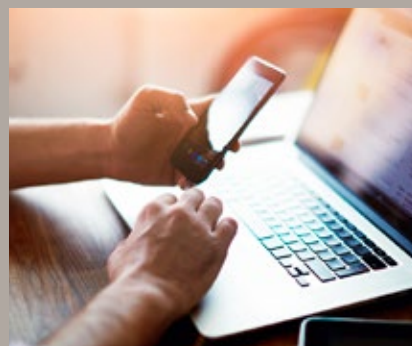


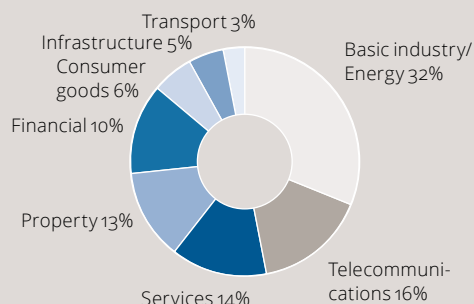
Annual report state-owned enterprises 2015



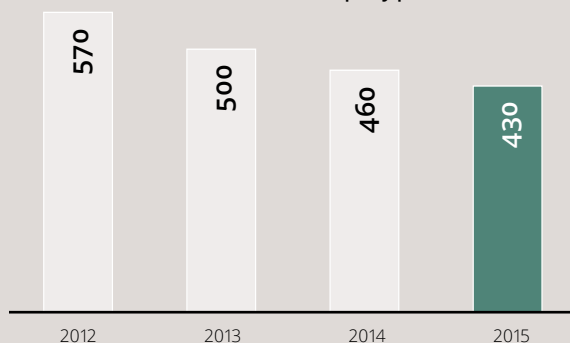
Portfolio overview

The state's company portfolio contains 50 companies. A large part of the portfolio value relates to the basic industry/energy sectors. Most companies are for-profit enterprises. About half have specifically adopted public policy assignments.

Breakdown by sector, % of portfolio value



Estimated value of the state's company portfolio, SEKbn



Dividends, SEKbn

26.0

Number of employees¹

158,000

Gender distribution²

Directors, percentage women

49%

Chairmen, percentage women

46%

Number of directors

274

Net sales, SEKbn

346

Profit after tax, SEKbn

-1.8

Profit after tax Jan–Dec 2015. Companies with greatest effect on net profit, SEKm



1) State-owned enterprises including associated companies.

2) Gender distribution refers to wholly state-owned enterprises.

Seven companies account for 80 per cent of net sales, including associated companies

Company (stake, %)	Distribution of sales ¹ , %	Number of employees	Net sales, SEKm Jan-Dec 2015	Operating profit/loss, SEKm Jan-Dec 2015
Vattenfall (100%)	42.5	28,567	164,510	-22,967
PostNord (60%)	10.2	35,256	39,351	564
Telia Company (37%)	8.3	25,450	86,569	14,606
Systembolaget (100%)	7.1	3,425	27,645	179
Apoteket (100%)	5.1	3,318	19,599	464
LKAB (100%)	4.2	4,463	16,200	-7,156
SJ (100%)	2.3	4,232	9,052	625

1) Share of net sales including associated companies (SEK 387bn).

Company (stake, %)	Net sales, SEKm Jan-Dec 2015	Operating profit/ loss, SEKm Jan-Dec 2015	Company (stake, %)	Net sales, SEKm Jan-Dec 2015	Operating profit/ loss, SEKm Jan-Dec 2015
Akademiska Hus (100%)	5,701	6,323	Samhall (100%)	6,858	-80
Almi Företagspartner (100%)	901	45	SAS (21%)	39,650	2,225
APL, Apotek Produktion & Laboratorier (100%)	1,210	9	SBAB (100%)	2,341	1,492
Apoteksgruppen (100%)	255	-19	SEK (100%)	2,056	1,535
Arlandabanan Infrastructure (100%)	68	0	SOS Alarm (50%)	970	1
Bilprovningen (100%)	708	72	Specialfastigheter (100%)	1,867	1,700
Bostadsgaranti (50%)	0	0	SSC, Svenska rymdaktiebolaget (100%)	989	5
Dramaten (100%)	273	2	Statens Bostads- omvandling (100%)	18	-14
ESS, European Spallation Source (73%)	0	-615	Sveaskog (100%)	6,078	2,800
Fouriertransform (100%)	72	-76	Svedab (100%)	6	336
Green Cargo (100%)	3,907	15	Swedavia (100%)	5,416	1,777
Göta kanalbolag (100%)	62	-3	Swedesurvey (100%)	10	0
Infranord (100%)	3,947	153	Swedfund International (100%)	384	-5
Inlandsinnovation (100%)	3	-55	Svenska Skeppshypotek (100%)	163	55
Jernhusen (100%)	789	1,599	Svenska Spel (100%)	7,605	4,791
Lernia (100%)	2,999	106	Svevia (100%)	6,961	265
Metria (100%)	431	24	Teracom Boxer Group (100%)	3,952	601
Miljömärkning Sverige (100%)	59	-3	Vasallen (100%)	47	14
Operan (100%)	538	-6	VisitSweden (50%)	254	9
Orio (100%)	935	-88	Voksenåsen (100%)	47	-1
RISE, Research Institutes of Sweden (100%)	2,107	40			

Contents

2	Foreword
4	Performance in 2015
6	Valuation of the company portfolio
8	Multidimensional value creation

10	Active ownership creates value
14	Financial targets for efficient use of resources
16	Sustainability targets bring responsible business to the fore
18	Public policy targets secure public benefit
20	Tracking targets

23	Income statement and balance sheet
24	Cash flow statement
25	Dividends and appropriations
26	Effect of divestments and dividends on central government finances
27	Risk management

29	Companies
80	Other companies and operations
81	Dissolved companies
81	Companies in voluntary dissolution

83	Additional information
84	State ownership in modern times
87	Accounting principles
88	List of Government Bills
90	Sustainable remuneration principles
91	Companies' reporting dates
92	The State's Ownership Policy 2015–2016
96	Guidelines for external reporting
98	Guidelines for terms of employment for senior executives
99	Addresses
100	Definitions and acronyms

The state is a significant company owner in Sweden. The state's company portfolio contains 50 wholly and partially owned companies, of which two are publicly traded. The state bears a substantial responsibility to be an active and professional owner. The Government's overall objective is for the companies to create value and, where applicable, ensure that specifically adopted public policy assignments are duly performed.

Professional management and active governance for long-term sustainable value growth

The global economy has undergone massive changes in recent years, with increasing focus on development in emerging markets. The Swedish economy is one of the most export-dependent in the world and Swedish enterprises compete in a global market. In order to maintain its position and sharpen competitiveness, Swedish enterprise must continuously develop, particularly in the areas of innovation, digitalisation and sustainability. This applies equally to privately owned and state-owned enterprises. 2015 was a challenging year for some of the largest companies in the state company portfolio, while some of the smaller enterprises delivered outstanding performance. However, the net result for the portfolio as a whole was negative.

Recent years have been characterised by steep downturns in both commodity prices and electricity prices, which have had adverse impact on the state's largest holdings, Vattenfall and

“As the minister responsible for state ownership, I have made it clear that sustainable business is a strategic matter and will remain central to this Government's governance of state-owned enterprises.”

LKAB. Vattenfall's impairment losses for nuclear power in Sweden and lignite in Germany and LKAB's impairment losses for the iron ore business in Kiruna, Malmberget and Svappavaara were also major factors in the weak performance of the portfolio.

The companies are owned collectively by the Swedish people and one of the most important tasks of their boards of directors is to ensure public confidence in the companies. Clear communication with customers, the business environment and owners is critical to generating confidence. Key words for the management of state-owned enterprises are transparency, active ownership, professionalism and good order and organisation. Professional financial reporting is also important to gaining public confidence. In addition to accounting legislation and generally accepted accounting principles, all state-owned enterprises must present annual reports, interim reports and year-end reports, in accordance with the rules that apply to listed companies. The annual report and communication to the Riksdag are important aspects of upholding our principles of transparency as owners.

I am convinced that sustainable business is a prerequisite for state-owned enterprises to be successful, modern, innovative and leading enterprises. 2015 was an important year when world leaders agreed a new climate agreement with a more stringent temperature target for global warming. In addition, the global community adopted an agenda for sustainable develop-



ment, including 17 new global targets for the period up to 2030. Short-term and long-term strategies are intertwined: the decisions taken today must be guided by a vision of the company's future position in a sustainable world. Systematic integration of sustainable business in day-to-day operations is becoming more important and it is time to move away from separate sustainability strategies and instead establish sustainable strategies.

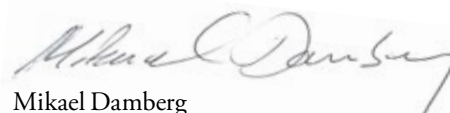
As the minister responsible for state ownership, I have made it clear that sustainable business is a strategic matter and will remain central to this Government's governance of state-owned enterprises.

Financial targets, public policy targets and sustainability targets are important instruments of governance and clarify the owner's expectations on the companies. One of the key tasks in managing state ownership is setting and tracking targets for the companies. Most of the companies have financial targets that are regularly reviewed. Companies with specifically adopted public policy assignments have public policy targets, which are the basis for assessing how well they have performed their public policy assignments. As of 2015, sustainability analyses are also performed, which are linked to financial and public policy targets. These assessments examine relevant risks and opportunities in relation to sustainable business such as climate impact, gender equality, anti-corruption, human rights and labour rights.

"We must be clear in our ownership role, both vis-à-vis the companies and society as a whole."

