2020/2021

**Chair:** Charlotte Hansson **Directors:** Catrina Ingelstam, Nils Pärletun, Erik Tranaeus and Sophie Öhrström. New election of Anders Nilsson at 2020 AGM, with Anders Osberg stepping down **Employee reps:** Ingemar Sandberg, Dan Samuelsson

**Auditor:** Martin Johansson (PwC)

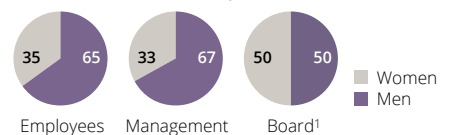
The fee paid to the board chair is SEK 225 (225) thousand. The fee paid to directors elected by the AGM is SEK 110 (110) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	504	603
Operating profit	-10	-40
Profit before tax	-10	-43
Net profit	-29	-51
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	394	488
Non-current assets	98	120
Equity	300	351
- of which, minority interests	0	0
Net debt	-75	-13
Operating capital	225	338
<b>Key indicators</b>		
Operating margin, %	-2.0	-6.6
Return – equity, %	-9.6	-12.8
Return – operating capital, %	-4.5	-10.3
Net debt/equity ratio	-0.3	0.0
Equity/assets ratio, %	76.1	71.9
Gross investments, SEK m	3	6
Appropriation, SEK m	0	0
Dividend, SEK m	0	25
Climate footprint, Scope 1	1 226	1 569
tCO <sub>2</sub> e	0	0
Scope 2	0	0
Sickness absence, %	5.4	4.6
Average no of employees	187	234
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

#### Priority Global Goals



#### Gender distribution, %



<sup>1</sup>) Elected for 2020/2021

# 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 2019 PostNord handled about 2.9 billion 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 2019

- PostNord set a record in 2019 by handling more than 1 million items of e-commerce mail in a single day.
- The Group's net sales rose marginally since a further decline in letter volumes in Sweden and Denmark was offset by logistics operations growth.
- PostNord Sweden reported strong earnings even though continued transition work in the group had a negative impact on group earnings.
- The enterprise sees a need to change postal regulation in Sweden so as to be able to handle a continued long-term decline in letter volumes.
- Annemarie Gardshol was appointed CEO.

## Sustainable business targets

- The Group has a long-term target of reducing carbon dioxide emissions by 40% by 2020 from the baseline year of 2009. At the end of 2019 the reduction was 36% (35%).
- The Group has a target of having women in 40% of managerial positions by 2020. The target was not reached during the year; the outcome was 32% (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%. At the end of 2019 the share was 74% (54%), calculated as a share of the Group's total purchases.

## Public policy assignment

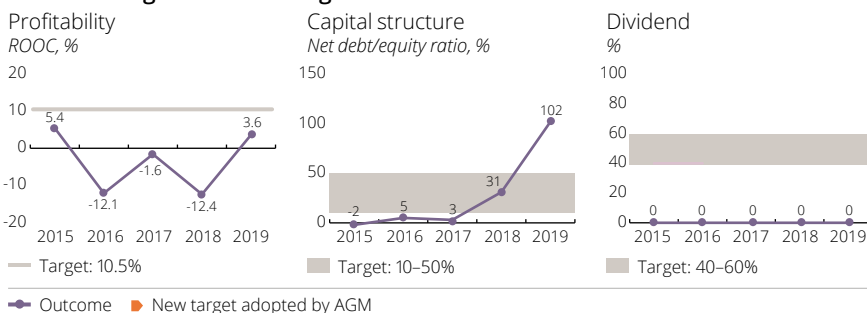
No specifically adopted public policy assignment. The enterprise has an assignment to provide postal services for all areas of society, linked to its permit to conduct postal operations. The delivery quality requirement in 2019 was that 95% of first class letters had to be delivered within two working days. The delivery quality target for first class letters was attained during the year.

## Targets and tracking

### Financial targets

- **Profitability:** Return on operating capital of 10.5%. Profitability target not achieved during the year.
- **Capital structure:** Net debt/equity ratio of 10–50% (excl. lease debts). Outcome: 102% (31%), 259%, incl. lease debts.
- **Dividend:** 40–60% of profit for the year after tax. No dividend decided for 2019.

## Financial targets and tracking



Chair: Christian Jansson



CEO: Annemarie Gardshol

State holding: 60%

Board and auditor elected for 2020/2021

Chair: Christian Jansson **Directors:** Sonat Burman Olsson, Måns Carlsson, Christian Frigast, Peder Lundquist, Ulrica Messing and Charlotte Strand. New election of Susanne Hundsbæk-Pedersen at AGM 2020, with Christian Ellegaard stepping down **Employee reps:** Bo Fröström, Sandra Svensk, Johan Lindholm **Employee alts:** Jess Sloth Hansen, Dzevad Ramic, Per-Arne Lundberg **Auditor:** Tomas Gerhardsson (KPMG)

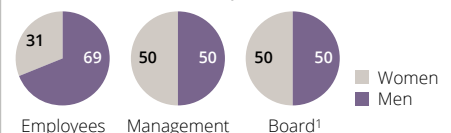
The fee paid to the board chair is SEK 670 (670) thousand. The fee paid to directors elected by the AGM is SEK 295 (295) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018	
<b>Income statement, SEK m</b>			
Net sales	38 278	37 669	
Operating profit	184	-855	
Profit before tax	-111	-890	
Net profit	-239	-1 067	
- of which, minority interests	2	1	
<b>Balance sheet, SEK m</b>			
Total assets	28 891	22 821	
Non-current assets	18 826	12 773	
Equity	3 654	5 142	
- of which, minority interests	2	2	
Net debt	9 454	1 614	
Operating capital	13 108	6 756	
<b>Key indicators</b>			
Operating margin, %	0.5	-2.3	
Return – equity, %	-5.4	-17.1	
Return – operating capital, %	3.6	-12.4	
Net debt/equity ratio	2.6	0.3	
Equity/assets ratio, %	12.6	22.5	
Gross investments, SEK m	1 356	1 374	
Appropriation, SEK m	19	20	
Dividend, SEK m	0	0	
Climate footprint, Scope 1	85 500	80 835	
tCO <sub>2</sub> e	Scope 2	13 054	14 608
Sickness absence, %	5.3	5.7	
Average no of employees	28 627	29 962	
Reports in compliance with GRI	Yes		
Externally assured GRI report	Yes		
Reports in compliance with IFRS	Yes		

## Priority Global Goals



## Gender distribution, %



1) Elected for 2020/2021



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.

Important events in 2019

- RISE signed framework agreements with several higher education institutions in order to become stronger actors together in research and innovation. A collaboration agreement was also signed with Ericsson.
- RISE further developed its applied research on artificial intelligence (AI), in part by leading the work process for developing an AI agenda for Sweden.
- The European Commission approved Sweden's application for support for the development of the SEEL electro-mobility lab owned by RISE and Chalmers.

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.
- **Capital structure:** Net debt/equity ratio of at most 30%.

Sustainable business targets

- **Responsibility target:** In 2020, 100% of RISE client contracts to have sustainability declarations and be linked to one of the global Sustainable Development Goals. Outcome: 4% based on number of projects with declarations, 20% based on turnover.
- **Business target:** In 2020, a third of sales to be generated as a direct result of sustainability work. Outcome: 30%.
- **Attraction target:** In 2020, RISE 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: 26 and 9.

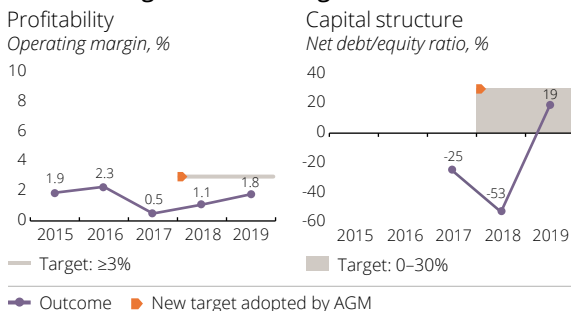
- **Climate target:** RISE to reduce its climate impact each year and to be a climate-neutral operation in 2025. Outcome: 7 200 tonnes CO<sub>2</sub>e.

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 2020 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: 37%.
2. Business income from SMEs as a share of total business sector income is to exceed 35%. Outcome: 26%.
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 in 2021.
4. Utilisation rate at RISE's testbeds and demonstration facilities is to be within the interval of 60–80%. Outcome: 64%.
5. In RISE's customer survey the index for "Innovation Partner Capacity" is to attain at least 78% positive responses. Outcome: 74%.
6. In RISE's customer survey the Customer Satisfaction Index (CSI) is to attain at least 75% positive responses. Outcome: 72%.

Financial targets and tracking



Chair: Jan Wäreby CEO: Pia Sandvik

**State holding:** 100%  
**Board and auditor elected for 2020/2021**  
**Chair:** Jan Wäreby **Directors:** Klas Bendrik, Elena Fersman, Torbjörn Holmström, Hanna Lagercrantz, Anna-Karin Stenberger, Fredrik Winberg and Sven Wird **Employee reps:** Linda Ikatti, Magnus Naesman, Ulf Nordberg  
**Employee alts:** Johan Berglund, Jonas Söderberg, Magnus Hillergren  
**Auditor:** Ingrid Hornberg Román (KPMG)

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

	2019	2018
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Income statement, SEK m		
Net sales	3 568	3 066
Operating profit	63	34
Profit before tax	54	25
Net profit	47	11
- of which, minority interests	9	9

Balance sheet, SEK m		
Total assets	3 749	3 064
Non-current assets	2 019	1 203
Equity	1 041	991
- of which, minority interests	70	59
Net debt	200	-563
Operating capital	1 241	428

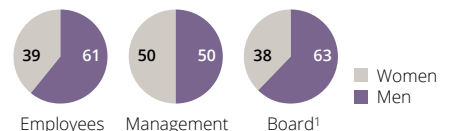
Key indicators		
Operating margin, %	1.8	1.1
Return – equity, %	4.6	1.1
Return – operating capital, %	5.3	6.1
Net debt/equity ratio	0.2	-0.5
Equity/assets ratio, %	27.8	32.3
Gross investments, SEK m	205	277
Appropriation, SEK m	1 574	659
Dividend, SEK m	0	0
Climate footprint, Scope 1	868	853
tCO <sub>2</sub> e, Scope 2	1 287	1 144
Sickness absence, %	2.8	3.1
Average no of employees	2 662	2 236

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

Priority Global Goals



Gender distribution, %



1) Elected for 2020/2021



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 in almost 600 places in Sweden. Its owner sees Samhall as an effective labour market tool that creates jobs for people with disabilities that result in reduced work capacity. The number of employees in sheltered employment in the enterprise's core assignment has been increased in both 2018 and 2019. 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 2019**

- Samhall reached its owner's labour market policy targets for 2019.
- Continued investments in growth to be able to create new jobs. Samhall offered a total of 8 193 people employment or a work placement start.
- Major investments and system changes have been carried out in the enterprise in IT and digitalisation.

**Targets and tracking**

**Financial targets**

- Profitability:** Return on equity of 7%. The outcome was 6% (8%), which is mainly explained by higher pay costs which were, however, offset to some extent by higher financial income.
  - Capital structure:** Equity/assets ratio of at least 30%. The outcome was 35%.
  - Dividend:** The profit generated is carried forward to promote the enterprise's continued operations.
- New financial targets for the enterprise were adopted at the AGM in 2020.

**Sustainable business targets**

- Employees in work (EIW factor):** Long-term factor 2.5. In 2019 the target was a reduction from 3.3 to 3.2. The target was not achieved as the outcome was unchanged (3.3). Growth could not outweigh a large number of new employees.
- Engaged employees:** The index was to increase from the preceding year. Outcome: +1%.

- Increased degree of self-financing:** The target for 2019 was for the degree of self-financing to be 32%. The target was achieved with an outcome of 32%.
- Customer loyalty:** New customers enable growth and new jobs. The target of 7.5 for 2019 was achieved, as the outcome was 7.7. The target is calculated as a weighted average according to the principle one company – one vote.
- Environmental impact:** For 2019 the environmental target was to reduce carbon dioxide emissions from the vehicle fleet compared with the preceding year, while increasing sales and the assignment. Fossil emissions for 2019 decreased and the target was achieved.

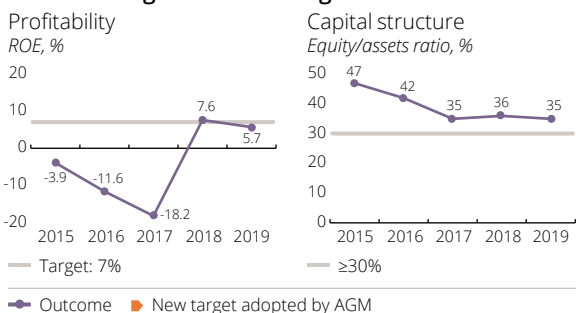
**Public policy assignment**

Has a specifically adopted public policy assignment. The assignments from the owner for 2019 comprised:

- The number of jobs for people with disabilities to equal at least 31.7 million paid hours.
- Samhall has to offer temporary employment with wage subsidy for development jobs amounting to at least 4.25 million paid hours.
- Share of recruitment from prioritised groups to be at least 40%.
- At least 1 500 individuals to transition to other employers from jobs in the core assignment and development jobs.

The targets stated in the owner instruction were met for 2019. Targets according to the public policy targets process were adopted at the enterprise's AGM in 2020.

**Financial targets and tracking**



**Chair:** Cecilia Schelin Seidegård **CEO:** Monica Lingegård (standing down)

**State holding:** 100%  
**Board and auditor elected for 2020/2021**  
**Chair:** Cecilia Schelin Seidegård **Directors:** Bertil Carlsén, Hillevi Engström, Lars Engström, Angelica Frithiof, Helen Fasth Gillstedt, Leif Ljungqvist and Ylva Thörn. Dario Aganovic stepped down in August 2019  
**Employee reps:** Ann-Christin Andersson, Hans Abrahamsson, Pia Litbo **Employee alts:** Kenneth Hasselberg, Marcus Merilä, Maria Sköld  
**Auditor:** Anneli Pihl (Deloitte)

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

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	9 130	7 927
Operating profit	16	102
Profit before tax	77	90
Net profit	74	92
- of which, minority interests	0	0

	2019	2018
<b>Balance sheet, SEK m</b>		
Total assets	3 794	3 549
Non-current assets	262	192
Equity	1 346	1 272
- of which, minority interests	0	0
Net debt	-2 802	-2 556
Operating capital	-1 456	-1 282

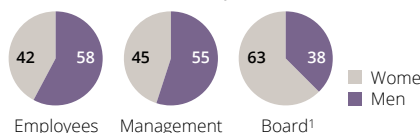
<b>Key indicators</b>		
Operating margin, %	0.2	1.3
Return – equity, %	5.7	7.6
Return – operating capital, %	-1.2	-8.3
Net debt/equity ratio	-2.1	-2.0
Equity/assets ratio, %	35.5	35.9
Gross investments, SEK m	114	82
Appropriation, SEK m	6 080	4 975
Dividend, SEK m	0	0
Climate footprint, Scope 1	3 114	3 147
tCO <sub>2</sub> e, Scope 2	102	100
Sickness absence, %	14.3	14.7
Average no of employees	20 654	19 893

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

**Priority Global Goals**



**Gender distribution, %**



1) Elected for 2020/2021





Saminvest AB was formed in 2016 and finances innovative enterprises with high growth potential through indirect investments (in investment funds). The funds have to be privately managed, primarily by new teams on 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. Saminvest was given an owner instruction for its main assignment that was adopted at an EGM on 13 January 2017.