As Minister for Enterprise and Innovation and responsible for matters related to ownership of state-owned enterprises, one of my most important tasks is ensuring that the state is an active owner and professional manager and that the companies generate good returns for the Swedish people while maintaining balanced risk-taking. We must be clear in our ownership role, both vis-à-vis the companies and society as a whole. In so doing, we are creating the conditions for long-term sustainable value growth for our state-owned enterprises.

Stockholm, June 2016



Mikael Damberg
Minister for Enterprise and Innovation,
Minister responsible for state-owned enterprises

Performance in 2015

Sales

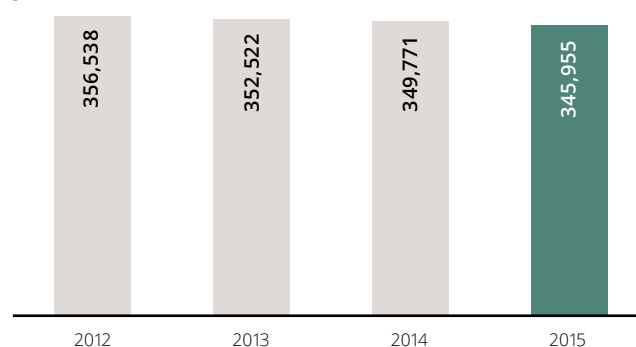
Consolidated sales for state-owned enterprises fell by 1 per cent in 2015 year-on-year to SEK 346.1 (350.1) billion. Vattenfall remains the single largest holding and accounts for 48 (47) per cent of sales in the state-owned enterprise portfolio. Vattenfall's sales in 2015 declined by SEK 1.4 billion year-on-year, mainly due to lower electricity prices.

LKAB's sales fell by SEK 4.4 billion in 2015 year-on-year, primarily owing to the continuing decline in iron ore prices. Sales rose for Systembolaget by SEK 1.2 billion and for Apoteket by SEK 1.0 billion.

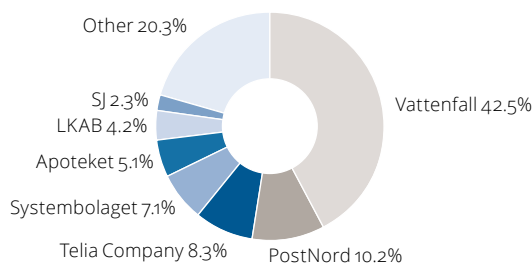
Sales in Telia Company,¹ which is reported as an associated company, increased during the year by SEK 5.4 billion. The Swedish state owns 37.2 per cent of the shares in Telia Company, affecting total sales by SEK 32.0 (30.0) billion.

1) The company changed its name from TeliaSonera to Telia Company at the annual general meeting held 12 April 2016.

Net sales, excluding associated companies
SEKm



Distribution of sales Jan–Dec 2015, including associated companies



Profit/loss and dividends

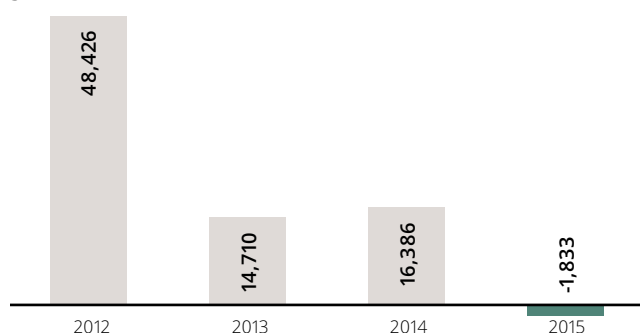
Overall, the state-owned enterprises are reporting a consolidated loss after tax of SEK -1.8 (16.5) billion for 2015. The weaker results are attributable primarily to impairment losses in Vattenfall of SEK 36.8 (23.8) billion, mainly for nuclear power in Sweden and lignite in Germany. Vattenfall reported a loss after tax of SEK -19.8 billion in 2015, down SEK 11.5 billion year-on-year. The lower consolidated result is also largely due to the impairment loss of SEK 7.1 billion taken against LKAB's iron ore operations in Kiruna, Malmlerget and Svappavaara. LKAB's earnings after tax in 2015 declined by SEK 6 billion to a loss of SEK -5.7 billion. The state's share in Telia Company's profit declined by SEK 0.8 billion to SEK 1.4 billion. Lower positive value

changes in property holdings reduced earnings in Akademiska Hus by SEK 0.4 billion. Primarily owing to capital gains from the sale of a property portfolio, Swedavia's earnings increased by SEK 0.5 billion.

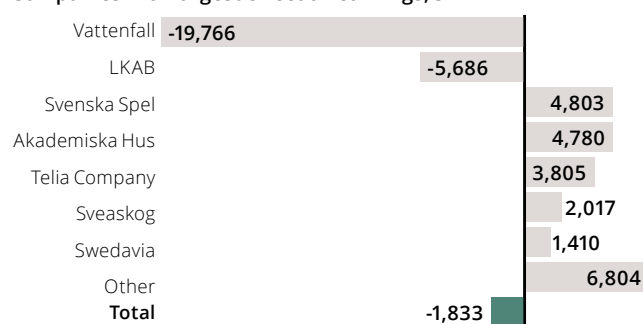
Cash flow from operating activities improved during the year in Vattenfall by SEK 0.8 billion to SEK 40.9 billion. Cash flow in Vattenfall accounts for about 40 per cent of cash flow for the entire portfolio.

The state received SEK 26.0 (18.4) billion in dividends from state-owned enterprises. The largest dividend, SEK 7.9 billion, was distributed by Akademiska Hus.

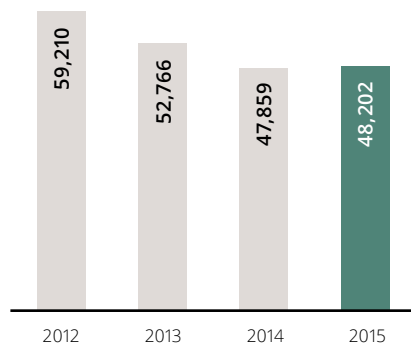
Profit/loss after tax declined to SEK -1.8 billion
SEKm



Profit/loss after tax, Jan–Dec 2015
Companies with largest effect on earnings, SEKm

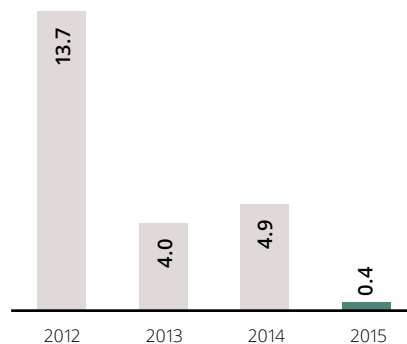


Gross investments SEKm



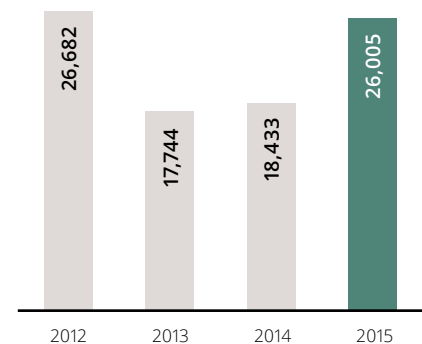
Gross investments increased by 1 per cent in 2015 to SEK 48.2 (47.9) billion. Total investments were dominated by Vattenfall's investments of SEK 28.7 billion, down by 1 per cent since 2014.

Return on equity %



Return on equity fell in 2015 to 0.4 (4.8) per cent.

Dividends SEKm



State-owned enterprises provide an important contribution to central government finances. The state received dividends of SEK 26.0 billion in 2015, an increase from SEK 18.4 billion in 2014.

State-owned enterprises, total

SEK billions	2015	2014
Net sales	346.1	350.0
Net sales including associated companies	387.5	389.0
Profit/loss before changes in value	-6.6	23.0
Changes in value	5.2	5.1
Operating profit/loss (EBIT)	-1.4	28.1
Profit/loss before tax	-7.8	20.6
Profit/loss after tax	-1.8	16.5
Gross investments	48.2	47.9
Cash flow from operating activities (excluding SEK and SBAB)	60.3	65.2
Total equity	341.4	363.8
Total assets	1,491.1	1,540.3
Number of employees including associated companies (thousands)	158	163
Dividend ¹	26.0	18.4
Estimated value	430	460
Return on equity, %	0.39	4.86
Equity/assets ratio, %	22.89	23.62

1) Dividends received are recognised in the year the decision to distribute dividends is taken; see the companies' statements of changes in equity and statements of cash flow.

Valuation of the company portfolio

The state company portfolio comprises companies in the sectors of basic industry/energy, telecommunications, services, property, finance, consumer goods, infrastructure and transport. Basic industry/energy is the dominant sector, followed by telecommunications, services and property. The portfolio is thus sensitive to the business cycle and the value of the portfolio is strongly affected by the world market price of iron ore and electricity prices in the markets where Vattenfall operates.

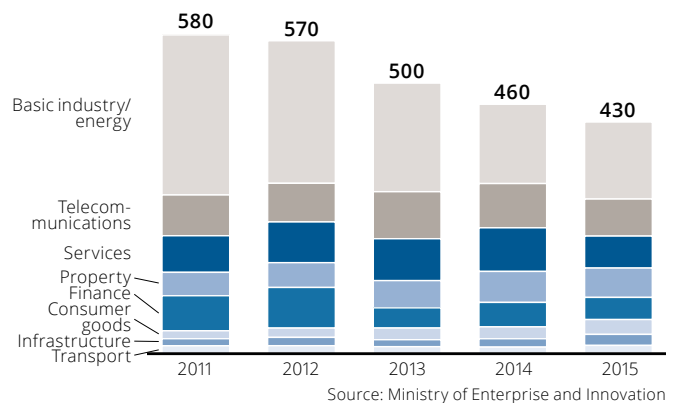
The value of the companies and the portfolio as a whole is measured annually and changes in value are reported here from a one-year and five-year perspective. The valuation process is intended to produce a market valuation of the companies and the portfolio. The majority of the companies are valued based on a future discounted cash flow analysis augmented by relative valuations, in which key financial data are benchmarked against comparable companies. The property companies are valued at net asset value and listed companies at market value. Other companies are valued at the book value of equity.

Value performance 2011 to 2015

At year-end 2015, the value of the state company portfolio was calculated at SEK 430 billion. This is a decrease of about SEK 150 billion since 2011, when the portfolio was valued at about SEK 580 billion. The decline in value is partially attributable to the divestments made during the period, but also to a decrease in the value of existing operations. The net transaction proceeds from divestments for the period amounts to about SEK 40 billion, the majority of which consists of the sale of the holding in Nordea in 2013. Adjusted for divestments, the value of the portfolio declined during the period by approximately SEK 110 billion, about 20 per cent. By comparison, the value of Nasdaq Stockholm rose during the same period by about 65 per cent. The change in value is, however, not fully comparable because the sector composition of the state portfolio differs from that of Nasdaq Stockholm.

The decline in value of the portfolio, excluding divestments, of SEK 110 billion is primarily attributable to changes in value in

Value performance in the state company portfolio
SEKbn



the basic industry/energy sector, in which both Vattenfall and LKAB are included. Basic industry/energy remains the dominant sector in the portfolio although the weight has decreased in the last five years. Holdings in the basic industry/energy sector have declined in value since 2011 by about SEK 150 billion, from about SEK 290 billion to about SEK 140 billion. The sector has decreased as a share of the total state company portfolio from about half the value of the portfolio in 2011 to about one third of the value at year-end 2015.

The value of the state company portfolio excluding the basic industry/energy sector grew by about SEK 40 billion, from approximately SEK 290 billion to about SEK 330 billion. This corresponds to average growth of 3 per cent per year. During the same period, Nasdaq Stockholm grew in value by an average of 13 per cent per year.

The main sectors in the state company portfolio that have performed well since 2011 are consumer goods, finance and the property sector. The increase in the consumer goods sector is primarily attributable to good value growth in Apoteket due to improved



Sustainable forestry

Sveaskog manages 3.1 million hectares of productive forest land, which accounts for 14 per cent of all forest land in Sweden. The company is pursuing sustainable forestry by means including setting aside 20 per cent of the productive forest land as nature conservation land and establishing a total of 37 ecoparks.



SJ's high-speed trains encouraging green travel

SJ's high-speed train venture between Gothenburg and Malmö attracted more than 65,000 passengers in May 2015. This was a new record and a 25 per cent increase compared with the same month in the preceding year. The fastest travel time between Gothenburg and Malmö is 2 hours, 29 minutes.

underlying earnings. Value growth in the finance sector is due mainly to SBAB, which benefited from trends in the Swedish housing market. The increase in the property sector is due mainly to the value effect of ongoing constructions within Akademiska Hus.

Value performance 2015

The value of the state company portfolio fell during 2015 by approximately SEK 30 billion or about 7 per cent year-on-year. By comparison, the value of Nasdaq Stockholm¹ rose during the same period by about 6 per cent. The dividend distributed to the state in 2015 amounted to about SEK 26 billion, corresponding to dividend yield of about 6 per cent. By comparison, dividend yield for Nasdaq Stockholm was about 3 per cent.

The services, telecommunications and basic industry/energy sectors accounted for the largest value changes in the state company portfolio during the last year.

Holdings in the services sector were valued at about SEK 60 billion at the end of 2015, a decrease of about SEK 20 billion, or approximately 25 per cent, year-on-year. The decline in estimated value is due primarily to the discounting of a potential future withdrawal of Svenska Spel's exemption from gaming and corporate tax.^{2,3}

At the end of 2015, the value of the telecommunications sector was about SEK 68 billion, a decrease of about SEK 13 billion,

or approximately 16 per cent, year-on-year. The depreciation in value is explained by share price development in Telia Company.

The value of the basic industry/energy sector was estimated at the end of 2015 at approximately SEK 140 billion, a decrease of about SEK 4 billion, or approximately 3 per cent, year-on-year. The negative value trend is primarily attributable to low commodity prices.

The value of the rest of the state company portfolio was estimated at the end of 2015 at approximately SEK 160 billion, an increase of about SEK 10 billion, about 4 per cent, year-on-year.

Share price performance in listed holdings

The value of holdings in Telia Company declined by 16 per cent during 2015 but increased by 61 per cent for SAS. Overall, the value of listed holdings decreased by 15 per cent or SEK 12.6 billion. Nasdaq Stockholm posted growth of 10 per cent during the year.

- 1) OMX Stockholm Index. Further references to Nasdaq Stockholm refer to this index.
- 2) If Svenska Spel is required to pay gaming and corporate taxes in the future, revenues to the central government will comprise dividends and taxes instead of dividends only, as is now the case. In terms of technical valuation, however, the value of the company would be lower in this scenario.
- 3) Although the outcome of the government inquiry into the matter is highly uncertain, this tax has been considered in the valuation.

Share price performance in listed holdings

The value of holdings in Telia Company declined by 16 per cent in 2015. The value of holdings in SAS increased by 61 per cent. Overall, the value of listed holdings decreased by 15 per cent or

SEK 12.6 billion. Nasdaq Stockholm posted growth of 10 per cent during the year.

Market capitalisation of listed shareholdings

Company	State holdings, number of shares	Ownership stake in the company, %	Holding's share of the state's total company portfolio (value SEK 430bn), %	31 Dec 2015		31 Dec 2014		23 Feb 2016	
				Market value, SEKm	Market value, SEKm	Price change 31 Dec 2014-31 Dec 2015, %	Market value, SEKm	Price change 31 Dec 2015-23 Feb 2016, %	
Telia Company	1,614,514,748	37.3%	15.8%	68,116	81,371	-16%	63,676	-7%	
SAS	70,500,000	21.0% ¹	0.4%	1,720	1,072	61%	1,600	-7%	
Total			16.2%	69,837	82,443	-15%	65,277	-7%	

1) The share of votes in SAS is 21.3 per cent and the share of equity is 21 per cent.

Multidimensional value creation

State-owned enterprises are on the forefront of sustainable business. In addition to long-term economic value, they are also contributing to creating value from the social and environmental perspectives.



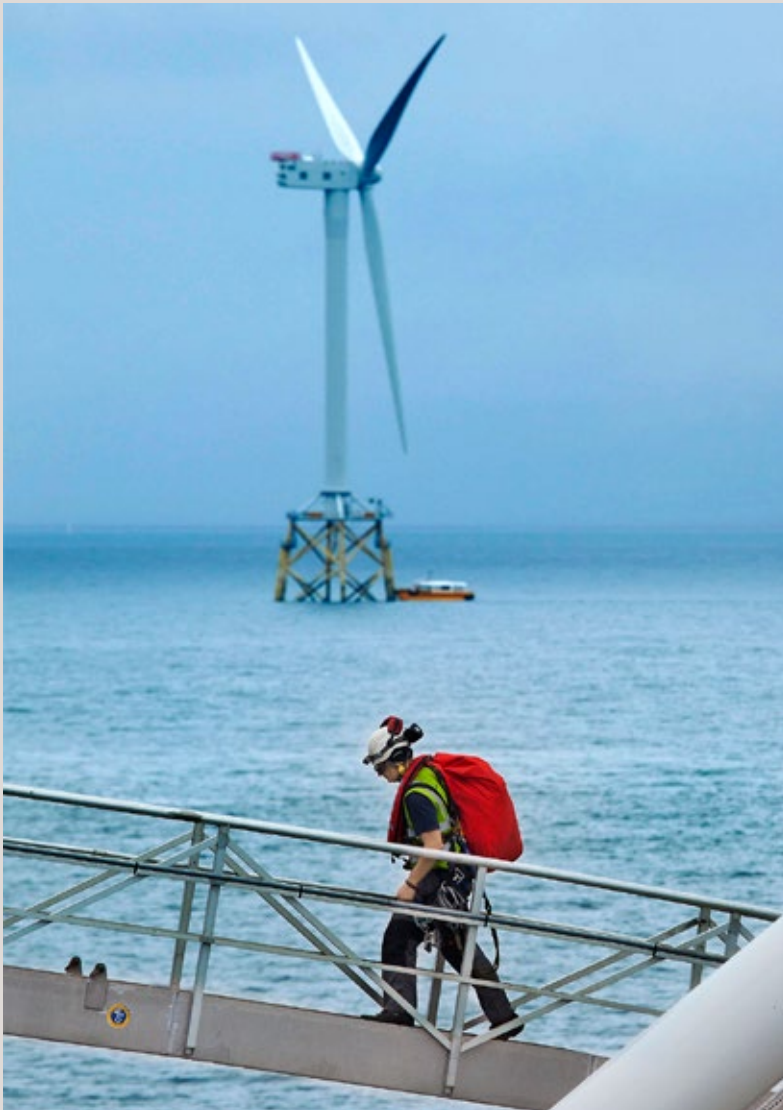
Swedavia on track towards zero direct fossil carbon emissions by 2020

Swedavia has been working with energy and climate issues for a long time and reduced direct CO₂ emissions by about 73 per cent during the period of 2005–2015. The reduction is in line with the company's environmental target of zero direct fossil carbon emissions by 2020. Fossil carbon emissions were reduced during 2015 to 3,000 tonnes, ahead of schedule. The reduction in 2015 was achieved mainly through increased usage of renewable fuels in the vehicle fleet. Swedavia's target is to replace fossil fuels entirely with biofuels by 2020. The initiative is both environmentally and financially sustainable. In addition to reduced CO₂ emissions, the shift entails reduced fuel costs and a standardised vehicle fleet with lower maintenance costs.