### Important events in 2019

- During the year Saminvest entered into agreements to be an anchor investor in two funds. Saminvest has committed SEK 250m to Norrskan VC and SEK 155m to J12 Ventures.
- In its business angel activities, agreements were made to invest in two new business angel programmes linked to the incubators Uppsala Innovation Centre (UIC) and Stockholm Innovation and Growth (Sting).
- A total of 121 investments in individual companies have been made by the funds and business angel programmes that Saminvest has invested in since starting, with 67 being made in 2019.
- During the year 12 of the subsidiaries' holdings were divested and the total exit settlements corresponded to SEK 264m.

### Targets and tracking

#### Financial targets

Saminvest has been in existence as a group since the start of 2017 and financial targets were formulated for the first time at its AGM in 2020.

#### Sustainable business targets

Saminvest's strategy for promoting sustainable growth is fully integrated into the enterprise's business strategy, focusing on the following areas:

- Active fund investment operations with the target of engaging all of its capital over a ten-year period. The total capital committed to funds and business angel programmes has to be SEK 4 000m in 2026. The outcome for 2019 was SEK 1 065m.
- Increase the private capital engaged through joint investments in which Saminvest's share of the total capital invested per fund has to be less than 50%. The outcome in 2019 was 34%.

- Prioritise new fund teams where the share of new teams behind the funds that Saminvest invests in has to be at least two-thirds. The outcome in 2019 was 100%.
- Act as a responsible investor where targets in the area cover:
  - i) the share of funds with a sustainability policy and sustainability reporting has to be 100%, the outcome in 2019 was 100%.
  - ii) the share of women in the investment management teams of the fund investments has to show a positive trend, and the outcome for 2019 was 23%.
  - iii) the number of companies, indirectly invested in via funds and business angel programmes has to show a positive trend, and the outcome for 2019 was 67 companies.
- Divest direct investments in Fouriertransform and Inlandsinnovation according to its assignment, where the share of the portfolio divested has to be 100% in 2026. The outcome in 2019 was 63%.

#### Public policy assignment

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 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.



**Chair:** Marianne Dicander Alexandersson



**CEO:** Peder Hasslev

**State holding:** 100%

**Board and auditor elected for 2020/2021**

**Chair:** New election of Marianne Dicander Alexandersson at AGM 2020, with Niklas Johansson stepping down **Directors:** Mengmeng Du, Alexandra Nilsson, Ulrika Nordström and Anders Wiger. New election of Hans Ek and Lennart Jacobsson at AGM 2020; Patric Eriksson stepped down in September 2019

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

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

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	2	2
Operating profit	386	-303
Profit before tax	564	6
Net profit	566	2
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	5 581	5 023
Non-current assets	1 603	1 142
Equity	5 558	4 992
- of which, minority interests	0	0
Net debt	-11	-27
Operating capital	5 548	4 966

#### Key indicators

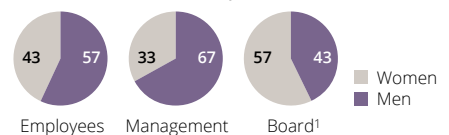
Return – equity, %	10.7	0.0
Return – operating capital, %	7.3	-0.8
Net debt/equity ratio	0.0	0.0
Equity/assets ratio, %	99.6	99.4
Gross investments, SEK m	147	98
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e, Scope 2	-	-
Sickness absence, %	1.2	0.8
Average no of employees	13	21

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

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



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 and the new share issue in autumn 2017, the Swedish State owns 14.8% of votes in SAS. In financial year 2018/19 SAS flew 30 million passengers to more than 125 destinations. 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 of Scandinavian frequent flyers 2) Create efficient and sustainable operating platforms 3) Secure the right capabilities.

### Important events in 2019

- Sustainability is central to the work of SAS. SAS bought 455 tonnes of bio-fuel, an increase of 355 tonnes on 2018, and continued to work actively for the commercialisation of sustainable aviation fuel.
- SAS and Airbus signed a memorandum of understanding for hybrid and electric aircraft ecosystem and infrastructure requirements research.
- 26 new lines and 9 new destinations were introduced during the year.
- The appearance of the SAS fleet was renewed through the launch of a new aircraft design. A further seven Airbus A320neo and one A330E were brought into service.
- Earnings for the year were affected by higher fuel costs, a weaker Swedish krona and the seven-day strike by pilot unions.
- SAS issued a new hybrid bond worth SEK 1.5bn, redeemed around 2.1 million preference shares for SEK 1.1bn and repaid outstanding convertible loans at a nominal value of SEK 1.6bn.

### 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 12% over a business cycle. The outcome was 8%.

- Capital structure:** Net debt/EBITDAR below 3.0 as multiple. The outcome was 3.7 as multiple.
- Financial preparedness:** Cash and cash equivalents and available credit facilities to exceed 25% of fixed costs. The outcome was 38%.

#### Sustainable business targets

- Reduce carbon dioxide emissions per passenger km by 20% by 2020 compared with 2010. Carbon dioxide emissions per passenger km remained at 95g (95g) during the financial year. Since 2010 total carbon dioxide emissions have decreased by 14%.
- Reduce take-off noise by 15% by 2020 compared with 2010. During the year noise decreased by 0.5% and 10% compared with 2010. This is due to the introduction of newer, quieter aircrafts.
- Make regular use of renewable aviation fuel. During the financial year a total of 166 (100) tonnes of biofuel were used.
- SAS targets for 2030 include:
  - Reducing total carbon dioxide emissions by 25% compared with 2005.
  - Using 17% biofuel corresponding to all domestic traffic.
  - Reducing noise by 50% compared with 2010.

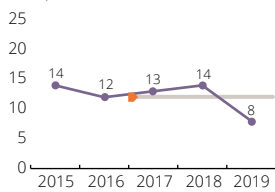
#### Public policy assignment

No specifically adopted public policy assignment.

### Financial targets and tracking

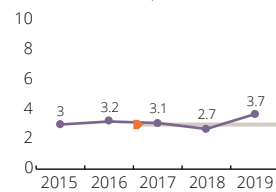
#### Profitability

ROIC, %



#### Capital structure

Net debt/EBITDAR, ratio



— Target: >12%

— Target: <3 as multiple

— Outcome — New target adopted by AGM



Chair: Carsten Dilling

CEO: Rickard Gustafson

**State holding:** 15%

**Board and auditor elected for 2020/2021**

**Chair:** Carsten Dilling **Directors:** Monica Caneman, Liv Fiksdahl, Lars-Johan Jarnheimer, Kay Kratky, Dag Mejdell, Sanna Suvanto-Harsaae and Oscar Stege Unger **Employee reps:** Christa Ceré, Endre Røros, Cecilia van der Meulen

**Auditor:** Tomas Gerhardsson (KPMG)

The fee paid 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.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	46 736	44 718
Operating profit	1 166	2 530
Profit before tax	794	2 050
Net profit	621	1 595
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	34 012	34 199
Non-current assets	22 281	21 127
Equity	5 372	7 268
- of which, minority interests	0	0
Net debt	328	-2 432
Operating capital	5 700	4 836

#### Key indicators

Operating margin, %	2.5	5.7
Return – equity, %	14.0	22.0
Return – operating capital, %	22.1	50.1
Net debt/equity ratio	0.1	-0.3
Equity/assets ratio, %	15.8	21.3
Gross investments, SEK m	6 207	6 840
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint, tCO <sub>2</sub> e	Scope 1 4.2M	4.3M
	Scope 2 9 800	10 000
Sickness absence, %	5.7	6.1
Average no of employees	10 445	10 146

Reports in compliance with GRI Yes

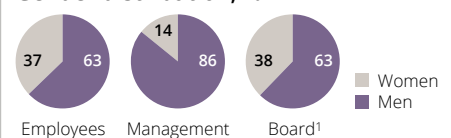
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021

# 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 is 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 2019

- SBAB's mortgage stock increased by 5.4% in 2019 to a total of SEK 291.6bn, and its share of the housing mortgage market was 8.47% at the end of the year.
- Considerable investments in customer meetings, with both improved digital services and increased staffing of customer service to improve service.
- SBAB had Sweden's most satisfied customers in 2019 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%. Return was 11.7%.
- **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 4.6 and 1.8 percentage points respectively.
- **Dividend:** At least 40% of profit for the year after tax. No dividend decided for 2019.

## Sustainable business targets

The following targets applied to 2019:

- **Sound finances:** Correspond to the financial targets adopted by the AGM.
- **Responsibility and transparency:**
  - Target 1 – Responsibility:* SBAB's ranking in Sustainable Brand Index: top 4. Actual ranking was top 8.
  - Target 2 – Transparency:* Share of customers who find SBAB's offering straightforward and easy to understand: 85%. The outcome was 83%.
  - Target 3 – Customer satisfaction:* Sweden's most satisfied housing mortgage and property loan customers according to Swedish Quality Index: 1st and 1st. 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 43/57%.
  - Target 2 – Employee satisfaction:* Percentage of employees who consider SBAB a very good workplace to work: 85%. The outcome was 91%.
  - Target 3 – Employee experience:* Total Trust Index: 81%. The outcome was 86%.

## Public policy assignment

No specifically adopted public policy assignment.



Chair: Jan Sinclair



CEO: Klas Danielsson

**State holding:** 100%

**Board and auditor elected for 2020/2021**

**Chair:** Jan Sinclair, formerly a director, was appointed chair in May 2019 when Bo Magnusson stepped down **Directors:** Lars Börjesson, Inga-Lill Carlberg, Daniel Kristiansson, Jane Lundgren-Ericsson and Synnöve Trygg. New election of Johan Prom and Leif Pagrotsky at EGM in February 2020, Karin Moberg stepped down in September 2019

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

	2019	2018
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### Income statement, SEK m

Net interest income	3 473	3 362
Net commission income	-14	-49
Net income, financial items	26	-65
Other operating income	36	32
Total income	3 521	3 280
Operating profit	2 308	2 241
Profit before tax	2 308	2 241
Net profit	1 788	1 726
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	475 532	448 355
Lending to the public	383 807	364 215
Equity	21 581	17 236
- of which, minority interests	0	0

### Key indicators

Level of loan losses, %	-0.0	0.0
Return - equity, %	11.7	12.1
Common equity Tier 1 capital ratio, %	13.1	12.5
Total capital ratio, %	20.1	18.1
Dividend, SEK m	0	690
Climate footprint, Scope 1	12	12
tCO <sub>2</sub> e	40	23
Sickness absence, %	3.1	3.5
Average no of employees	683	620

Reports in compliance with GRI Yes

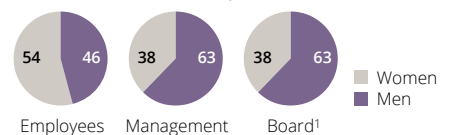
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

## Priority Global Goals



## Gender distribution, %

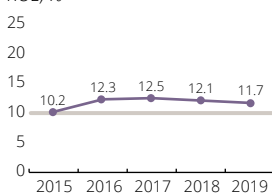


1) Elected for 2020/2021

## Financial targets and tracking

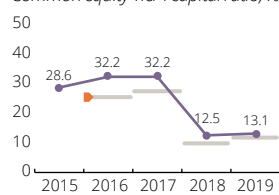
### Profitability

ROE, %



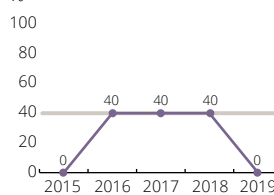
### Capital structure

Common equity Tier 1 capital ratio, %



### Dividend

%



— Outcome — New target adopted by AGM

# 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 2019

- Strong capitalisation and good liquidity. New lending of SEK 75bn.
- Number of customers rose by 20%. Work on reaching out to medium-sized enterprises with SEK's offering continued to progress well.
- All types of financing can be offered, including green loans if the borrower's operations or products help to reduce pressure on the environment. Financing earmarked for sustainable transition is another new product.

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of at least 6% over time; in 2019 it was 5.5%. In the past four years the resolution fee, which was SEK 169m (266m) in 2019, has been a charge on earnings.
- **Capital structure:** Total capital ratio between 2 and 4 percentage points above the requirement communicated by Finansinspektionen (16.8%), and Common Equity Tier 1 capital ratio at least 4 percentage points above its requirement (11.9%). The outcome for the targets was 20.6%.
- **Dividend:** 30% of net profit, taking account of the capital structure target, future capital requirements and investments. No dividend decided for 2019.

### Sustainable business targets

- **Green financing:** The target for the number of green loans in 2019 was 10 and the outcome was 9.

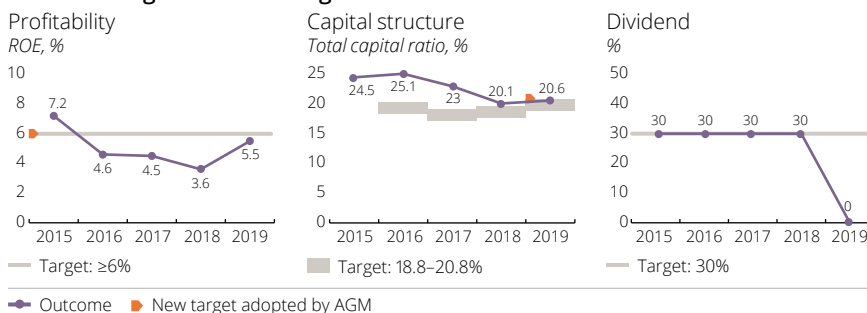
- **Sustainable workplace:** SEK measures and tracks two indices to ensure a sustainable workplace. The target for the year was for *Empowerment* (which covers motivation, authority and competence to contribute to operations) to exceed an index value of 80. For *Attractive employer* the target was a value above 85. The outcomes were 76 and 78. 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

Administering 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 last held in 2018 and showed that 73% (target > 60%) of customers who engaged SEK regarding export credits feel that credits from SEK contributed (very) significantly to the completion of their export deals. 66% report that cooperation with SEK exceeded their expectations, and 73% 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.