Apoteket, Samhall and Swedfund recognised for efforts in sustainable business

State-owned enterprises are on the forefront of sustainable business. Most recently, this was confirmed by Apoteket, which was named the Most Sustainable Company in Sweden in 2016. According to a survey of 10,000 consumers conducted by Sustainable Brand Insight, Apoteket ranks at the top for environmental and social responsibility. Two additional companies honoured are Samhall, which won the Award for Environmental & Corporate Sustainability from European Business Awards, the biggest and most prestigious business award in Europe, while Swedfund won the Responsible Investors Reporting Award for Best RI Report in 2015 in the Medium & Small Funds category. Samhall has a unique capacity to break the cycle of exclusion and make sure that everyone who wants to participate in and contribute to society is able to. Tracking and monitoring are integrated aspects of Swedfund, which strives to always outperform the rest of the market in profitable sustainability.





Vattenfall and AMF strategic partners in wind power

Vattenfall and the pension company AMF signed an agreement in December 2015 by which AMF took over a 49 per cent interest in Vattenfall's ocean-based wind farm in Ormonde in the northwestern UK. The purchase consideration was approximately GBP 237 million (about SEK 3 billion). Subsequent to the deal, Vattenfall will continue to operate the wind farm in Ormonde as the majority owner.

The agreement was a step towards the implementation of Vattenfall's partnership strategy presented in 2014. The aim of the strategy is to amass funds to support growth, where wind power is a significant factor. The deal is also a key component of Vattenfall's strategy to transition production towards more renewable energy. Up to 2020, Vattenfall plans to invest about SEK 50 billion in new wind power production.

The wind farm in Ormonde has 30 5MW turbines that produce enough renewable energy to cover the energy requirement of 126,000 households. Ormonde is one of four ocean-based wind farms operated by Vattenfall in the UK.

Lernia's new initiatives for a more efficient labour market

Through its leading position in training and staffing, Lernia thoroughly understands the obstacles and opportunities found in the Swedish labour market. Through initiatives such as the JOIN recruitment model and the Jalla radio programme, Lernia aims to show how novel ideas can make the Swedish labour market more efficient. JOIN, which in Swedish stands for "Jobs and Integration in Enterprise", is aimed at companies that want to increase workforce diversity. Jalla is a radio programme in Arabic and basic Swedish intended to give more people an opportunity to practice their Swedish. The radio programme is produced in partnership with the Arabic news channel Al Kompis and Lernia's Swedish for Immigrants teachers.

SEK and EKN assisting Volvo in the Government's export initiative Team Sweden.

The Volvo Group is an example of a company that is assisted by the various organisations and companies affiliated with Team Sweden. As an example, Svensk Exportkredit, SEK, lent funds to the Volvo Group in 2015 to finance its operations in Canada and Mexico. The loan was transacted in the local currencies, CAD and MXN. Another example of lending to the Volvo Group was when SEK raised a loan in 2012 in the Chinese currency, RMB, for the long-term financing of the Group's operations in China. When SEK was given permission to lend the funds in China, it was also a milestone in the financing of Swedish export companies, which thereafter gained access to competitive financing in RMB. Exportkreditnämnden, EKN, annually insures the Volvo Group against the risk of non-payment in certain of its export transactions. SEK and EKN are both involved in many of these deals. All deals are also subjected to customary sustainability review.



Active ownership creates value

The state-owned enterprises, which are ultimately owned by the Swedish people, constitute a significant portion of Swedish enterprise. The state therefore has an important mandate to actively manage the state's ownership of the companies to achieve optimal long-term value growth. The state's ownership policy constitutes the framework of corporate governance.

The Government has a mandate from the Riksdag to – in accordance with the state's ownership policy – manage the state's assets, including shares in state-owned enterprises. There are 41 wholly owned and 9 partially owned companies in the state's share portfolio. The estimated total value of the shares was about SEK 430 billion at 31 December 2015. The Government also manages two operating foundations.

The state-owned enterprises and subsidiaries combined employ about 121,000 people. This figure increases to about 158,000 when associated companies are included. Many strong brands are represented among the state-owned enterprises. The companies often play an important role in Swedish society, as many started out as public enterprises under government agencies or as state monopolies. Today, most of the companies operate in fully competitive markets.

The Government has a mandate from the Riksdag to actively manage the state's ownership in companies with a view to achieving optimal long-term value performance and ensuring, where applicable, that specifically adopted public policy assignments are duly performed. The focus of many of the companies' operations and public policy assignments means that the state is expected to continue being a major company owner. The Government takes the view that the companies should be managed actively and professionally, with long-term value creation as an overarching goal, and, where relevant, ensuring that specifically adopted public policy assignments are duly performed. Accordingly, the companies should take a long-term approach, operate efficiently and generate profit while being given the capac-

ity to develop. State-owned enterprises should act as role models within the area of sustainable business and should otherwise behave in a manner that instils public confidence.

The Swedish Government's management principles largely adhere to the OECD Guidelines on Corporate Governance of State-Owned Enterprises, which Sweden was involved in drafting.

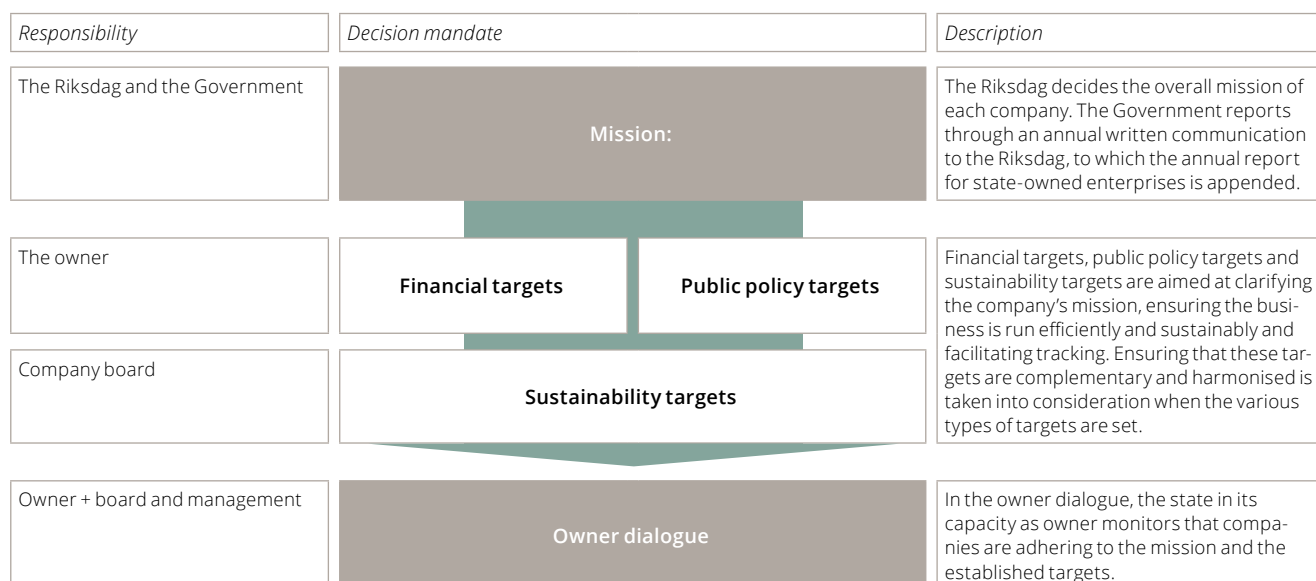
The state's model of corporate governance

The framework for state company management is set out in the state's ownership policy. In this document, the Government details its positions on key principles of governance and management, such as allocation of responsibility among owners, boards of directors and executive management. The state's ownership policy is applied in companies that are wholly owned by the state. In companies where the state is a partial owner, the Government encourages application of the ownership policy.

In terms of company law, state-owned enterprises, like privately owned companies, are governed by the Companies Act, supported by the Swedish Code of Corporate Governance. State-owned enterprises are subject to the same external financial reporting standards as publicly traded companies. The requirement for transparency in the state-owned enterprises is intended to maintain confidence in the companies among the public and the business community.

Over the long term, active management of the company holdings is intended to maintain good insight into the companies' operations and manage various ownership issues on an ongoing basis.

State corporate governance – targets and tracking

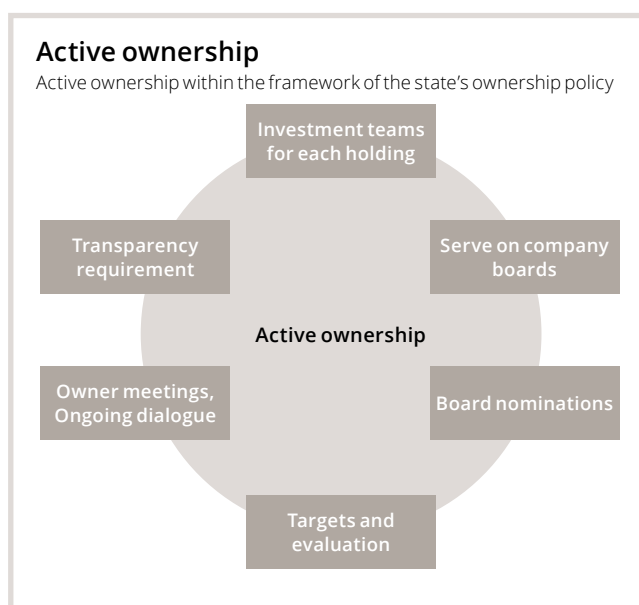


Framework for state-owned enterprises

	State-owned enterprises	Listed companies	Government agency
Legal framework	Companies Act The state's ownership policy Listing agreement ¹	Companies Act Listing agreement	Government Agencies Ordinance Ordinance including instructions to government agencies
Operations and assignments	Operations section of the articles of association Owner directive ²	Operations section of the articles of association	Appropriation directions Government resolution on Specific assignment
Highest governing body	Annual general meeting	Annual general meeting	Director-General of agency/board or committee

1) Applies to external reporting.

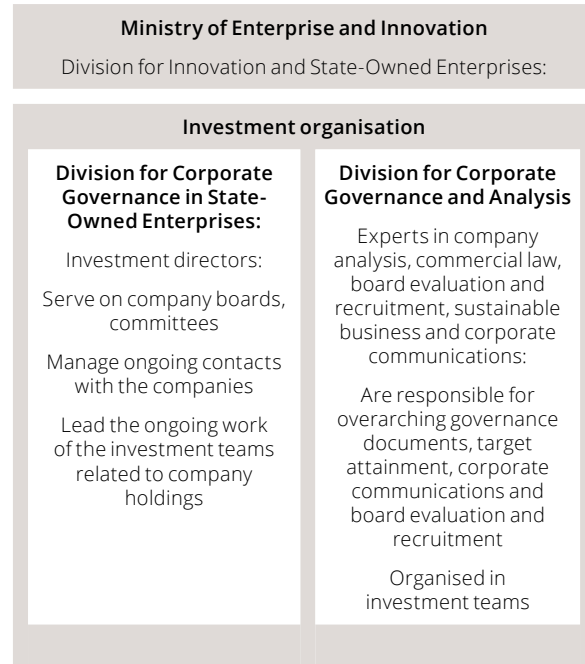
2) Occurs primarily in companies that have public policy assignments.



Targets and tracking

Targets are important instruments for clearly communicating the state's expectations in its capacity as owner. The companies' progress can be measured through regular tracking of company performance against established targets. When a company does not meet the targets, the owner can request an action plan from the company. Management is focused on factors including financial targets, public policy targets and sustainability targets. Financial targets make it possible to measure and track the companies' profitability, efficiency and level of risk. Public policy targets are set for companies that have specifically adopted public policy assignments, primarily in order to assess how well these assignments are performed. In order to clearly integrate sustainable business in the company's business strategy, the owner has assigned to the company boards to establish strategic sustainability targets, which the owner subsequently tracks. Sustainability targets are set for the most relevant areas for each company in the areas of human rights, working conditions, the environment, anti-corruption, business ethics, gender equality and diversity.

Investment organisation within the Ministry of Enterprise and Innovation



The divisions are organisationally separate from market-regulating activities conducted within the Government Offices.

Board nominations

Board nominations are an important aspect of corporate governance as practised by the state. The board of directors is responsible for the organisation of the company and management of its affairs, including establishing the company's overall strategy and taking other important strategic decisions. To ensure that company boards possess the requisite skills, a structured board nomination process is applied in state-owned enterprises. In the Government's view, it is important to maintain a distinction between the roles of the board of directors and the CEO. CEOs are therefore not permitted to serve as directors.

The chairman holds a special status on the board. The chairman is responsible for ensuring that the work of the board is well organised and efficient. The remit also includes responsibility for aligning the views of the board with those of the owner when the company is facing particularly important decisions. The chairman maintains contact with the CEO between board meetings and is responsible for ongoing dialogue with the owner.

Owner/company 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, the Ministry of Education and Research and the Ministry for Foreign Affairs. The cabinet ministers and political leadership of the various ministries regularly meet with the chairmen and management of state-owned enterprises. The aim of these owner dialogues includes assessing the companies' performance against financial, public policy and sustainability targets.

Investment organisation

The Minister for Enterprise and Innovation is responsible for a unified overarching ownership policy with regard to state-owned enterprises and is responsible for most of the companies. The Ministry of Enterprise and Innovation has an organisation specialised in corporate governance and company management to ensure long-term value creation in the state company portfolio. The investment organisation operates within the Department for Innovation and State-owned enterprises and is divided into two divisions: the Division for Corporate Governance and Analysis and the Division for Corporate Governance in State-Owned Enterprises. The two divisions work in close cooperation and are organisationally separate from the Government Offices' market-regulating activities. Investment directors in the Division for State-Owned Enterprises serve on company boards, coordinate ongoing contacts with the companies and lead the organisation's work with the holdings, organised in investment teams. The Division for Corporate Governance and Analysis is responsible for company analysis, sustainable busi-

ness, commercial law, board evaluation and recruitment, corporate communications and investor relations. The division also works with matters including overarching governance documents, such as the state's ownership policy, as well as tracking financial and public policy targets.

The Government's principles of active company management and governance also encompass companies for which administrative responsibility is assigned to other ministries of the Government Offices.

Investment teams

The Ministry of Enterprise and Innovation has organised investment teams for each company holding, whose remit is to ensure long-term sustainable value growth in the company. The investment team is led by the investment director and includes specialists in analysis, commercial law, recruitment, corporate communications and sustainable business, each of whom may lead individual projects within the framework of the company team. This composition helps ensure that the team has good insight into the companies' business conditions and markets, as well as understanding of the challenges and risk facing the companies, which equips the investment organisation to set requirements and develop the companies. The investment teams analyse the companies' operations, markets, competitors and sustainable business performance, helping ensure value creation in state holdings by means of active management. The investment teams deal with all ongoing ownership matters related to the managed companies, such as the forward-looking strategy, market developments, board changes, dividend levels and target attainment.

Administration costs

In 2015, the costs of the investment organisation amounted to SEK 40.7 (48.3) million, corresponding to 0.1 per cent 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 21.8 (12.5) million. The costs of the investment organisation consist mainly of salaries, but also other current expenses such as travel and office supplies. Costs for administration in other ministries are not included, as

Responsible ministries

Ministry of Enterprise and Innovation

Akademiska Hus	Norrlandsfonden
Almi Företagspartner	Orio
Apoteket	PostNord
Apoteksgruppen	RISE Research Institutes of Sweden
Arlandabanan Infrastructure	Samhall
Bilprovningen	SAS
Bostadsgaranti	SBAB
EUROFIMA	SEK, Svensk Exportkredit
Fouriertransform	SJ
Green Cargo	SOS Alarm
Göta kanalbolag	Specialfastigheter
Industrifonden	SSC (Svenska rymdaktiebolaget)
Infranord	Statens Bostadsomvandling
Inlandsinnovation	Sveaskog
Jernhusen	Svedab
Lernia	Svenska Skeppshypotek
LKAB	Svenska Spel
Metria	

Svevia
Swedavia
Swedesurvey
Swedfund
Telia Company
Teracom Boxer Group
Vasallen
Vattenfall
VisitSweden

Ministry of Finance

Miljömärkning Sverige

Ministry of Culture

Kungliga Dramatiska teatern
Kungliga Operan
Voksenåsen

Ministry of Health and Social Affairs

APL, Apotek Produktion & Laboratorier
Systembolaget

Ministry of Education and Research

ESS, European Spallation Source

Ministry for Foreign Affairs

Dom Shvetsii

Mandate to change state ownership

Company ¹	Current shareholding, %	Mandate to change shareholding to, %	Decision
Bilprovingen	100	0	Bill 2009/10:54, Report 2009/10:NU10, Riksdag communication 2009/10:162
Bostadsgaranti	50	0	Bill 2012/13:1, Report 2012/13:NU1, Riksdag communication 2012/13:103
Lernia	100	0	Bill 2012/13:1, Report 2012/13:NU1, Riksdag communication 2012/13:103
Orio	100	0	Bill 2012/13:99, Report 2012/13:FiU21, Riksdag communication 2012/13:287
SAS	21	0	Bill 2009/10:121, Report 2009/10:FiU35, Riksdag communication 2009/10:220

1) The Government's mandate to change the state's shareholding in SEK was withdrawn in 2015.

these mainly consist of salaries that are also attributable to other tasks within each ministry.

Changes in the company portfolio

There were no changes in the portfolio during 2015 other than the completion of the voluntary dissolution of Ersättningsmark.

Board nomination process

The state's governance aim is to compose effective boards of directors that possess the industry expertise and other relevant skills required to develop the operations of the individual company. Additional requirements include personal integrity and the ability to safeguard the best interests of the company. As a rule, the boards of directors of state-owned enterprises have six to eight regular directors and no alternates. The limited number of directors is intended to foster efficient board function.