## Financial targets and tracking



**Chair:** Lars Linder-Aronson



**CEO:** Catrin Fransson

**State holding:** 100%

**Board and auditor elected for 2020/2021**

**Chair:** Lars Linder-Aronson **Directors:** Cecilia Ardström, Anna Brandt, Reinhold Geijer, Hanna Lagercrantz, Hans Larsson, Eva Nilsagård and Ulla Nilsson **Auditor:** Anneli Granqvist (PwC)

The fee paid to the board chair is SEK 485 (460) thousand. The fee paid to directors elected by the AGM is SEK 233 (215) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net interest income	1 717	1 442
Net commission income	-33	-32
Net income, financial items	226	19
Other operating income	0	-2
Total income	1 910	1 427
Operating profit	1 304	852
Profit before tax	1 304	852
Net profit	1 027	648
- of which, minority interests	0	0

### Balance sheet, SEK m

	2019	2018
Total assets	317 296	302 033
Lending to the public	163 848	161 094
Equity	19 082	18 239
- of which, minority interests	0	0

### Key indicators

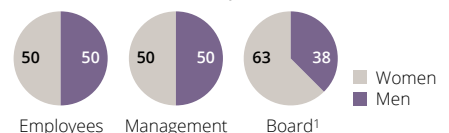
	2019	2018
Level of loan losses, %	0.0	0.0
Return – equity, %	5.5	3.6
Common equity Tier 1 capital ratio, %	20.6	20.1
Total capital ratio, %	20.6	20.1
Dividend, SEK m	0	194
Climate footprint, tCO <sub>2</sub> e	Scope 1: 0 Scope 2: 16	16 33
Sickness absence, %	2.5	3.1
Average no of employees	241	243

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

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021



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. Rail services in the group are chiefly provided in the parent enterprise, SJ AB, and in its subsidiary SJ Götalandståg. SJ mainly operates in the market for regional or long-distance travel. 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 model 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 2019

- SJ trains had the highest punctuality for long- and medium- and short-distance trains since 2013.
- Passenger numbers increased by 11% compared with 2018.
- The full-year outcome of SJ AB's Customer Satisfaction Index was the highest since measurements started.
- SJ won two new contracts in contracted services. For eight years starting in June 2020, SJ Norge AS is responsible for rail services on the Norwegian Dovre and Nordland lines and the five underlying rail sections. SJ Öresund AB is responsible for the Öresundståg rail services for eight years starting in December 2020.
- Indicative decision taken on acquiring new regional trains, an investment of about SEK 3bn. In all, SJ plans to invest around SEK 12bn in additional, more modern trains in the coming years.
- SJ was given continued responsibility for rail services between Gothenburg and Karlstad (Vänertåg rail services) for eight years starting in December 2020.
- According to a judgment issued by the European Court of Justice, SJ has to follow the procurement rules in the Act on Public Procurement in the Utilities Sectors.

### Targets and tracking

#### Financial targets

- **Profitability:** Return on operating capital to be at least 7% on average. The outcome was 16.2%.
- **Capital structure:** Net debt/equity ratio of 0.5–1.0 as multiple in the long term. The outcome was -0.14.
- **Dividend:** To be between 30 and 50% of profit for the year over the long term. No dividend decided for 2019.

#### Sustainable business targets

- **Punctuality:** 95% by 2020. Punctuality for SJ's long-distance trains was 83%. The target for 2019 was 93%. Punctuality for medium-distance trains was 92%. The target for 2019 was 94%. Punctuality for short-distance trains was 94%. The target for 2019 was 93%.
- **Sickness absence, target for 2019 was 4.8%.** The outcome was 4.9%.
- **Diversity, share of employees with foreign backgrounds according to Statistics Sweden's definition. The target for 2019 was 17% and the outcome was 17%.**
- **SJ Volunteer – An opportunity for employees to engage in voluntary work during working hours, target for 2019: 1 000 hours.** The outcome was 1 235 hours.

#### Public policy assignment

No specifically adopted public policy assignment.



Chair: Siv Svensson



CEO: Monica Lingegård (incoming)

**State holding:** 100%

#### Board and auditor elected for 2020/2021

**Chair:** Siv Svensson **Directors:** Ulrika Dellby, Lennart Käll, Per Matses, Ulrika Nordström and Klas Wåhlberg. Kersti Strandqvist stepped down at 2020 AGM **Employee reps:** Per Hammarqvist, Hans Pilgaard, Stefan Zetterlund **Auditor:** Peter Ekberg (Deloitte)

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

	2019	2018
--	------	------

#### Income statement, SEK m

Net sales	8 602	7 874
Operating profit	772	468
Profit before tax	776	457
Net profit	619	389
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	9 729	8 035
Non-current assets	6 381	5 544
Equity	5 170	4 740
- of which, minority interests	0	0
Net debt	-747	-659
Operating capital	4 423	4 081

#### Key indicators

Operating margin, %	9.0	5.9	
Return – equity, %	12.5	8.3	
Return – operating capital, %	16.2	11.4	
Net debt/equity ratio	-0.1	-0.1	
Equity/assets ratio, %	53.1	59.0	
Gross investments, SEK m	649	566	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	194	
Climate footprint, Scope 1	4 183	3 042	
tCO <sub>2</sub> e	Scope 2	40	31
Sickness absence, %	4.9	5.2	
Average no of employees	3 794	3 756	

Reports in compliance with GRI Yes

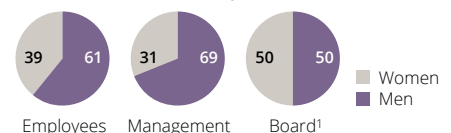
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

#### Priority Global Goals



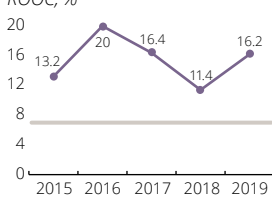
#### Gender distribution, %



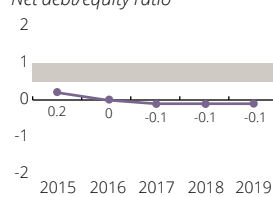
1) Elected for 2020/2021

### Financial targets and tracking

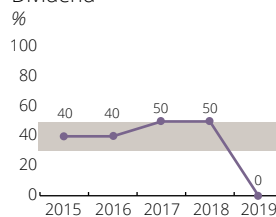
#### Profitability



#### Capital structure



#### Dividend



— Target: ≥7% — Target: 0.5–1.0 as multiple — Target: 30–50%

— Outcome

— New target adopted by AGM

An extra dividend of SEK 1 700m was decided at an EGM in September 2015.



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 2019**

- Positive development continued with higher sales and better response times.
- The launch of SOS Alarm's 112 app in 2019 was a success. Just over 1.4 million users downloaded the app during the year.
- Advanced Mobile Location was introduced at the end of 2019; this automatically sends the mobile phone's location to SOS Alarm when a call is made from a phone.

**Targets and tracking**

**Financial targets**

- **Profitability:** Group operating margin to be at least 2%. The outcome was 2.7%.
- **Capital structure:** Group equity/assets ratio of 25–35% with a benchmark of 30%. The outcome was 47.2%.
- **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. The financial targets were achieved in 2019, but no dividend was paid.

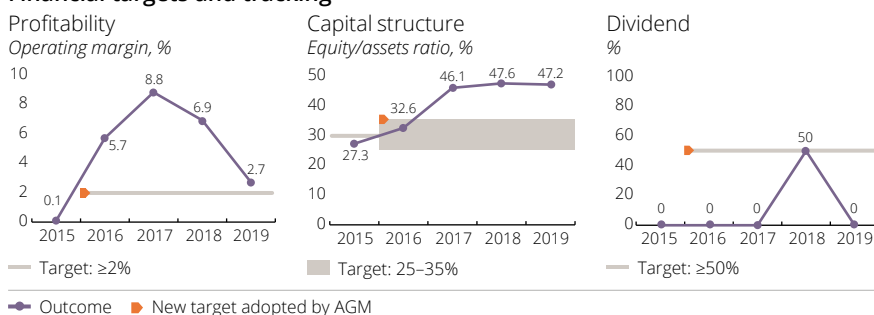
**Sustainable business targets**

- Confidence index, sustainable business – the target of 83 was exceeded, outcome 87.
- Improved customer relationships is measured via the CSI for the entire business – the target of 70 was not met, outcome 68.
- Motivated employees is measured via:
  - ambassadorship, target of 2 exceeded, outcome 15.
  - employee turnover, target of 14% attained, outcome 11.1%.

**Public policy assignment and targets**

- Response time 112:**
- Average response time of no more than 8 seconds. Outcome 8.6 seconds, target not achieved.
  - Average response time for 92% of calls of no more than 15 seconds. Response to 86% of calls within 15 seconds, target not attained.
  - Maximum response time of 30 seconds. Response to 97% of calls within 30 seconds, target not attained.
- 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. The target was not achieved, outcome 68.
  - Public confidence index to be at least 70. The target was achieved, outcome 86.

**Financial targets and tracking**



**Chair:** Ulrica Messing **CEO:** Maria Khorsand

**State holding:** 50%  
**Board and auditor elected for 2020/2021**

**Chair:** Ulrica Messing **Directors:** Lena Dahl, Alf Jönsson, Inge Lindberg, Erik Tranaeus, Marie Ygge, Peter Olofsson and Hampus Magnusson. New election of Ann Persson Grivas at AGM 2020, with Maria Nilsson stepping down. Vesna Jovic stepped down in October 2019, Lena Dahl was elected at an EGM in December 2019 **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 205 (205) thousand. The fee paid to directors elected by the AGM is SEK 96 (96) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	1 257	1 214
Operating profit	33	84
Profit before tax	36	85
Net profit	28	67
- of which, minority interests	1	2

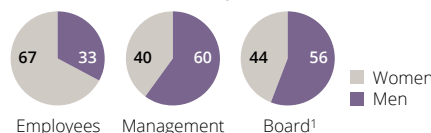
<b>Balance sheet, SEK m</b>		
Total assets	706	715
Non-current assets	359	331
Equity	333	340
- of which, minority interests	4	5
Net debt	-376	-366
Operating capital	-43	-26

<b>Key indicators</b>		
Operating margin, %	2.7	6.9
Return – equity, %	8.3	21.6
Return – operating capital, %	-97.3	-164.0
Net debt/equity ratio	-1.1	-1.1
Equity/assets ratio, %	47.2	47.6
Gross investments, SEK m	122	85
Appropriation, SEK m	305	330
Dividend, SEK m	0	33
Climate footprint, Scope 1	311	302
tCO <sub>2</sub> e	Scope 2	-
Sickness absence, %	5.8	5.9
Average no of employees	1 096	1 023
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

**Priority Global Goals**



**Gender distribution, %**



1) Elected for 2020/2021



Specialfastigheter Sverige Aktieföretag owns, develops and manages properties in Sweden with strict 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 Prison and Probation Service, the Swedish Police Authority, the National Board of Institutional Care (SiS), the Armed Forces and the Swedish Defence Materiel Administration (FMV). Its main target group is Swedish central government customers, and also other customers with security requirements. Customers, and the enterprise's some 160 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 2019

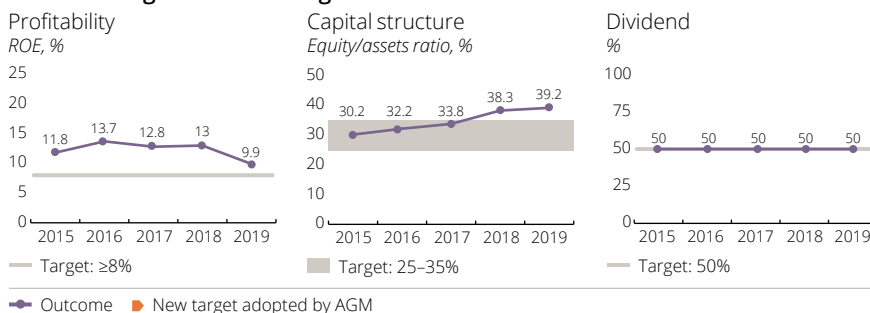
- Management earnings remained stable with higher rent income due to new signings of rental leases.
- The market value of the enterprise's properties increased by around 6% to SEK 29bn.
- Increased demand for high-security properties, e.g. the Prison and Probation Service's need for more places in prisons and remand prisons.

#### 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. Return on equity was 9.9%, which is above the target.
- **Capital structure:** Equity/assets ratio of 25–35%. The equity/assets ratio was 39.2%.
- **Dividend:** 50% of net 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. The ordinary dividend for 2019 is proposed to be in line with policy, corresponding to SEK 570m (555m).

#### Financial targets and tracking



#### Sustainable business targets

- **Active skills provision:** Share of employees with foreign backgrounds, target for 2019: 12%. Outcome: 12% (10%). New target 2020: Deliver at least one activity per unit that fosters equal treatment.
- **Best at security:** Ensure effective compliance with new protective security legislation. Target approved self-audit; target achieved in 2019. New target 2020: Retain certificate for information security.
- **Create customer value:** Satisfied customers, the Customer Satisfaction Index target for 2019 was 67%; not measured in 2019. New target 2020: Invest at least SEK 1.2bn per year.
- **Responsibility for the environment and climate:** Reduce carbon dioxide emissions from purchased energy by 75% between 2012 and 2030. Target for 2019: Decrease by 56%. Outcome: 54%.

#### Public policy assignment

No specifically adopted public policy assignment.



Chair: Eva Landén



CEO: Åsa Hedenberg

State holding: 100%

#### Board and auditor elected for 2020/2021

**Chair:** Eva Landén **Directors:** Carin Götblad, Mikael Lundström, Pierre Olofsson, Erik Tranaeus, Maj-Charlotte Wallin and Åsa Wirén  
**Employee reps:** Tomas Edström, Erik Ydreborg  
**Employee alts:** Kajsa Marsk Rives, Roger Törngren **Auditor:** Mikael Ikonen (EY)

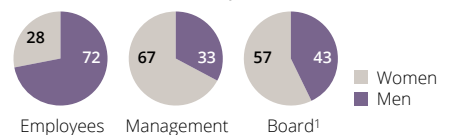
The fee paid to the board chair is SEK 270 (270) thousand. The fee paid to directors elected by the AGM is SEK 130 (130) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	2 261	2 138
Changes in value	726	1 414
Operating profit	2 302	2 934
Profit before tax	2 170	2 825
Net profit	1 717	2 423
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	30 814	28 558
Non-current assets	29 982	28 322
Equity	12 091	10 929
- of which, minority interests	0	0
Net debt	12 991	12 399
Operating capital	25 081	23 328
<b>Key indicators</b>		
Operating margin, %	101.8	137.3
Return – equity, %	9.9	13.0
Return – operating capital, %	9.5	13.2
Net debt/equity ratio	1.1	1.1
Equity/assets ratio, %	39.2	38.3
Gross investments, SEK m	1 235	882
Appropriation, SEK m	0	0
Dividend, SEK m	570	555
Climate footprint, Scope 1	908	1,036
tCO <sub>2</sub> e, Scope 2	3 640	3 472
Sickness absence, %	1.6	1.9
Average no of employees	158	144
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes (RFR 2)	

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



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 stratosphere 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 2019

- SSC supported SpacEL in its attempted moon landing. SSC provided the solution for how the vehicle was to move in different space orbits up to the moon and for communication from earth throughout the mission.
- In summer 2019 SSC conducted balloon tests at Esrange as part of preparations for ESA’s Mars expedition ExoMars 2020. “High Altitude Drop Testing” was used to test the landing sequence through a series of drop tests from stratospheric high altitude balloons.