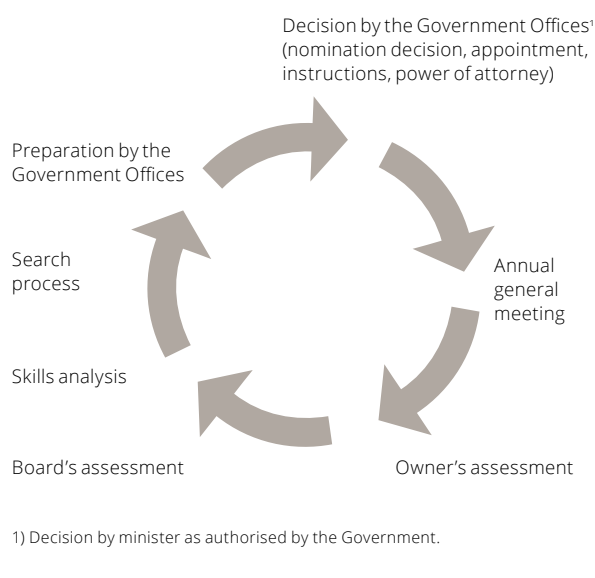
In the owner's view, it is important that the boards are characterised by diversity and breadth in terms of age, gender, ethnicity, industry experience, academic background and profession. Bringing in directors of varied backgrounds is intended to give the board a wider range of skills and improved dynamics. In order to achieve gender balance, the target for state-owned enterprises is a minimum of 40 per cent board representation for each gender.

The board nomination process at the Ministry of Enterprise and Innovation is managed by a working group including representatives of the investment team who analyse skills requirements based on the company's operations, situation and future challenges, the current composition of the board and board assessments. The working group drafts a requirements profile based on the company's specific situation and initiates the recruitment process. The minister responsible for the company subsequently approves a list of nominees to the board for presentation to the annual general meeting, which elects the board. See chart: Board nomination process.

Board performance in state-owned enterprises is assessed annually. The chairman is responsible for ensuring that an assessment is carried out and the Government Offices carry out independent evaluations on an ongoing basis. In companies wholly or partially owned by the state, the chairman reports the results of the assessment to the relevant ministry. In listed companies, the chairman informs the nomination committee.

In 2015, the boards of state-owned enterprises were composed of 6.8 directors on average, which is on par with the preceding year. A total of 326 directors elected by the annual general meeting serve on the boards of state-owned enterprises. About 50

Board nomination process – annual cycle



new directors are elected each year. In the listed companies SAS and Telia Company, where the state is among the largest owners, a representative from the investment organisation was a member of the nomination committees during the year.

The gender breakdown of directors of state-owned enterprises elected by the annual general meeting was 48 per cent women and 52 per cent men as of 10 May 2016. The gender breakdown of directors of companies wholly owned by the state was 49 per cent women and 51 per cent men. This may be compared to the boards of listed companies, where the gender breakdown was 30 per cent women and 70 per cent men.¹ The balanced gender target (a minimum of 40 per cent representation of each gender) was met in 32 out of a total of 48 state-owned enterprises included in the statistics. The target was not met in 16 companies. Men were overrepresented in ten of these companies and women were overrepresented in six.

The proportion of women board chairmen in companies wholly and partially owned by the state has increased from 33 per cent in 2010 to 46 per cent in 2016. The corresponding figure for listed companies is 6 per cent.¹ The proportion of women board chairmen in companies wholly owned by the state is 46 per cent.

1) Source: AllBright Foundation.

Financial targets for efficient use of resources

Most state-owned enterprises operate in competitive markets, which imposes demands for profitability and efficiency. Financial targets are therefore an important instrument of corporate governance. The method applied to set financial targets begins with an analysis of the cost of capital, that is, the owner's expected return. Ambitious, realistic and measurable financial targets are subsequently established in dialogue with the companies.

Financial targets in state-owned enterprises

In most cases, state-owned enterprises operate under market conditions in competitive markets. Accordingly, they are subject to the same conditions as other market actors and, like them, generating value is the overall objective of operations. In this way, the competitiveness, long-term value performance and efficiency of state-owned enterprises are strengthened while mitigating the risk that competition will be distorted.

The setting of financial targets is a significant source of support for companies aiming to achieve the most efficient possible utilisation of resources. As the financial targets must be realistic, measurable and ambitious, the state cooperates with the companies to draw up the targets. This results in a more nuanced and effective governance while improving the quality of the targets and ensuring that they are realistic.

Financial targets are set simultaneously with public policy targets for companies with specifically adopted public policy assignments because this allows public policy assignments to be balanced with the generation of financial value. The sustainability analysis is part of the fundamental analysis of the company's opportunities and risks upon which the financial targets are based.

Purpose of financial targets

Financial targets normally address capital structure, profitability and dividends and serve mainly to:

- Promote operational efficiency and capital efficiency,
- Keep financial risk at a reasonable level,
- Help ensure that the owner receives predictable and long-term sustainable dividends, and
- Enable tracking and evaluation.

The key cost of capital

The method applied in setting financial targets is based on a multi stage analysis, which begins with a calculation of the com-

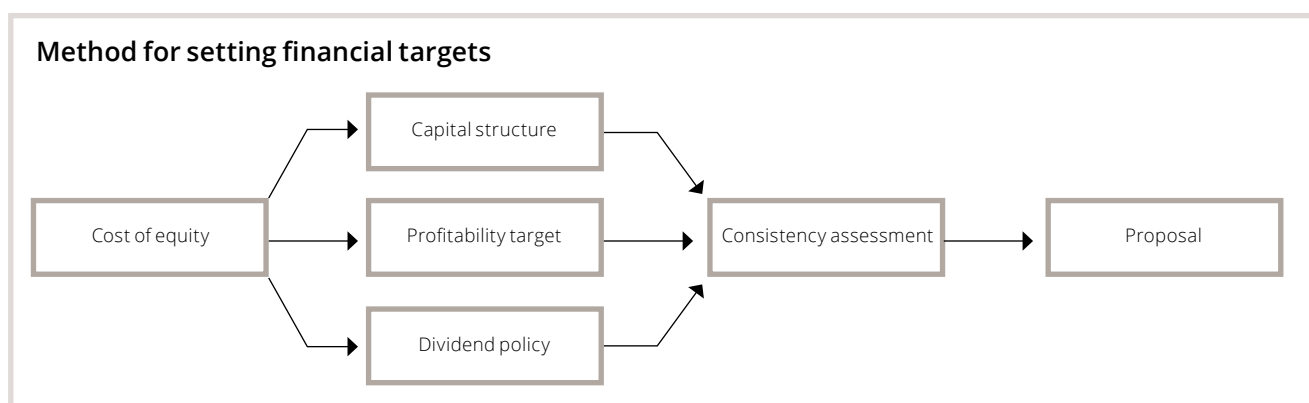
pany's cost of capital. The cost of capital is the expected rate of return an investor could have earned through an alternative investment with the same risk and duration. It determines whether the investor will receive a reasonable return on investment in the company and the risk that the investment entails. Over time, reasonable compensation should be equal to the cost of capital. If return on equity exceeds the cost of capital, the investor receives additional compensation for the risk taken. If, however, return over time is lower than the cost of capital, the investor is not fully compensated for the risk taken. The three principal areas covered by the financial targets and how they are affected by the cost of capital are described below.

Efficient capital structure

The purpose of the capital structure target is to keep the company's financial risk at a reasonable level while ensuring that the company is efficiently capitalised. To find an appropriate capital structure, the theoretically optimal capital structure is calculated, meaning the balance between equity and borrowed capital that minimises the company's cost of capital. The calculation is supplemented with sector comparisons and a more detailed analysis of the company's operating risk. The analysis of the company's operating risk is particularly important because an appropriate capital structure should both be financially resilient and keep the company efficiently capitalised. Consequently, a company should not have more equity than necessary. The capital structure target is generally expressed as a range for the debt/equity ratio.

Ambitious profitability target

The purpose of the profitability target is to ensure that the company's business is run efficiently from the financial and operational perspectives. The profitability target should also provide reasonable compensation for the risk-taking that investment in the company entails. For this reason, the cost of capital con-





Winning architecture proposal for Forum Medicum in Lund

In November 2015, Akademiska Hus and Lund University named the proposal submitted by the firm of Henning Larsen Architects the winner of a competition to design Forum Medicum at Lund University. Forum Medicum is a project intended to gather all students at the faculty of medicine under one roof. This is achieved in Henning Larsen Architects' proposal of a new building that connects the two existing buildings and where the upper levels rotate 45 degrees in relation to the ground level.

stitutes the minimum level of the profitability target. Like the other financial targets, it should be regarded as a target to be achieved over the long term and not as a demand that must be met at every point in time. It should thus express a target scenario for the company that is both ambitious and achievable. The method for setting the profitability target encompasses a detailed analysis of the company's business plan, as well as sector comparisons. A return target (such as return on equity or return on operating capital) is used for most companies. For other companies, whose operations do not tie up large amounts of capital, a margin target (such as an operating margin target) may be more appropriate.

Adapted dividend policy

The purpose of the dividend policy is to ensure that the owner receives predictable and long-term sustainable dividends. Alternatively, the owner may allow the company to retain and reinvest capital in the business. A company that offers attractive investment opportunities with expected returns that equal or exceed the cost of capital may be allowed to retain the capital for investments. In which case the owner may benefit from an increase in the value of the company instead of dividends. For this reason, the dividend policy is based primarily on thorough analysis of the company's investment plan and growth opportunities. Investments that do not achieve the owner's profitability target may nevertheless be advantageous and should be made, provided that the expected return on investment equals

or exceeds the cost of capital. The dividend policy is usually expressed as a percentage of net profit for the year, usually as a range.

Tracking and evaluation

The financial targets must be forward-looking and long-term. As a result, they will be exceeded in some years but not met in others, in part due to economic fluctuations. The owner tracks the company's development and target attainment at regular progress meetings with the company's chairman and management. Both the company's internal work to achieve the targets and the external factors affecting the company's conditions are discussed at these meetings. Target attainment is assessed in relation to current market conditions and the budget and business plan.