- Conduct internal audit of Sustainable Business Model.
- Conduct materiality and stakeholder analysis.
- Link the 2030 Agenda to SSC’s strategy and measurable targets.
- Analyse key suppliers through Sustainable Business Model for Procurement.
- The targets are judged to be partly attained for 2019. The materiality and stakeholder analysis renewed during the year will form the basis of a framework that will apply to future work up until 2025.

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 2019 the capacity utilisation rate at the Esrange Space Center was 82%, target at least 70%.
- In 2019 measurements were carried out on one occasion to assess quality of delivery; an overall quality index of 96% was achieved, target: at least 80%.

Targets and tracking

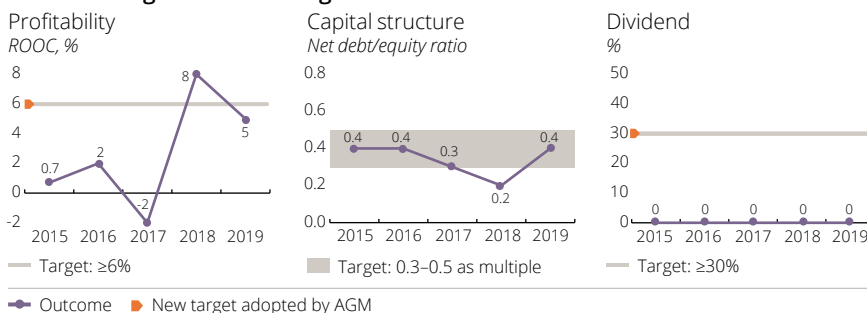
Financial targets

- **Profitability:** Return on operating capital of at least 6%.
- **Capital structure:** Net 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 2019.

Sustainable business targets

- Establish process for integrating sustainability risks into SSC’s overall risk management.

Financial targets and tracking



Chair: Monica Lingegård CEO: Stefan Gardefjord

State holding: 100%

Board and auditor elected for 2020/2021

Chair: Monica Lingegård Directors: Anne Gynnerstedt, Anna Kinberg Batra, Per Lundkvist, Olle Norberg, John Paffett and Maria Palm. New election of Gunnar Karlson and Joakim Reiter at AGM 2020, with Fredrik Brunell and Håkan Syrén 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 270 (270) thousand. The fee paid to directors elected by the AGM is SEK 135 (135) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	1 013	945
Operating profit	30	47
Profit before tax	23	38
Net profit	10	17
- of which, minority interests	0	0

	2019	2018
<b>Balance sheet, SEK m</b>		
Total assets	1 355	1 168
Non-current assets	861	674
Equity	475	464
- of which, minority interests	0	0
Net debt	402	80
Operating capital	877	544

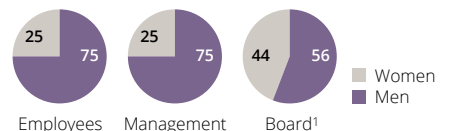
<b>Key indicators</b>		
Operating margin, %	3.0	5.0
Return – equity, %	2.1	3.7
Return – operating capital, %	5.0	8.2
Net debt/equity ratio	0.4	0.2
Equity/assets ratio, %	35.1	39.7
Gross investments, SEK m	171	54
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e, Scope 2	1 700	-
Sickness absence, %	1.7	1.8
Average no of employees	488	478

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

Priority Global Goals



Gender distribution, %



1) Elected for 2020/2021



# 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. Once the local housing market is in balance, the properties are sold on market terms in the open market.

### Important events in 2019

- Investment funds fully committed.
- Two properties were sold and four acquired.
- Ongoing conversion of five properties providing 95 homes, and also a number of feasibility studies.

### Targets and tracking

#### Financial targets

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

- **Profitability:** At least 37% of aggregate project costs to be recovered when projects are completed. The assessment is that around 59% of project costs (including impairments) have been recovered.
- Restructuring of the properties has to be completed in at least 80% of projects, and they should be sold within eight years on market terms in the open market. In 2010–2019 Sbo sold 24 different types of properties in 12 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.

#### Sustainable business targets

In its action 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. To date,

just over 1 000 new homes and modern premises for preschool services have been delivered in some 30 municipalities. Ongoing dialogues are assessed to be able to provide an additional 170 new modern homes in 2020–2021.

- 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 87 kWh/sq.m. and year was achieved, an average reduction of 46% after the implementation of conversion measures.
- The enterprise is to achieve a net operating margin of at least 62%. The outcome was 63%.

#### 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 2019 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 decreased in 2019 but are expected to be at a high level in 2020–21. Overall, Sbo is considered to have fulfilled its public policy assignment satisfactorily in 2019. Targets according to the public policy targets process have not yet been developed.



Chair: Christel Wiman



CEO: Ann Eriksson

State holding: 100%

Board and auditor elected for 2020/2021

Chair: Christel Wiman **Directors:** Lars Erik Fredriksson, Brita Saxton, Håkan Steinbüchel and Jan-Ove Östbrink **Auditor:** Lars Helgesson (Deloitte)

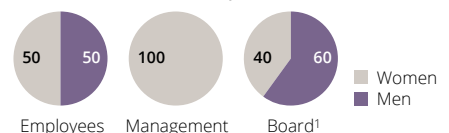
The fee paid to the board chair is SEK 99 (99) thousand. The fee paid to directors elected by the AGM is SEK 49.5 (49.5) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	21	22
Operating profit	24	14
Profit before tax	25	15
Net profit	25	48
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	548	517
Non-current assets	320	258
Equity	532	507
- of which, minority interests	0	0
Net debt	-226	-237
Operating capital	306	270
<b>Key indicators</b>		
Operating margin, %	110.8	63.0
Return – equity, %	4.9	10.0
Return – operating capital, %	8.5	5.3
Net debt/equity ratio	-0.4	-0.5
Equity/assets ratio, %	97.1	98.0
Gross investments, SEK m	69	8
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
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

### Priority Global Goals



### Gender distribution, %

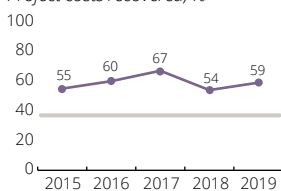


1) Elected for 2020/2021

### Financial targets and tracking

#### Profitability

Project costs recovered, %



— Target: ≥37%

● Outcome ● New target adopted by AGM

# 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 3.1 million 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 2019

- Strong earnings continue high state dividends.
- Action to develop the enterprise's sustainable forestry continued.
- New CEO since 1 July, Hannele Arvonen.

## Targets and tracking

### Financial targets

- **Profitability:** Dividend yield of at least 4.5%. For 2019 the dividend yield was 4.9%, due partly to good price growth for forest products, but this was offset slightly by lower delivery volumes.
- **Capital structure:** Debt/equity ratio of 0.3–0.6 as multiple. For 2019 the debt-/equity ratio was 0.30 (0.30) as a multiple.
- **Dividend:** 65–90% of profit after tax, excluding changes in value not affecting cash flow. The proposed dividend is SEK 1 100m (1 100m), which is within the target range.

### Sustainable business targets

- To be the most profitable forestry company over the long and short term, while maintaining good ethical standards: The dividend yield target was met for 2019. Confidence Index to be 80 in 2022; the outcome for 2019 was unchanged at 74 (74).
- The first choice for employees, good leadership and employeeship: Gender distribution target of at least 30% women by 2021 and target of 5% employees with another

ethnic background by 2022. In 2019 the share of women increased to 26% (24%) and the share of employees with another ethnic background to 3.9% (3.1%). The target for the Motivated Employee Index is 75 in 2022. In 2019 this Index was 64. The target for the Manager Index is 75 in 2022 and it was 71 for 2019.

- **Leader in innovation and efficiency:** Greater efficiency – the target is to increase total productivity by 2% per year up until 2022. The outcome varies greatly between years, and productivity decreased by 1.0% for 2019.
- **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 per tonne/delivered thousand m<sup>3</sup> under bark to be 10 in 2020. For 2019 the value was 11.5. Sveaskog's Consideration Index was 98 (98).

### 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. This target was not developed according to the public policy targets process. The enterprise sold 19 889 (18 681) hectares of land in 2019 in its land sale programme. At year-end Sveaskog had sold a total of 9.23% (8.78%) of its forest holdings under its land sales programme.



Chair: Eva Färnstrand



CEO: Hannele Arvonen

State holding: 100%

### Board and auditor elected for 2020/2021

**Chair:** Eva Färnstrand **Directors:** Marie Berglund, Johan Kuylenstierna, Kerstin Lindberg Göransson, Leif Ljungqvist, Annika Nordin and Sven Wird **Employee reps:** Kenneth Andersson, Sara Östh **Employee alts:** Lars Djerf, Thomas Esbjörnsson **Auditor:** Hans Warén (Deloitte)

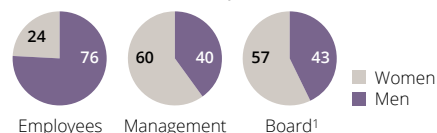
The fee paid to the board chair is SEK 470 (470) thousand. The fee paid to directors elected by the AGM is SEK 185 (185) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	7 209	6 971
Changes in value	399	1 697
Operating profit	2 093	3 509
Profit before tax	1 963	3 366
Net profit	1 558	3 171
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	41 549	40 786
Non-current assets	38 168	37 501
Equity	23 574	23 145
- of which, minority interests	0	0
Net debt	7 149	7 014
Operating capital	30 722	30 159
<b>Key indicators</b>		
Operating margin, %	29.0	50.3
Return – equity, %	6.7	14.4
Return – operating capital, %	6.8	12.0
Net debt/equity ratio	0.3	0.3
Equity/assets ratio, %	56.7	56.7
Gross investments, SEK m	451	238
Appropriation, SEK m	0	0
Dividend, SEK m	1 100	1 100
Climate footprint, Scope 1	11 000	10 000
tCO <sub>2</sub> e, Scope 2	85	42
Sickness absence, %	3.0	3.0
Average no of employees	807	840
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

### Priority Global Goals



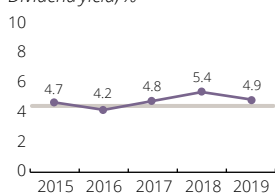
### Gender distribution, %



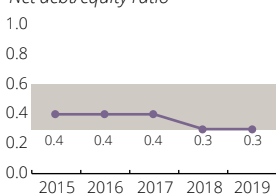
1) Elected for 2020/2021

## Financial targets and tracking

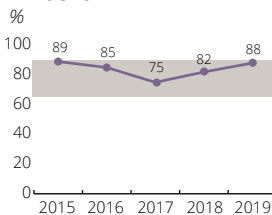
Profitability  
Dividend yield, %



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 2019

- Share of profit in the Øresund Bridge Consortium was significantly better, SEK 926m (559m).
- In 2019 the enterprise's costs decreased by SEK 10m.

### 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.

#### Sustainable business targets

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 accessible 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 11% during the year. However, the decrease may be misleading on account of a measurement error in 2016–17 that was only rectified at the start of 2018. It will not be possible to determine the true consumption for these two years.
- Svedab wishes to engage suppliers that share the values expressed in its Code of Conduct. No new suppliers were contracted during the year.
- Zero tolerance of bribes and corruption. No incidents that can be linked to corruption in 2019.
- No deaths or serious injuries to occur on 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 as set out above:

- 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 2020/2021

**Chair:** Bo Lundgren **Directors:** Lars Erik Fredriksson and Malin Sundvall. New election of Ulrika Hallengren at 2020 AGM, with Kerstin Hessius stepping down **Auditor:** Carl Fogelberg (PwC) stepped down; new 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.

2019 2018

#### Income statement, SEK m

Net sales	12	11
Operating profit	866	489
Profit before tax	832	447
Net profit	653	347
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	6 531	6 012
Non-current assets	6 473	5 954
Equity	1 341	996
- of which, minority interests	0	0
Net debt	3 496	3 124
Operating capital	4 837	4 120

#### Key indicators

Operating margin, %	6 954.0	4 842.7
Return – equity, %	55.9	29.3
Return – operating capital, %	19.4	11.5
Net debt/equity ratio	2.6	3.1
Equity/assets ratio, %	20.5	16.6
Gross investments, SEK m	633	-889
Appropriation, SEK m	0	0
Dividend, SEK m	653	325
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e, Scope 2	-	-
Sickness absence, %	0.0	0.0
Average no of employees	3	3

Reports in compliance with GRI Yes

Externally assured GRI report Yes

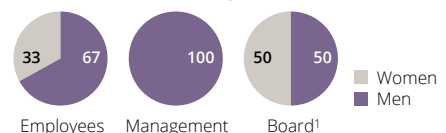
Reports in compliance with IFRS No<sup>1</sup>

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

#### Priority Global Goals

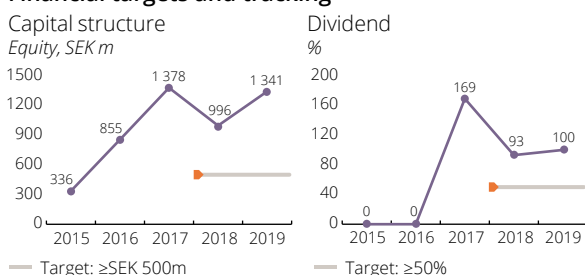


#### Gender distribution, %



1) Elected for 2020/2021

### Financial targets and tracking



— Outcome — New target adopted by AGM

# 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 2019

- New lending amounted to SEK 1522m (2 340m) during the year.
- Net interest income rose by just over 20%.
- Volume of lending at year-end was SEK 9.2bn, its highest ever level.

## 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 22.3% (22.4%).
- Total capital ratio, at least 12%.  
Total capital ratio was 22.1% (22.6%).

### Sustainable business targets

- 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: Lars Johanson

State holding: 100%

### Board and auditors elected for 2019/2020

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

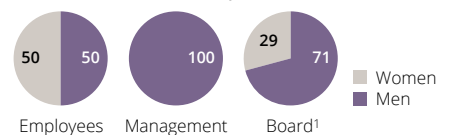
The fee paid to the board chair is SEK 140 (140) thousand. The fee paid to directors elected by the AGM is SEK 55 (55) thousand.

	2019	2018
<b>Income statement, SEK m</b>		
Net interest income	151	125
Operating profit	113	53
Profit before tax	113	53
Net profit	113	53
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	10 177	9 610
Lending to shipping companies	9 226	8 869
Equity	2 266	2 153
- of which, minority interests	0	0
<b>Key indicators</b>		
Level of loan losses, %	-0.1	-0.6
Return - equity, %	5.1	2.5
Common equity Tier 1 capital ratio, %	22.1	22.6
Total capital ratio, %	22.1	22.6
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e Scope 2	-	-
Sickness absence, %	-	-
Average no of employees	8	8
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes (RFR 2)	

### Priority Global Goals

Priority Global Goals have not yet been identified.

### Gender distribution, %



1) Elected for 2019/2020



New gambling regulations came into force on 1 January 2019. The sole right for certain games ceased; a new licence system and new tax rules were introduced. 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 licences 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.

### Important events in 2019

- Launch of new online casino.
- Roll-out of more than 4 200 new Vegas slot machines with enhanced gambling responsibility and log in using mobile Bank-ID.
- The industry organisation for online gambling (BOS) filed a complaint about Svenska Spel with the Swedish Competition Authority<sup>1</sup>. The Triss scratch card on TV4 was reported to the Swedish Consumer Agency/ Consumer Ombudsman, the Swedish Advertising Ombudsman (RO) and the Broadcasting Commission.
- At an EGM in 2019 the owner decided financial targets and public policy targets.

- op gambling addictions. Outcome of Gambling Awareness Index: 87.
- 100% of employees to have completed training in enterprise's work on countering money laundering and financing of terrorism. Outcome: 95%. 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: 37% (39%) women and 63% (61%) 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 – over and above 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 – 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; follow the development of problems related to exaggerated gambling and take measures to address them. In 2019 new public policy targets were adopted for Svenska Spel; these targets and the outcomes are presented on page 25.

- 1) On 13 March 2020 the Swedish Competition Authority announced that its investigation had been completed and the matter has been closed.

### Targets and tracking

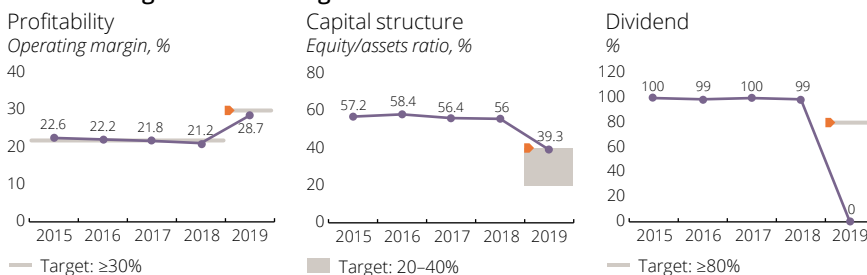
#### Financial targets

- **Profitability:** Operating margin (calculated as operating profit after depreciation/amortisation as a percentage of net gaming revenue) to be at least 30%.
- **Capital structure:** Equity/assets ratio of 20–40%.
- **Dividend:** At least 80% of net profit for the year after tax taking account of capital structure target set so that, over time, the equity/assets ratio does not deviate from the target range.

#### Sustainable business targets

- More of the enterprise's customers to be aware of their gambling and make choices on that basis. Fewer of the enterprise's customers to have gambling problem or devel-

### Financial targets and tracking



New definition of operating profit (target and outcome) applied as of 2019.



Chair: Erik Strand

CEO: Patrik Hofbauer

State holding: 100%

### Board and auditor elected for 2020/2021

**Chair:** Erik Strand **Directors:** Eivor Andersson, Eva-Britt Gustafsson, Gunilla Herlitz, Lars Nilsson, Jens Schlyter, Johan Strid and Fredrik Åhlberg. New election of Anne Årney at 2020 AGM **Employee reps:** Peter Andersson, Martina Ravn, Johannes Gustafsson **Employee alts:** David James, Ulrika Nilsson, Angela Ankargren **Auditor:** Jonas Ståhlberg (Deloitte)

The fee paid to the board chair is SEK 360 (360) thousand. The fee paid to directors elected by the AGM is SEK 165 (165) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net gaming revenue	8 579	8 784
Net sales	6 011	7 780
Operating profit	2 466	4 525
Profit before tax	2 487	4 522
Net profit	2 716	4 522
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	7 169	8 185
Non-current assets	3 640	2 325
Equity	2 820	4 583
- of which, minority interests	0	0
Net debt	-2 450	-3 864
Operating capital	371	719

### Key indicators

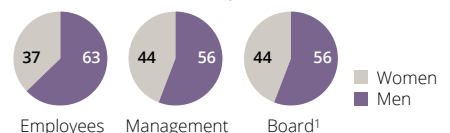
Operating margin, %	28.7	21.2
Return – equity, %	73.4	96.9
Return – operating capital, %	452.7	639.3
Net debt/equity ratio	-0.9	-0.8
Equity/assets ratio, %	39.3	56.0
Gross investments, SEK m	873	329
Appropriation, SEK m	0	0
Dividend, SEK m	0	4 478
Climate footprint, Scope 1	250	328
tCO <sub>2</sub> e, Scope 2	203	382
Sickness absence, %	4.4	4.8
Average no of employees	1 676	1 683

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

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021

# 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 2019

- Net sales decreased compared with the preceding year and were SEK 8 181m.
- Order bookings increased from the preceding year and were SEK 8 954m (8 594m). At the end of December the order stock was SEK 8 488m (7 716m).
- Impairments in the Civil Engineering reduced the full-year profit.
- In terms of earnings, the fourth quarter of 2019 was the best in Svevia's history.

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of at least 20%. The outcome was 12.0%.
- **Capital structure:** Equity/assets ratio of at least 20–30%. The equity/assets ratio was 29.8%.
- **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 88m was paid, which is in line with policy.

### Sustainable business targets

See the table below.

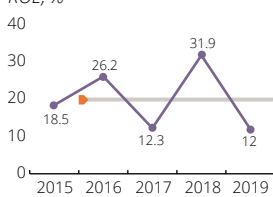
### Public policy assignment

No specifically adopted public policy assignment.

Sustainability targets		Outcome 2019	Outcome 2018	Objectives for 2023
Environment	Manufacturing, CO <sub>2</sub> e/tonne manufactured	8.7	14.5	1.0
	Transport CO <sub>2</sub> e/SEK m in sales	2.2	3.2	1.5
Sound business	Business ethics (image polling, scale 1–5)	4.2	4.1	Industry best
	Contract adherence	71%	68%	85%
Attractive employer	employee Net Promoter Score (eNPS)	+27	+16	20
Safety	Work injury rate	3.6	7.7	<3,5 and industry best

## Financial targets and tracking

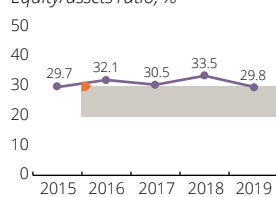
### Profitability



— Target: ≥20%

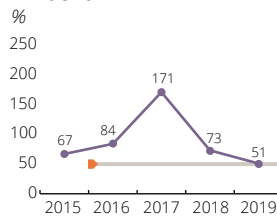
— Outcome — New target adopted by AGM

### Capital structure



— Target: 20–30%

### Dividend



— Target: ≥50%



Chair: Mats O Paulsson



CEO: Anders Gustafsson

State holding: 100%

### Board and auditor elected for 2020/2021

**Chair:** New election of Mats O Paulsson at AGM 2020, with Olle Ehrlén stepping down **Directors:** Charlotte Bergman, Lars Erik Fredriksson, Carina Olson, Anna-Stina Nordmark Nilsson and Andreas Regnell. New election of Göran Landgren at 2020 AGM, with Petter Eiken 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 420 (420) thousand. The fee paid to directors elected by the AGM is SEK 210 (210) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	8 181	8 324
Operating profit	202	494
Profit before tax	221	514
Net profit	172	459
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	4 543	4 495
Non-current assets	2 298	2 326
Equity	1 353	1 508
- of which, minority interests	0	0
Net debt	-865	-1 421
Operating capital	489	87

### Key indicators

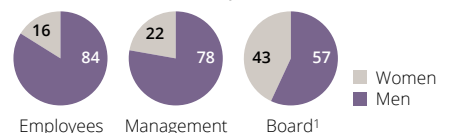
Operating margin, %	2.5	5.9
Return – equity, %	12.0	31.9
Return – operating capital, %	70.1	-841.0
Net debt/equity ratio	-0.6	-0.9
Equity/assets ratio, %	29.8	33.5
Gross investments, SEK m	610	651
Appropriation, SEK m	0	0
Dividend, SEK m	88	335
Climate footprint, tCO <sub>2</sub> e	Scope 1 23 726	31 017
	Scope 2 700	-
Sickness absence, %	2.5	2.3
Average no of employees	1 902	1 908

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

## Priority Global Goals



## Gender distribution, %



1) Elected for 2020/2021



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 whose task is to own, manage and develop 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 2019

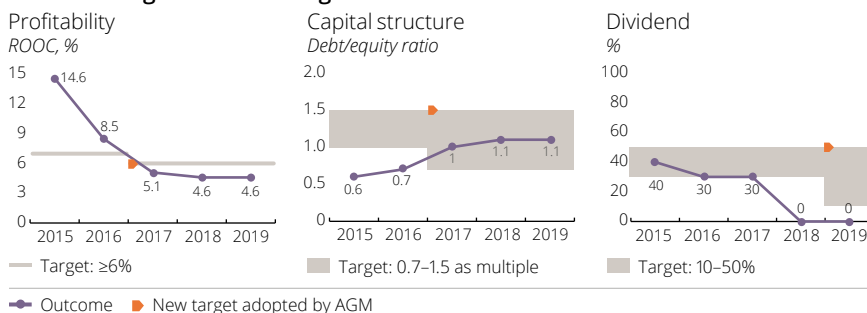
- A total of 40.2 million passengers travelled to or from Swedavia's airports in 2019, a decrease of 4.4%.
- Continued high rate of investments in development programmes at several airports.
- Swedavia issued a hybrid bond worth SEK 1bn, which is reported as equity, and its first green bond, worth SEK 1bn.
- The Office One office hotel became operational during the year, and Comfort Hotel opened at the end of January 2020 at Arlanda.
- Three airports became fully fossil-free during the year.

### Targets and tracking

#### Financial targets

- Profitability:** Return on operating capital to be at least 6%. Outcome: 4.6%.
- Capital structure:** Debt/equity ratio of 0.7–1.5 as multiple. Outcome: 1.1 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 its 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 2019.

### Financial targets and tracking



### Sustainable business targets

- 85% satisfied customers in 2025. Outcome: 76%.
- 75% manager and employee engagement in 2025. Starting 2019, simplified snapshot measurements are made every other month. A complete staff survey is conducted every other year, and the next one will be in 2020.
- Zero (0) fossil-based carbon dioxide emissions from own operations in 2020. Swedavia's own emissions decreased during the year to 316 tonnes, which means that the yearly targets for reaching zero emissions in 2020 are still being exceeded.
- Share of renewable fuel to be at least 5% in 2025. Outcome: 0.14%.

### 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	2019	2018
Satisfied passengers, %	76	74
Number of passengers, domestic flights, millions	12.4	13.5
Number of passengers, international flights, millions	27.8	28.5
Number of international destinations	314	324
Number of accidents or serious incidents	3	3
Carbon dioxide footprint, kilotonnes <sup>1</sup>	506	528

1) Footprint per airport, which includes land transport and air traffic. The carbon dioxide footprint attributable to air traffic was 330 (346), to land transport was 176 (181) and to Swedavia's own operations was 0.3 (1.3).



Chair: Åke Svensson



CEO: Jonas Abrahamsson

State holding: 100%

### Board and auditor elected for 2020/2021

**Chair:** Åke Svensson **Directors:** Lotta Mellström, Lars Mydland and Lottie Svedenstedt. New election of Nina Linander at EGM in February 2020. New election of Tor Clausen, Eva Nygren, Per Sjödel and Annica Ånäs at AGM 2020, with Lars Backemar, Lottie Knutsson and Mikael Norman stepping down **Employee reps:** Agne Lindbom, Robert Olsson **Employee alts:** Conny Moholi, Mikael Nordenstål **Auditor:** Tomas Gerhardsson (KPMG)

The fee paid to the board chair is SEK 450 (450) thousand. The fee paid to directors elected by the AGM is SEK 225 (225) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	6 235	5 922
Operating profit	856	735
Profit before tax	736	642
Net profit	583	517
- of which, minority interests	0	0

	2019	2018
<b>Balance sheet, SEK m</b>		
Total assets	22 952	19 725
Non-current assets	21 038	18 225
Equity	9 440	8 066
- of which, minority interests	0	0
Net debt	9 942	9 195
Operating capital	19 382	17 261

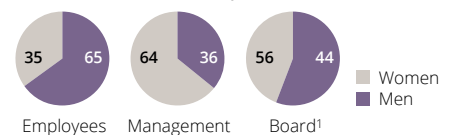
<b>Key indicators</b>		
Operating margin, %	11.4	11.5
Return – equity, %	6.7	6.6
Return – operating capital, %	4.6	4.6
Net debt/equity ratio	1.1	1.1
Equity/assets ratio, %	41.1	40.9
Gross investments, SEK m	3 460	3 195
Appropriation, SEK m	0	0
Dividend, SEK m	0	0
Climate footprint, Scope 1	316	1 320
tCO <sub>2</sub> e	0	59
Scope 2		
Sickness absence, %	4.4	4.9
Average no of employees	3 050	3 217

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

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021

# Sweden House

AO Dom Shvetsii (“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 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 part 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, St Petersburg and Skanska. Skanska sold its 49% interest in the then AO Dom Shvetsii 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 Prospekt. The favourable location, historical origin and design of the property make it attractive to potential tenants.

## Important events in 2019

- Extensive renovation of several offices and apartments during the year has led to successful letting of these premises. Renovation work will continue in 2019 and will then include the reception and common areas.
- At the end of 2019 all premises had been let apart from two apartments being renovated. The operating profit rose in 2019 compared with 2018 due to low maintenance and snow clearing costs.
- As more and more of the premises and common areas are renovated, the enterprise is able to offer better and more competitive business premises and apartments, as a result of which the vacancy rate is expected to remain low in the future. The demand for office space in central St Petersburg remains strong.

## 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.



**Chair:** Jan Borekull

**CEO:** A management company performs the duties of the CEO.

**State holding:** 36%

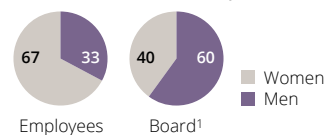
**Board and auditor elected for 2020/2021**

**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 must not accept such remuneration.

	2019	2018	
<b>Income statement, SEK m</b>			
Net sales	15	15	
Operating profit	8	7	
Profit before tax	9	8	
Net profit	7	7	
- of which, minority interests	0	0	
<b>Balance sheet, SEK m</b>			
Total assets	35	32	
Non-current assets	11	11	
Equity	30	29	
- of which, minority interests	0	0	
Net debt	-23	-20	
Operating capital	8	9	
<b>Key indicators</b>			
Operating margin, %	52.5	47.0	
Return – equity, %	22.9	24.4	
Return – operating capital, %	94.6	76.8	
Net debt/equity ratio	-0.7	-0.7	
Equity/assets ratio, %	87.3	91.4	
Gross investments, SEK m	-	-	
Appropriation, SEK m	0	0	
Dividend, SEK m	0	5	
Climate footprint, tCO <sub>2</sub> e	Scope 1	-	-
	Scope 2	-	-
Sickness absence, %	0.0	-	
Average no of employees	3	3	
Reports in compliance with GRI	No		
Externally assured GRI report	No		
Reports in compliance with IFRS	No		

## Gender distribution, %



1) Elected for 2020/2021





Swedfund International AB, Swedfund, is a development finance institution and development assistance actor tasked with helping to reduce poverty through sustainable business. Swedfund contributes venture capital, start-up support and know-how 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 2019 Swedfund had investments in 17 countries and had 64 investments; the majority of its portfolio was in Africa.