Revision of financial targets

A company's internal and external conditions change as the world around us changes. Accordingly, the financial targets are regularly reviewed. Reasons for revising the targets may include significant changes in the company's strategy or market conditions, as well as major acquisitions or divestments. Major and persistent macroeconomic changes may also motivate a review of the targets. A revision of the targets is a structured process involving both the owner and the company. As the financial targets are determined jointly by the owner and the company, targets and outcomes are communicated externally by both parties.

Sustainability targets bring responsible business to the fore

A changeable world and external expectations impose demands on state-owned enterprises to act sustainably. Company boards set targets and strategies for long-term sustainable business. The companies' sustainability work is monitored through tracking their sustainability targets and performing company-specific sustainability analyses.

Long-term value creation

Sustainable business is an integrated aspect of the state's governance. State-owned enterprises must act in such a way that they enjoy public confidence while safeguarding long-term value growth. Sustainable business involves adapting operations to new expectations and external demands, just as companies must respond to new business challenges such as competition, technical progress and changes in behaviour. When companies fall short in dealing with sustainability challenges, this may give rise to business risks that can have far-reaching consequences for the company's capacity to survive or lead to the loss of business opportunities.

According to the state's ownership policy, state-owned enterprises must work strategically to act as role models in the areas of the environment, human rights, working conditions, anti-corruption, business ethics, gender equality and diversity. The company must proceed from its business and/or specifically adopted public policy assignment to establish sustainability targets and strategies to attain these targets. The fundamental premise is that proactive and integrated efforts towards sustainability will have positive impact on the company's development.

Formulation of targets and strategies

It is the responsibility of the board to establish sustainable business targets and strategies. The Government has defined a number of quality requirements for the targets.

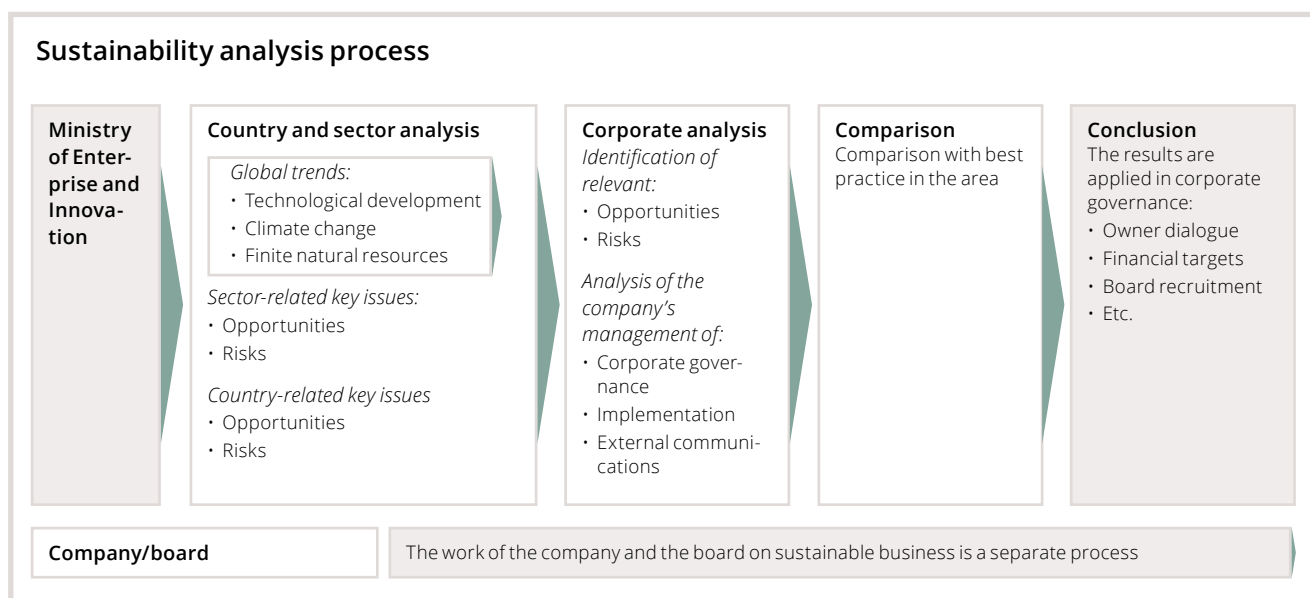
The targets must be:

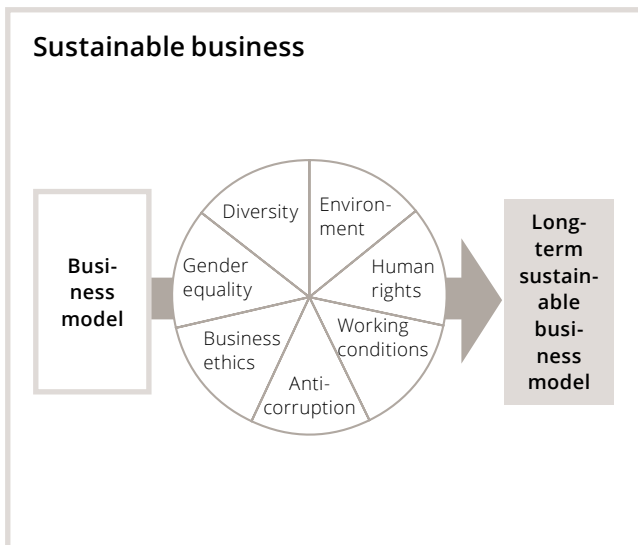
- Few in number and comprehensive,
- Relevant to the business and its sustainability challenges,
- Long-term and challenging,
- Measurable (not necessarily quantifiable),
- Clear and easy to communicate, and
- Adopted through a board resolution.

Tracking target attainment by means of sustainability analysis

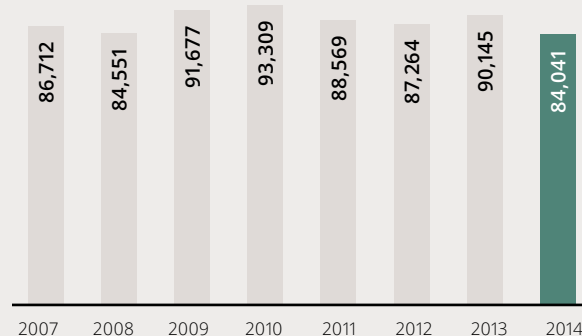
Tracking sustainability targets set by company boards is an integrated aspect of corporate governance. The investment organisation carries out company-specific sustainability analyses that can be used to evaluate the companies' sustainability efforts. The analysis is based on broad business intelligence that takes into account global trends, risks and opportunities linked to the value chain in which the company operates.

The results of the analysis are used as the basis for active ownership practised through the owner dialogue and the board nomination process. It is a starting point in the dialogue between the owner and the company and provides the conditions for long-term and consistent governance of the companies. The sustainability analysis is an integral part of the process of developing financial targets in order to reduce the risk of conflicting objectives.





Direct emissions from the company portfolio, kton CO₂e
Annual change 2007–2014: -0.4%



Vattenfall produced 98 per cent of direct emissions originating from the company portfolio in 2014. Excluding Vattenfall, emissions originating from the company portfolio during the period of 2007–2014 have decreased by 2.8 per cent per year on average.

UN Guiding Principles on Business and Human Rights

In August 2015, the Government presented an action plan for implementing the UN Guiding Principles on Business and Human Rights. According to these principles, the state, as a business owner, has a particular responsibility to ensure that the companies strive to comply with the principles. This requirement was included in the state's ownership policy as of 2012. The companies' efforts are tracked in the investment organisation's sustainability analysis and implementation of the principles is discussed as needed in the owner dialogue.

The Government is working to increase the companies' awareness and understanding of the UN Guiding Principles. A series of workshops held by the investment organisation starting in 2015 ended in April 2016. The focus of the workshops was the foundations of the principles, the Human Rights Reporting and Assurance Frameworks Initiative (RAFI), the whistleblowing system as part of the grievance mechanism and due diligence. Officials attached to the investment organisation participated in various forums in 2016, including the UN Forum on Business and Human Rights in Geneva, to present corporate governance by the Swedish state and how the UN Guiding Principles are incorporated in governance.

Climate analysis showed transparent reporting

The state, in its capacity as owner, took several steps in 2015 to become an even more knowledgeable and long-term owner in relation to climate issues. Expectations stated in the ownership policy concerning the climate have been further clarified and a climate analysis of the state-owned enterprise portfolio was performed in 2015, focusing on transparency and the companies' carbon emissions and energy use. The analysis was based on the companies' public data, which have been reported since 2008, and showed that transparency is good for the portfolio overall and that the companies are demonstrating progress in the area. Several of the state-owned enterprises are good role models and have innovative, climate-smart solutions that are advancing the transition to a green economy. Many also have targets for decreased emissions and increased energy efficiency. In connection with the COP21 Paris Climate Conference, Minister of Enterprise and Innovation Mikael Damberg issued a challenge to the chairmen of the companies to maintain transparency and raise awareness of the good work being done to address climate change and to remain ambitious and long-term in their efforts. The results of the analysis are now being taken further in the corporate governance of the companies.

Policy and guidelines

The guidelines for sustainability reporting by state-owned enterprises harmonise with many of the international standards and thus are part of an international aspiration towards more sustainable development. Some key international standards:



The OECD Guidelines for Multinational Enterprises was an early initiative (1976) to guide companies operating in an international environment to observe international frameworks for sustainability and responsible business in all areas of their operations. The guidelines are the joint recommendations of 44 governments to multinational companies. They clarify the expectations on the companies from the governments that have adopted them and the guidelines act as a reference point for companies and other stakeholders.