### Important events in 2019

- Government decision to make a capital injection of SEK 800m for 2020.
- New owner instruction with public policy targets and new financial targets.

### Targets and tracking

#### Financial targets

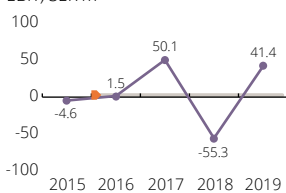
- **Profitability:** C/I to be a maximum of 0.9 within a three-year period starting in 2016 and EBIT – irrespective of accounting standard – to be positive.
- In 2019 the target regarding C/I (0.84) and EBIT (SEK 41.4m) was achieved.

#### Sustainable business targets

- **Social development:** ILO's core conventions and ILO's basic terms and conditions of employment to be complied with in every investment within three years from the date of financing. Average number of jobs in portfolio companies to increase year-on-year.
- **Sustainability:** Management system for sustainability issues to be implemented in portfolio companies no later than three years from the date of financing.
- **Anti-corruption:** Management system to handle anti-corruption issues to be implemented in portfolio companies no later than three years from the date of financing.
- The net increase in the number of jobs was 8%. For other results, see the table on the right.

### Financial targets and tracking

Profitability  
EBIT, SEK m



— Target: >0 SEK m

— Outcome — New target adopted by AGM

Share meeting target	Period held		
	≤3 years	>3 years	Exit phase
Compliance with ILO core conventions	95%	73%	62%
Implementation of management system for sustainability issues	74%	82%	69%
Implementation of management system for anti-corruption	95%	72%	47%

#### Public policy assignment and targets

The following public policy targets were adopted at an EGM in December 2019; the results are reported in Swedfund's annual report.

- 1) Sales and profitability to increase in at least 60% of the enterprise's investments in the investment period with the investment year as the baseline year.
- 2) The enterprise's investment portfolio to be climate neutral by 2045; this means zero net emissions of greenhouse gases according to the IPCC definition. The portfolio's aggregate emissions of greenhouse gases per krona invested therefore to decrease over time with 2020 as the baseline year.
- 3) Greater gender equality in the enterprise's investment portfolio in terms of the 2x-Challenge criteria, or similar criteria, which are to be met in at least 60% of the enterprise's investments no later than three years after the investment.
- 4) The enterprise's investment portfolio to mobilise at least 30% in commercial capital.



Chair: Göran Barsby



CEO: Maria Håkansson

**State holding:** 100%

#### Board and auditor elected for 2020/2021

**Chair:** Göran Barsby **Directors:** Fredrik Arp, Kerstin Borglin, Torgny Holmgren, Daniel Kristiansson and Mikael Sandström. New election of Catrina Ingelstam and Roshi Motman at EGM in December 2019 **Auditor:** Jennifer Rock-Baley (EY)

The fee paid to the board chair is SEK 220 (220) thousand. The fee paid to directors elected by the AGM is SEK 110 (110) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	245	158
Changes in value	-77	-92
Operating profit	41	-55
Profit before tax	35	-65
Net profit	41	-65
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	7 242	6 551
Non-current assets	3 191	2 723
Equity	5 669	5 028
- of which, minority interests	0	0
Net debt	-639	-3 695
Operating capital	5 029	1 333

#### Key indicators

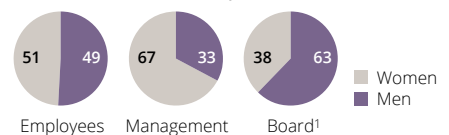
Operating margin, %	16.9	-24.9
Return – equity, %	0.8	-1.4
Return – operating capital, %	0.8	-4.6
Net debt/equity ratio	-0.1	-0.7
Equity/assets ratio, %	78.3	76.8
Gross investments, SEK m	560	854
Appropriation, SEK m	37	27
Dividend, SEK m	0	0
Climate footprint, Scope 1	0	0
tCO <sub>2</sub> e, Scope 2	4	5
Sickness absence, %	1.0	0.7
Average no of employees	41	41

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

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



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 shop openings and 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 cause 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 2019

- Around 40 of Systembolaget's suppliers have joined the Drinks Industry's Climate Initiative and are using a common tool to report their climate impact.
- Systembolaget had the highest confidence ranking in Medieakademin's Confidence Barometer and won ServiceScore's award for best service.
- Despite higher sales, company earnings were at the same level as last year. Costs have been higher, partly on account of investments for future digital customer meetings and future efficiencies. The digital customer meetings include chat agents from shops and greater possibilities of home deliveries.

### 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.
- **Cost efficiency:** The ratio between total costs and sold volume to be  $\leq 2.3$ . The outcome was 2.4, and this is explained by a change of product mix and higher costs for digital customer meetings.
- **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.

#### Sustainable business targets

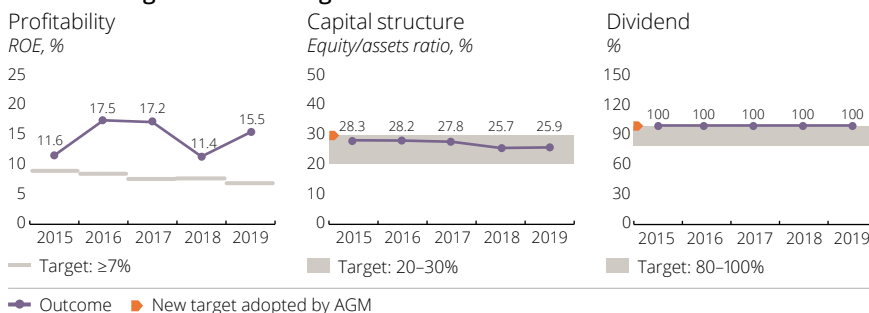
- **Reduced climate impact:** Climate impact of own business, tonnes CO<sub>2</sub>e; the target is to be climate neutral in 2023. The outcome was 1 847 tonnes of CO<sub>2</sub>e in 2019 (2 591 tonnes).
- **The alcohol index:** this measure of people's attitudes to alcohol in various situations is to show a positive trend over time. A high score indicates a restrictive attitude. The alcohol index was 61,6 (61,4), indicating a slight shift to a more restrictive attitude.
- **Systembolaget has to check that sellers make sure that the recipient is at least 20 years of age. The age check was 95.2% (95.6%) for 2019.**

#### 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. The CSI was 85.1, which is a record.
- **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 8.7 (8.8) litres per person. Systembolaget's share of consumption was 66.9% (65.6%) in 2019.
- **Alcohol index,** see sustainable business targets.

### Financial targets and tracking



Chair: Göran Hägglund



CEO: Magdalena Gerger

**State holding:** 100%

#### Board and auditor elected for 2020/2021

**Chair:** New election of Göran Hägglund at AGM 2020, with Kenneth Bengtsson stepping down

**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 308

(308) thousand. The fee paid to directors elected by the AGM is SEK 154 (154) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	32 211	30 907
Operating profit	262	183
Profit before tax	304	232
Net profit	240	180
- of which, minority interests	0	0

#### Balance sheet, SEK m

Total assets	6 107	5 931
Non-current assets	3 306	3 665
Equity	1 563	1 503
- of which, minority interests	0	0
Net debt	-4 284	-4 087
Operating capital	-2 721	-2 585

#### Key indicators

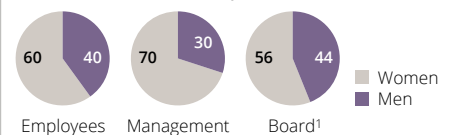
Operating margin, %	0.8	0.7
Return – equity, %	15.5	11.4
Return – operating capital, %	-9.9	-7.5
Net debt/equity ratio	-2.7	-2.7
Equity/assets ratio, %	25.9	25.7
Gross investments, SEK m	1 352	2 455
Appropriation, SEK m	0	0
Dividend, SEK m	240	180
Climate footprint, Scope 1	304	322
tCO <sub>2</sub> e, Scope 2	3 355	4 173
Sickness absence, %	4.5	4.5
Average no. of employees	3 613	3 496

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

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



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 2019

- At an EGM in November 2019, Lars-Johan Jarnheimer was elected new board chair.
- In the fourth quarter, the acquisition of Bonnier Broadcasting with TV4, C More and MTV was completed, and the new TV and media unit was established.

#### Targets and tracking

On 26 March 2019, Telia Company held a capital market day in Stockholm at which group management presented updates of its strategy, financial priorities and new sustainability targets.

#### 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+). The enterprise's credit rating was solid (BBB+) in the long term with stable prospects during the year in line with the target.
- **Dividend:** At least 80% of operational free cash flow including dividends from associates to be distributed. Dividend of SEK 1.80 per share corresponds to around 60% of operational free cash flow and is therefore below the target.

#### Sustainable business targets

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.

During the year Telia Company has adopted new environmental targets to be achieved by 2030. The targets were presented at a capital market day in March 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 2020/2021

**Chair:** New election of Lars-Johan Jarnheimer at EGM in November 2019, with Marie Ehrling stepping down **Directors:** Nina Linander, Jimmy Maymann, Anna Settmann, Olaf Swantee and Martin Tivéus. New election of Ingrid Bonde and Jeanette Jäger at 2020 AGM **Employee reps:** Agneta Ahlström, Stefan Carlsson, Hans Gustavsson **Auditor:** Jan Nilsson (Deloitte)

The fee paid to the board chair is SEK 1 825 (1 825) thousand and the fee paid to the vice chair is SEK 860 (860) thousand. The fee paid to directors elected by the AGM is SEK 610 (610) thousand.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	85 965	83 599
Operating profit	12 293	13 238
Profit before tax	9 354	11 019
Net profit	7 261	3 124
- of which, minority interests	167	-89

#### Balance sheet, SEK m

Total assets	264 072	247 541
Non-current assets	224 088	199 860
Equity	92 455	102 438
- of which, minority interests	1 409	5 050
Net debt	80 876	60 480
Operating capital	173 332	162 874

#### Key indicators

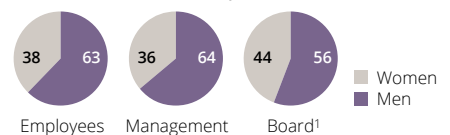
Operating margin, %	14.3	15.8	
Return – equity, %	8.4	3.6	
Return – operating capital, %	7.3	8.6	
Net debt/equity ratio	0.9	0.6	
Equity/assets ratio, %	31.3	37.3	
Gross investments, SEK m	29 214	46 547	
Appropriation, SEK m	0	0	
Dividend, SEK m	7 361	9 985	
Climate footprint, Scope 1	7 000	20 000	
tCO <sub>2</sub> e	Scope 2	48 000	194 000
Sickness absence, %	2.7	2.5	
Average no of employees	20 215	23 814	

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

#### Priority Global Goals



#### Gender distribution, %



<sup>1</sup>) Elected for 2020/2021

# TERACOM GROUP

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 2019

- At the start of the year Teracom acquired Net1, a mobile telecom operator.
- Increased focus on and action for communications for essential actors.
- Lower earnings, as planned, mainly due to income reduction in the TV segment.

## Targets and tracking

### Financial targets

- **Profitability:** Return on equity of 17%. Return on equity fell to 2% (11%). The profit for 2019 was lower than for 2018, as a result of lower income from the TV segment.
- **Capital structure:** Equity/assets ratio of 30%. The equity/assets ratio was 75%. The Government had previously announced that the company's financial targets will be reviewed. The review is awaiting a change of direction regarding the question of a future public network.
- **Dividend:** 40–60% of net profit. The dividend was SEK 51m, corresponding to 60% of the net profit.

### Sustainable business targets

- Leadership index: target 78, outcome 77.
- Engagement index: target 78, outcome 77.
- Responsibility for the environment and climate: As of 2019 the Teracom Group primarily steers on the basis of energy use. Energy use for the year decreased by 1% to 400 (406) Tera Joule (TJ) compared with the previous year.

### 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 enterprise 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.



Chair: Anitra Steen



CEO: Åsa Sundberg

**State holding:** 100%

### Board and auditor elected for 2020/2021

**Chair:** Anitra Steen **Directors:** Cecilia Ardstrom, Anders Danielsson, Leif Ljungqvist and Annika Viklund. New election of Anders Hall and Jonas Haggren at AGM 2020, with Fredrik Robertsson and Johan Hedensjö stepping down

**Employee reps:** Anders Segerrros, Jan Ossfeldt

**Employee alts:** Jessica Orwald, Robert Esperri  
**Auditor:** Helena Nilsson (KPMG)

The fee paid to the board chair is SEK 295 (295) thousand. The fee paid to directors elected by the AGM is SEK 140 (140) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	1 366	1 581
Operating profit	124	485
Profit before tax	111	430
Net profit	85	387
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	4 737	4 603
Non-current assets	1 850	1 525
Equity	3 571	3 765
- of which, minority interests	0	0
Net debt	-2 385	-2 706
Operating capital	1 186	1 059
<b>Key indicators</b>		
Operating margin, %	9.1	30.7
Return – equity, %	2.3	10.5
Return – operating capital, %	11.0	31.6
Net debt/equity ratio	-0.7	-0.7
Equity/assets ratio, %	75.4	81.8
Gross investments, SEK m	1 444	249
Appropriation, SEK m	9	0
Dividend, SEK m	51	206
Climate footprint, Scope 1	1 367	1 410
tCO <sub>2</sub> e, Scope 2	1 103	971
Sickness absence, %	2.7	2.7
Average no of employees	488	485

Reports in compliance with GRI Yes

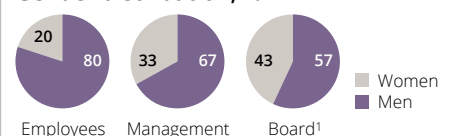
Externally assured GRI report Yes

Reports in compliance with IFRS Yes

## Priority Global Goals



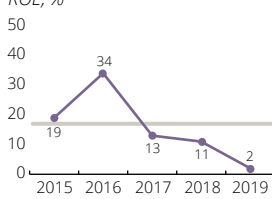
## Gender distribution, %



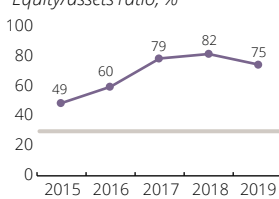
1) Elected for 2020/2021

## Financial targets and tracking

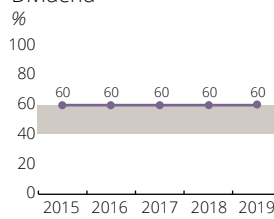
### Profitability



### Capital structure



### Dividend



◆ Outcome ◆ New target adopted by AGM



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 1 300 000 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 before the end of the year. The plan is now to wind up the enterprise in the coming years.

#### Important events in 2019

- Activities are now entering their final phase.
- Non-residential floor area decreased to 10 000 sq.m. (23 000). Therefore capital gains from project development decreased sharply.

#### Targets and tracking

##### Financial targets

- **Profitability:** Return on average equity over a development cycle should be equal to the risk-free rate plus 4 percentage points. The return was negative in 2019, and the average return for the past 10 years is 12.5%. The return target for the past 10 years is an average of 5.3%. 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 125m has been decided for 2019.

##### Sustainable business targets

- Customer Satisfaction Index (CSI) of at least 80. There was no CSI survey in 2017–19 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 to be below 100 kWh/m<sup>2</sup> and year. Energy consumption for 2019 was 54 (100) 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 2020/2021

Chair: Charlotte Axelsson Directors: Lars Erik Fredriksson, Tomas Werngren and Susanna Widaeus. Agneta Kores stepped down at AGM 2020 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.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	7	7
Operating profit	-11	103
Profit before tax	-10	103
Net profit	-12	84
- of which, minority interests	0	0

	2019	2018
<b>Balance sheet, SEK m</b>		
Total assets	385	459
Non-current assets	112	164
Equity	366	378
- of which, minority interests	0	0
Net debt	-237	-261
Operating capital	129	117

##### Key indicators

Operating margin, %	-154.6	1 518.2
Return – equity, %	-3.2	18.0
Return – operating capital, %	-8.8	36.4
Net debt/equity ratio	-0.6	-0.7
Equity/assets ratio, %	95.1	82.3
Gross investments, SEK m	49	231
Appropriation, SEK m	0	0
Dividend, SEK m	125	0
Climate footprint, Scope 1	-	-
tCO <sub>2</sub> e	Scope 2	-
Sickness absence, %	0.0	1.7
Average no of employees	1	4

Reports in compliance with GRI Yes

Externally assured GRI report Yes

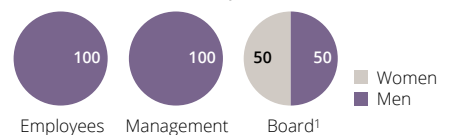
Reports in compliance with IFRS No<sup>1</sup>

1) The enterprise has converted its financial reporting from IFRS to BFNAR 2012:1 Annual and consolidated accounts (K3) as of 2019.

#### Priority Global Goals



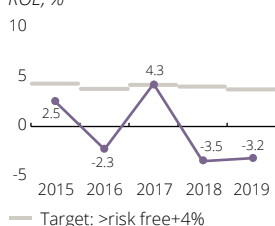
#### Gender distribution, %



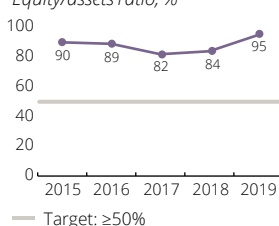
1) Elected for 2020/2021

#### Financial targets and tracking

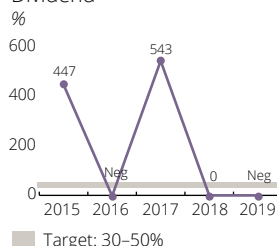
Profitability  
ROE, %



Capital structure  
Equity/assets ratio, %



Dividend  
%



◆ Outcome ◆ New target adopted by AGM

The dividend share is negative in 2016 and 2019 since losses were reported for these years.

# 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 2019 was SEK 14.9bn, which is an increase of SEK 2.9bn.

## Important events in 2019

- Continued customer growth, especially in Germany.
- Growth in sea-based wind power with opening of Horns Rev 3 (407 MW) in Denmark and winning tender for Hollandse Kust Zuid 3&4 (~750 MW) in the Netherlands.
- Permanent closure of Ringhals 2.
- Acquisition of sales company DELTA Energie in the Netherlands.
- Closure of coal-fired power plants Hemweg 8 in Amsterdam and Reuter C in Berlin.
- Sale of district-heating operations in Hamburg.
- Extensive repair work on electricity grids in Sweden after storm Alfrida.
- Reduced income limits for distribution operations in Sweden in period 2020–2023.
- New targets to reduce carbon dioxide emissions approved by Science Based Targets initiative.

## Targets and tracking

### Financial targets

- Profitability:** Return on capital employed (ROCE) to be  $\geq 8\%$ . The outcome was 8.5%.
- Capital structure:** Funds from operations (FFO)/adjusted net debt to be 22–27%. The outcome was higher than in 2018 at 26.5%. Funds from operations increased as a result of higher EBITDA due to higher prices obtained and lower tax paid. Adjusted net debt increased mainly as a result of

a negative operating cash flow after investments, implementation of IFRS 16 and higher provisions for pensions and nuclear power.

- Dividend:** 40–70% of net profit after tax. A dividend of SEK 3.6bn was paid for 2019.

### Sustainable business targets

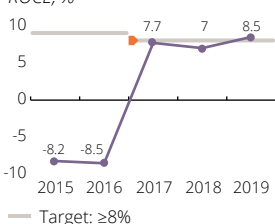
- Customer loyalty, measured using the Net Promoter Score (NPS), to be positive in absolute terms and +2 in comparison with Vattenfall's competitors. For 2019 NPS was +1.
- Commissioned new renewables capacity to be at least 2 300 MW, cumulative from 2016 to 2020. So far, 1 226 MW has been installed, including a total of 474 MW in 2019.
- Absolute carbon dioxide emissions to be at most 21 million tonnes in 2020. Emissions for 2019 were 19.3 million tonnes, which includes the divested district heating operations in Hamburg, where emissions were 1.1 million tonnes in the period January–September.
- Lost Time Injury Frequency (LTIF), expressed as the number of accidents per 1 million hours worked, to be at most 1.25. For 2019 LTIF was 2.1.
- Employee engagement index to be at least 70%. For 2019, this index was 69%.

### Public policy assignment

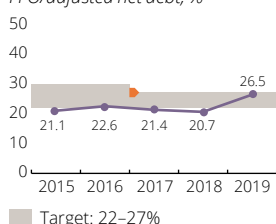
No specifically adopted public policy assignment.

## Financial targets and tracking

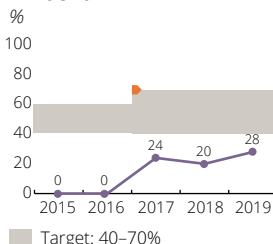
### Profitability ROCE, %



### Capital structure FFO/adjusted net debt, %



### Dividend %



— Outcome — New target adopted by AGM



**Chair:** Lars G Nordström **CEO:** Magnus Hall

**State holding:** 100%

**Board and auditor elected for 2020/2021**

**Chair:** Lars G Nordström **Directors:** Viktoria Bergman, Ann Carlsson, Håkan Erixon, Tomas Kåberger, Jenny Lahrin, Fredrik Rystedt and Åsa Söderström Winberg. New election of Mats Granryd at 2020 AGM, with Fredrik Arp stepping down **Employee reps:** Robert Lönnqvist, Rolf Ohlsson, Jeanette Regin **Employee alternates:** Lennart Bengtsson, Anders Bohlin, Christer Gustafsson **Auditor:** Staffan Landén (EY)

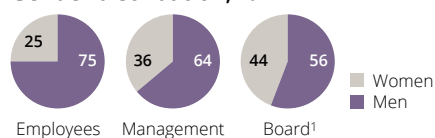
The fee paid to the board chair is SEK 790 (790) thousand. The fee paid to directors elected by the AGM is SEK 370 (370) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	166 360	152 091
Operating profit	22 141	17 619
Profit before tax	18 322	14 003
Net profit	14 861	12 007
- of which, minority interests	1 688	1 850
<b>Balance sheet, SEK m</b>		
Total assets	450 780	462 608
Non-current assets	354 194	335 917
Equity	108 522	103 597
- of which, minority interests	14 891	15 501
Adjusted net debt	132 014	112 324
Operating capital	240 536	215 921
<b>Key indicators</b>		
Operating margin, %	13.3	11.4
Return – equity, %	14.0	11.9
Return – operating capital, %	9.7	8.1
Net debt/equity ratio	0.6	0.5
Equity/assets ratio, %	24.1	22.4
Gross investments, SEK m	26 833	21 913
Appropriation, SEK m	0	0
Dividend, SEK m	3 623	2 000
Climate footprint, Scope 1	18.4M	22.6M
tCO <sub>2</sub> e	121 165	89 955
Scope 2		
Sickness absence, %	3.7	4.0
Average no of employees	19 815	19 910
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	Yes	

## Priority Global Goals



## Gender distribution, %



1) Elected for 2020/2021

## 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>1</sup> raised the importance of the Government providing the Riksdag with regular information about the performance

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.

1) Riksdag Cmte Rep. 2009/10:NU23

	Objective	Strategy	Development in 2019										
<b>Carbon dioxide emissions</b>	Implement the action plan for reduced carbon dioxide emissions 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.	<p>Carbon dioxide emission in 2019 of 19.3 (22.0) Mtonnes were slightly lower than in 2018. 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.</p> <table border="1"> <caption>Carbon dioxide emissions</caption> <thead> <tr> <th>Year</th> <th>CO<sub>2</sub>, Mtonnes</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>22.6</td> </tr> <tr> <td>2018</td> <td>22.0</td> </tr> <tr> <td>2019</td> <td>19.3</td> </tr> <tr> <td>2020 target</td> <td>21.0</td> </tr> </tbody> </table>	Year	CO <sub>2</sub> , Mtonnes	2017	22.6	2018	22.0	2019	19.3	2020 target	21.0
Year	CO <sub>2</sub> , Mtonnes												
2017	22.6												
2018	22.0												
2019	19.3												
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 in 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.	<p>A total of 474 MW of renewable capacity was installed in 2019. Two wind farms, Horns Rev 3 (407 MW) in Denmark and Slufterdam (29 MW) in the Netherlands, came on line, as did 21 MW of solar power. An additional 1.4 GW is under construction and more than 5 GW is in the pipeline for development.</p> <table border="1"> <caption>New, renewable capacity</caption> <thead> <tr> <th>Year</th> <th>New capacity (MW)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>652</td> </tr> <tr> <td>2018</td> <td>752</td> </tr> <tr> <td>2019</td> <td>1 226</td> </tr> <tr> <td>2020 target</td> <td>2 300</td> </tr> </tbody> </table>	Year	New capacity (MW)	2017	652	2018	752	2019	1 226	2020 target	2 300
Year	New capacity (MW)												
2017	652												
2018	752												
2019	1 226												
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>	<p>In 2019 the enterprise achieved 200 GWh in energy efficiency improvements. This was mainly done by upgrading hydropower plants and distribution grids and by replacing local boilers with district heating.</p> <table border="1"> <caption>Improved energy efficiency</caption> <thead> <tr> <th>Year</th> <th>Efficiency gain (GWh)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>511</td> </tr> <tr> <td>2018</td> <td>694</td> </tr> <tr> <td>2019</td> <td>894</td> </tr> <tr> <td>2020 target</td> <td>1 000</td> </tr> </tbody> </table>	Year	Efficiency gain (GWh)	2017	511	2018	694	2019	894	2020 target	1 000
Year	Efficiency gain (GWh)												
2017	511												
2018	694												
2019	894												
2020 target	1 000												

Source: Vattenfall's annual report 2019



V.S. VisitSweden AB's mission is 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. In 2019 Visit Sweden was owned equally by the Swedish State and the visitor industry through Svensk Turism AB. 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 and the enterprise therefore became fully state-owned. Through its operations V.S. VisitSweden AB contributes to greater international knowledge about and demand for Sweden as a 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 2019

- Decision on adaptation of market priorities: In the second quarter, decisions were made to voluntarily dissolve the subsidiaries in Spain and Finland. The enterprise had not had any activities in these countries since 2017. In the fourth quarter, decisions were made to start the winding up and voluntary dissolution of the subsidiaries in Norway and Denmark in 2020.
- The Riksdag made a decision clarifying the assignment for the enterprise. Signature of share transfer agreement regarding the transfer of Svensk Turism AB's 50% of shares in the enterprise to the Swedish State on 1 January 2020.
- 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.

#### Targets and tracking

##### Financial targets

No financial targets have been adopted by the general meeting.

##### Sustainable business targets

- Make Sweden more attractive: In 2021, 66% of the target group of "global travellers" to be interested in travelling to Sweden. Outcome: 61% (according to Visit Sweden's Brand Tracking-analysis in 7 markets).
- Long-term competitive visitor industry: In 2021, 50% of companies in the visitor industry to consider that Visit Sweden's services have had a positive impact on their accessibility and digital visibility. Outcome: Baseline measurement started and outcome to be presented in 2020.
- A healthy and sustainable enterprise: Visit Sweden's employees rate their work situation as the index of 7.5 out of 10. Outcome: Index 5.7 out of 10.
- Financial balance: Some surplus. Outcome: SEK -3.6m.

##### 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.



Chair: Karin Johansson



CEO: Ewa Lagerqvist

State holding: 100%

#### Board and auditor elected for 2020/2021

**Chair:** Karin Johansson **Directors:** Susanne Andersson, Jenny Lahrin, Jonas Siljhammar, Rickard Törnblom and Jari Virtanen. Lotta Jarleryd was elected at an EGM in January 2020 and left the board at AGM 2020

**Employee rep** Sandra Grill

**Auditor:** Victor Brusewitz (PwC)

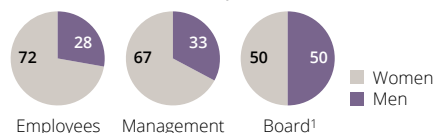
The fee paid to the board chair is SEK 150 (150) thousand. The fee paid to directors elected by the AGM is SEK 71 (71) thousand. No fee is paid to directors employed by the Government Offices.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	215	224
Operating profit	-3	0
Profit before tax	-3	0
Net profit	-4	0
- of which, minority interests	0	0
<b>Balance sheet, SEK m</b>		
Total assets	58	55
Non-current assets	3	2
Equity	14	18
- of which, minority interests	0	0
Net debt	-16	-9
Operating capital	-2	9
<b>Key indicators</b>		
Operating margin, %	-1.6	0.2
Return – equity, %	-22.5	0.4
Return – operating capital, %	-103.4	222.5
Net debt/equity ratio	-1.1	-0.5
Equity/assets ratio, %	24.5	31.9
Gross investments, SEK m	2	0
Appropriation, SEK m	126	115
Dividend, SEK m	0	0
Climate footprint, Scope 1	0	0
tCO <sub>2</sub> e Scope 2	37	33
Sickness absence, %	2.0	-
Average no of employees	71	70
Reports in compliance with GRI	Yes	
Externally assured GRI report	Yes	
Reports in compliance with IFRS	No	

#### Priority Global Goals



#### Gender distribution, %



1) Elected for 2020/2021



# Voksenåsen Oslo

Voksenåsen is Norway's national gift to Sweden as thanks for humanitarian aid during World War II, and its purpose 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 2019

- Voksenåsen's centre for Swedish-Norwegian understanding has strengthened its position as a relevant partner in several areas, and during the year it produced events and courses with a high level of participation.
- Extensive programme activities including training linked to Nordic language understanding, musical academies for young musicians, cooperation with the Living History Forum about memory trips to Norway and a meeting point for young people and students circling around conversations on democracy and participation.
- During the year Voksenåsen's art collection has been renewed in cooperation with the Public Art Agency Sweden.
- Started a transition process to respond better to market challenges.

## Targets and tracking

### Financial targets

No financial targets adopted by the owner.

### Sustainable business targets

- Voksenåsen is to continue to be a leading Nordic course and conference centre, including from a wider 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 a good 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:

- Reinforce the affinity between Swedes and Norwegians and enhance mutual knowledge about each country's society, language and culture through various forms of activities.
- 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 2019 work has continued 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: Maria Larsson



CEO: Maria af Klinteberg Herrestahl

**State holding:** 100%

**Board and auditor elected for 2020/2021**

**Chair:** Marie Larsson **Directors:** Espen Daae, Jan Gulliksen, Helene Larsson Pousette, Niels Righolt and Mia Kjäll Spendrup. New election of Knut Storberget at AGM 2020, with Ellen Marie Saethre-McGuirk stepping down

**Auditor:** Trine Angell-Hansen (RSM Norge AS)

The fee paid to the board chair is SEK 59 (59) thousand. The fee paid to directors elected by the AGM is SEK 22 (22) thousand.

	2019	2018
<b>Income statement, SEK m</b>		
Net sales	43	41
Operating profit	-2	0
Profit before tax	-2	0
Net profit	-2	0
- of which, minority interests	0	0

### Balance sheet, SEK m

Total assets	13	14
Non-current assets	8	9
Equity	3	5
- of which, minority interests	0	0
Net debt	2	2
Operating capital	5	7

### Key indicators

Operating margin, %	-3.9	0.0
Return - equity, %	-42.6	0.0
Return - operating capital, %	-25.8	0.0
Net debt/equity ratio	0.6	0.4
Equity/assets ratio, %	26.4	34.5
Gross investments, SEK m	1	1
Appropriation, SEK m	12	12
Dividend, SEK m	0	0
Climate footprint, Scope 1	73	13
tCO <sub>2</sub> e	0	0
Sickness absence, %	10.3	9.3
Average no of employees	40	45

Reports in compliance with GRI Yes

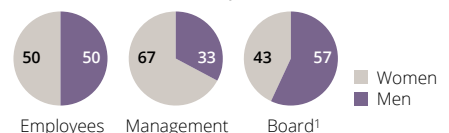
Externally assured GRI report Yes

Reports in compliance with IFRS No

### Priority Global Goals



### Gender distribution, %



1) Elected for 2020/2021

## 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 changing its strategy and statutes. 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 2019

- During the year EUROFIMA changed its functional currency from CHF to the euro. It also issued its second green bond worth EUR 500m.
- In 2019 lending amounted to EUR 1 336m and the loan stock increased by 1.5% to EUR 10.2bn. The main borrowers were Renfe, Schweizerische Bundesbahnen (SBB) and Ferrovie Dello Stato Italiane (FS).

EUROFIMA decided to pay a dividend for 2019. Sweden's share was CHF 208 000.

### 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 21 employees, 9 women and 12 men. Its capital base on 30 June 2019 was just over SEK 4bn, about half of which is invested in some 70 companies. In financial year 2018/19 the foundation invested SEK 317m: SEK 71m in seven new companies and SEK 246m 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 2019–31 October 2020 the Government has appointed the following directors and auditors: **Chair:** Birgitta Stymne Göransson **Directors:** Åsa Hedin, Lars Gatenbeck, Daniel Kristiansson, Charlotta Nilsson, Christer Nilsson, Bo Normark. **Auditors:** Jonas Ståhlberg, Daniel Wassberg (Deloitte). The fee paid to the board chair is SEK 200 (125) thousand. The fee paid to directors is SEK 100 (65) 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 primary purpose of Norrlandsfonden is to promote the development of small and medium-sized enterprises by contributing to their financing in the counties of Gävleborg, Väster-norrland, Jämtland, Västerbotten and Norrbotten. 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 venture capital and incubator companies, such as Partnerinvest Övre Norrland, Norr Sædd Holding and Arctic Business Incubator.

In 2019 the foundation's capital base was just over SEK 1.3bn. Norrlandsfonden had a total commitment of SEK 965m to a total of 472 customers, of which 85 were new customers (added in 2019). Norrlandsfonden had 14 employees in 2019, 9 women and 5 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 2019–30 June 2020: **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

## Aktiebolaget Bostadsgaranti

Aktiebolaget Bostadsgaranti worked on consumer protection in housing construction. Bostadsgaranti was owned equally by the State and the Swedish Construction Federation. As a step in the owners' winding-up of the enterprise, Bostadsgaranti completed the sale of the shares in its subsidiary Försäkringsaktiebolaget Bostadsgaranti (FABO) in November 2014. In December 2012 the Riksdag authorised the Government to

sell the State's shares in Bostadsgaranti, and in 2014 the Government was authorised to wind up the enterprise as an alternative. The sale of the shares in its wholly owned subsidiary FABO in 2014 was part of the voluntary dissolution of Bostadsgaranti as a whole. The buyer, Columbia Insurance Company, is a wholly owned subsidiary of the US insurance and investment company Berkshire Hathaway.

Following this sale, the remaining operations in Bostadsgaranti consist of the ongoing winding-up of deposit and advance guarantees. The AGM of Bostadsgaranti resolved on 22 February 2018 to dissolve the enterprise voluntarily. The voluntary dissolution of the enterprise was completed on 19 March 2019.

## 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. The Riksdag therefore

authorised the Government in June 2017 to wind up Swedesurvey through voluntary dissolution. An EGM on 19 March 2019 resolved to dissolve the enterprise voluntarily. The voluntary dissolution of the enterprise is under way.



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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 Provendör merge to form the new Procordia group with Volvo and the State as the largest owners, each with 42.5% of the votes. SSAB shares are listed on the A List of the 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 formed 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 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.



A-Banan Projekt AB (later Arlandabanan Infrastructure AB) was formed by the State in 1994 and was tasked with coordinating various state interests and carrying out the procurement of the Arlandabanan rail line.

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 Uni-grid.

**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.

**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 State Ownership Policy. Innovationsbron is formed with the task of investing in growth companies. The Riksdag expands SBAB's role to include accepting deposits from the general public.



The sale of 465 pharmacies was completed in 2010 as part of the deregulation of the pharmacy market.

**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 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 Act on Support for Banks in Crisis 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 company'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 company 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 slightly less than SEK 1bn.

**2014** SAS terminates the loan commitments provided through a credit facility from the Swedish State and other stakeholders after having improved its profitability and strengthened its financial position through a 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 Miljöstyrningsrådet are placed in volun-

tary 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 enterprise 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 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 Miljöstyrningsrådet 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 operations (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 diox-

ide. The Government decides to sell Apoteksgruppen i Sverige Holding AB to Euroapotheca 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 new gambling regulations, 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 Aktiebolags in V.S. VisitSweden AB and becomes 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.

# 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.

# 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 Apr. 2020	28 Apr. 2020	10 July 2020	22 Oct. 2020	
Almi Företagspartner	27 Apr. 2020	27 Apr. 2020	14 Aug. 2020	29 Oct. 2020	15 Feb. 2021
APL (Apotek Produktion & Laboratorier)	28 Apr. 2020		15 Aug. 2020		15 Feb. 2021
Apoteket	22 Apr. 2020	23 Apr. 2020	17 July 2020	26 Oct. 2020	
Arlandabanan Infrastructure	24 Apr. 2020		15 Aug. 2020		
Bilprovingen	23 Apr. 2020	23 Apr. 2020	13 Aug. 2020	20 Oct. 2020	11 Feb. 2021
Dramaten	22 Apr. 2020				
Green Cargo	27 Apr. 2020	30 Apr. 2020	14 Aug. 2020	30 Oct. 2020	13 Feb. 2021
Göta kanalbolag	17 Apr. 2020				
Infranord	28 Apr. 2020	28 Apr. 2020	11 Aug. 2020	21 Oct. 2020	15 Feb. 2021
Jernhusen	27 Apr. 2020	27 Apr. 2020	10 July 2020	22 Oct. 2020	28 Jan. 2021
Lernia	24 Apr. 2020	24 Apr. 2020	15 July 2020	22 Oct. 2020	
LKAB	23 Apr. 2020	23 Apr. 2020	13 Aug. 2020	28 Oct. 2020	12 Feb. 2021
Metria	29 Apr. 2020	30 Apr. 2020	15 Aug. 2020	31 Oct. 2020	15 Feb. 2021
Miljömärkning Sverige	22 Apr. 2020				
Operan	29 Apr. 2020		15 Aug. 2020		
Orio	23 Apr. 2020	24 Apr. 2020	14 Aug. 2020	27 Oct. 2020	15 Feb. 2021
PostNord	22 Apr. 2020	22 Apr. 2020	16 July 2020	23 Oct. 2020	2 Feb. 2021
RISE Research Institutes of Sweden	28 Apr. 2020	29 Apr. 2020	15 Aug. 2020	30 Oct. 2020	15 Feb. 2021
Samhall	23 Apr. 2020	24 Apr. 2020	21 Aug. 2020	29 Oct. 2020	8 Feb. 2021
Saminvest	28 Apr. 2020	28 Apr. 2020	15 July 2020	23 Oct. 2020	
SAS	12 Mar. 2020	26 Feb. 2020	28 May 2020	25 Aug. 2020	3 Dec. 2020
SBAB	28 Apr. 2020	29 Apr. 2020	17 July 2020	23 Oct. 2020	11 Feb. 2021
SEK	26 Mar. 2020	29 Apr. 2020	16 July 2020	22 Oct. 2020	2 Feb. 2021
SJ	29 Apr. 2020	29 Apr. 2020	16 July 2020	21 Oct. 2020	
SOS Alarm	29 Apr. 2020	30 Apr. 2020	14 Aug. 2020	30 Oct. 2020	15 Feb. 2021
Specialfastigheter	21 Apr. 2020	21 Apr. 2020	10 July 2020	21 Oct. 2020	
SSC (Svenska rymdaktiebolaget)	29 Apr. 2020	29 Apr. 2020	14 Aug. 2020	30 Oct. 2020	15 Feb. 2021
Statens Bostadsomvandling	27 Apr. 2020	30 Apr. 2020	15 Aug. 2020	31 Oct. 2020	15 Feb. 2021
Sveaskog	24 Apr. 2020	24 Apr. 2020	14 July 2020	26 Oct. 2020	
Svedab	24 Apr. 2020	30 Apr. 2020	14 Aug. 2020	30 Oct. 2020	14 Feb. 2021
Swedavia	29 Apr. 2020	29 Apr. 2020	17 July 2020	30 Oct. 2020	10 Feb. 2021
Swedfund International	22 Apr. 2020	30 Apr. 2020	15 Aug. 2020	31 Oct. 2020	15 Feb. 2021
Svenska Skeppshypotek					
Svenska Spel	28 Apr. 2020	28 Apr. 2020	20 June 2020	23 Oct. 2020	12 Feb. 2021
Svevia	28 Apr. 2020	28 Apr. 2020	15 July 2020	29 Oct. 2020	4 Feb. 2021
Sweden House	19 May 2020				
Systembolaget	23 Apr. 2020	24 Apr. 2020	15 July 2020	23 Oct. 2020	15 Feb. 2021
Telia Company	2 Apr. 2020	22 Apr. 2020	17 July 2020	21 Oct. 2020	29 Jan. 2021
Teracom Group	23 Apr. 2020	23 Apr. 2020	14 Aug. 2020	26 Oct. 2020	12 Feb. 2021
Vasallen	29 Apr. 2020	29 Apr. 2020	20 Aug. 2020	30 Oct. 2020	15 Feb. 2021
Vattenfall	28 Apr. 2020	29 Apr. 2020	21 July 2020	27 Oct. 2020	4 Feb. 2021
Visit Sweden	23 Apr. 2020	28 Apr. 2020	31 Aug. 2020	30 Oct. 2020	
Voksenåsen	17 June 2020	15 Apr. 2020	15 Aug. 2020	15 Oct. 2020	28 Feb. 2021

## 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 Företagspartner</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)
<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)
<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>Bilprovingen</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)
<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)

Enterprise / Government bill
<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)
<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>Miljömärkning 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)
<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)
<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)
<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 & 2, Com 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)
<b>Saminvest</b> (Govt Bill 2015/16:110, Cmte Rep. 2015/16:NU23, Riksdag Comm. 2915/16:295)
<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)
<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)

Enterprise / Government bill
<b>SEK</b> (Govt Bill 1962:125, Cmte Rep. 1962:SU110, Cmte Rep. 1962:BaU22, Riksdag Comm. 1962:272 & 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, 2002/142: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)
<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)
<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)
<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)
<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)
<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)
<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)
<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)
<b>Svenska skeppshypotekskassan</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) (Govt Comm. 2019/20:108, Cmte Rep. 2019/20:FIU46)
<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)

Enterprise / Government bill
<b>Svevia</b> (Govt Bill 2008/09:23, Cmte Rep. 2008/09:TU4, Riksdag Comm. 2008/09:76)
<b>Swedavia</b> (Govt Bill 2009/10:16, Cmte Rep. 2009/10:TU7, Riksdag Comm. 2009/10:114)
<b>Sweden House</b> (Govt Bill 1994/95:78, Cmte Rep. 1994/95:FIU4, Riksdag Comm. 1994/95:75)
<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)
<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)
<b>Systembolaget</b> (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)
<b>Telia Company</b> (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)
<b>Teracom Group</b> (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)
<b>Vasallen</b> (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)
<b>Visit Sweden</b> (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)
<b>Vattenfall</b> (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)
<b>Voksenåsen</b> (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 [*affärsverk*], 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>1</sup> They may also be subject to directly applicable EU regulations, for instance the Market Abuse Regulation (MAR)<sup>2</sup> and the General Data Protection Regulation (GDPR)<sup>3</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

1) The Companies Act (2005:551), the Annual Accounts Act (1995:1554), the Competition Act (2008:579), the Accounting Act (1999:1078), the Protective Security Act (2018:585) and Swedish securities and insider-related legislation, including the Securities Market Act (2007:528), the Act (2016:1306) concerning Supplementary Provisions to the EU Market Abuse Regulation and the Act (2016:1307) on Penalties for Market Abuse involving Trade with Financial Instruments.

2) 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.

3) 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>1</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.

<sup>1</sup>) 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>2</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

<sup>2</sup>) 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.

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>1</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.

1) 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.

## 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.

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## 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 dividend 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.

**ROOC, return on operating capital (average)** – Operating profit/loss in relation to average operating capital.

**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.

**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*

#### **Capital adequacy ratio**

Capital base as a share of the risk-weighted amount.

#### **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)** – Figures in brackets following another figure refer to the preceding year.



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## 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:*

Helena Markstedt / Stina Billinger

### Responsible officials

*Head of Department for State-Owned Enterprises:*  
Anna Magnusson

*Deputy Heads, Department for State-Owned Enterprises:*

Jenny Lahrin, Christine Leandersson,  
Per Lundkvist

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