Global Compact is a global UN initiative based on ten principles of human rights, labour, the environment and anti-corruption that have been formulated based on the UN's core conventions. Companies that become signatories to the Global Compact work to integrate the principles in their operations. Since its inception in 2000, the number of participants, the majority of which are companies, has steadily increased. Several state-owned enterprises are signatories to the Global Compact.



UN Guiding Principles on Business and Human Rights The "Protect, Respect and Remedy" framework was developed to elucidate the respective responsibilities of governments and companies in relation to protecting and promoting respect for human rights. Companies have a responsibility to respect these rights in their business activities and to act to ensure that they do not contribute to human rights violations.

Global Reporting Initiative (GRI) is a set of guidelines for sustainability reporting from the social, environmental and economic perspectives. In this way, it is a support and tool for companies and organisations to report their work on the basis of, for example, the Global Compact and the OECD guidelines. GRI serves to increase possibilities for tracking and assessing companies' sustainability work and to enhance comparability.

Public policy targets secure public benefit

Setting public policy targets provides a means for the state to ensure that companies with specifically adopted public policy assignments perform their assignments well and contribute to the intended public benefit.

The impact of public policy targets

Public policy targets are defined for state-owned enterprises that have specifically adopted public policy assignments. The specifically adopted public policy assignment is set out in the description of the company's operations provided in its articles of association. Samhall is one example of a company with a specifically adopted public policy assignment. Samhall's mission is to produce goods and services for which there is demand in order to create meaningful and stimulating jobs for people with disabilities.

Swedavia, which operates and develops airports in Sweden, is another example of a company with a specifically adopted public policy assignment. Swedavia's assignment is to promote the achievement of transport policy objectives. The overall objective for transport policy is to guarantee an economically efficient, sustainable transport system for citizens and enterprises throughout the country. Svensk Exportkredit, SEK, is dedicated to promoting Swedish exports and is another example of a company with a specifically adopted public policy assignment. The assignment to administer the Swedish CIRR (Commercial Interest Reference Rate) system for government-supported export credits constitutes a specifically adopted public policy assignment for SEK.

Public policy targets are formulated by the state in its role as owner and in dialogue with the companies. The public policy targets are thereafter adopted by the owner at the annual general meeting.

Purpose of public policy targets

Clearly defined public policy targets make it possible to track and measure how well the companies are performing their specifically adopted public policy assignments. The main point is to ensure that the companies are carrying out the public pol-

Public policy targets

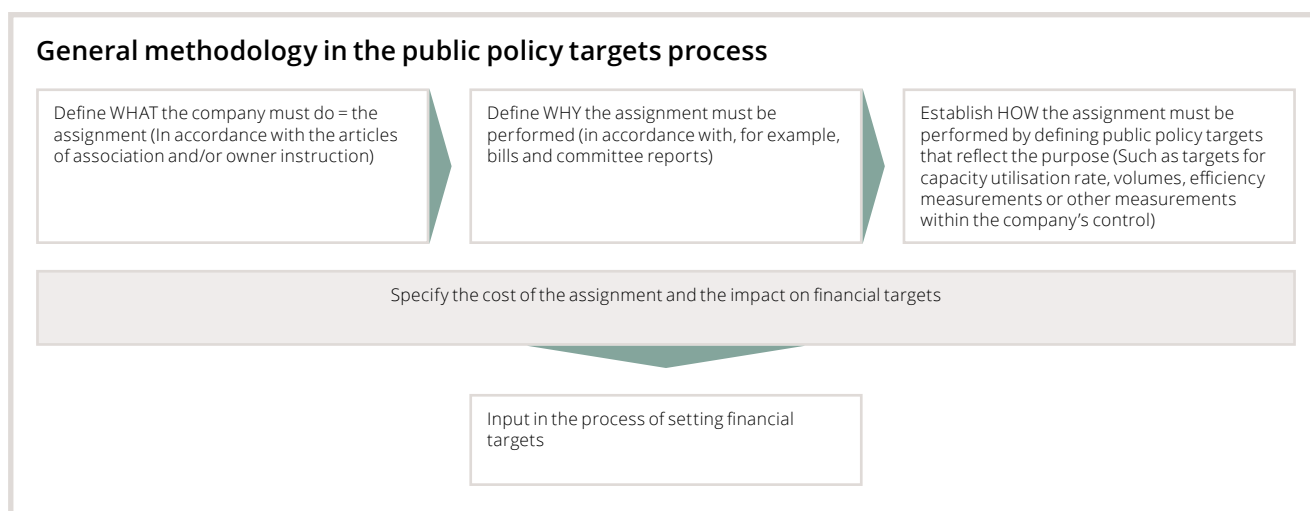
- Assignment fulfilment
- Tracking and dialogue
- Elucidate costs
- Basis for financial targets

icy assignments specifically adopted by the Riksdag, but also to clarify, in terms of profitability and value, the cost of performing specifically adopted public policy assignments. Public policy targets thus constitute a prerequisite for the financial targets. Working with public policy targets clarifies measurement and reporting to the Riksdag and other stakeholders.

Methodology for setting public policy targets

The investment organisation has a structured process for setting public policy targets for state-owned enterprises. The starting point is to establish the purpose of the specifically adopted public policy assignment: why a particular assignment should be performed or what public benefit the company generates through its operations. The description of the company's operations in its articles of association often explains the specifically adopted public policy assignment, but not always its public benefit. For this reason, the public benefit must be clarified before the public policy targets are formulated.

Public policy assignments are adopted by the Riksdag and mean that the company has a mandate to conduct business aimed at generating effects other than financial returns. The aims of the specifically adopted public policy assignment are usually described in the Government bill that is the basis for the Riksdag's decision. Consistent public policy targets are formulated by defining categories of various purposes or public benefits, for which standard targets are developed. An example of





Swedfund's investment in the Nairobi Women's Hospital

Swedfund, whose public policy assignment is to contribute to Sweden's policy for global development, is a part owner of the Nairobi Women's Hospital (NWH), a private health care provider in Kenya. NWH is dedicated to meeting women's health care needs throughout life – gynaecology, maternity care, paediatric care, sexual health and oncology. Private health care is a vital complement to publicly funded health care, which often has very limited resources in the countries where Swedfund invests.

such a category is infrastructure, for which the standard targets are expressed as a capacity utilisation rate and a 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 companies whose operations are not subject to competition because there is no natural transformation pressure on the company to improve efficiency.

Public policy targets in relation to financial targets

There is no conflict between specifically adopted public policy targets and financial efficiency. The state's ambition as an owner is that the assignment must be performed well and in the most efficient manner possible. However, public policy targets and financial targets may affect each other and it is therefore important that they are set in an integrated process. For example, performance of the public policy assignment may be associated with a cost, which will affect the company's financial performance. The costs of public policy assignments are taken into consideration when the financial targets are set. The public policy assignment may also be linked to the company's risk and the assessment of an appropriate capital structure.

How the public policy assignment is interpreted and public policy targets are set has bearing on the company's financial conditions and what financial targets are feasible.

Some companies with public policy assignments are allocated funds from the central government budget and these cost estimates help the Government and the Riksdag set priorities for how taxpayers' money should be used.

What is a specifically adopted public policy assignment?

When the Riksdag assigns a company to conduct operations serving to generate effects other than a financial return for the owner, this constitutes a specifically adopted public policy assignment.

23 companies with specifically adopted public policy assignments

Almi Företagspartner	SSC
APL	Sbo
Arlandabanan Infrastructure	Sveaskog
Kungliga Dramatiska teatern	Svedab
ESS	Svenska Spel
Göta kanalbolag	Swedavia
Miljömärkning Sverige	Swedfund International
Kungliga Operan	Systembolaget
RISE	Teracom Boxer Group
Samhall	VisitSweden
SEK	Voksenåsen
SOS Alarm	

Tracking and evaluation

Public policy targets are tracked on an ongoing basis and are a standing item on the agenda at regular owner dialogue meetings, when the minister meets with the chairman and management of a company with a public policy assignment.

Tracking targets

Tracking targets is one of the foundations of active corporate governance by the state. As the owner, the state can evaluate and foster company development by comparing performance against established targets. Targets are tracked in owner meetings with company management and the chairman.

Financial targets¹ – Targets and outcomes 2015

%	Profitability (Return on equity unless otherwise stated)		Capital structure (Equity/assets ratio unless otherwise stated)		Resolved dividend (Based on profits for 2015 unless otherwise stated)	
	Target	Outcome 2015	Target	Outcome 2015	Target	Outcome 2015
Akademiska Hus	>6.5 ²⁾	6.9 ²⁾	30–40	40.7	40–60 ³⁾	50 ³⁾
APL	>8	2.2	40–50	38.9	>50	0
Apoteket	3 ⁴⁾	2.4 ⁴⁾	40–80 ⁵⁾	neg ⁵⁾	40–60 ⁶⁾	50 ⁶⁾
Apoteksgruppen	>4	neg.	Approx. 80	>80	40	0
Bilprovningen	>8 ⁴⁾	10.2 ⁴⁾	30–40	48.1	>80	100
Bostadsgaranti	rf+3	5.7	–	–	33	30
Green Cargo	10 ²⁾	1.4 ²⁾	0.6–0.9 ⁵⁾	1.4 ⁵⁾	50	0
Infranord	>16	21.6	>33	31.3	50–75	0
Jernhusen	12	17.2	35–45	41.1	33	180
Lernia	>20	17	30–50	42	50	61
LKAB	>12	neg.	0–20 ⁵⁾	10 ⁵⁾	30–50	0
Metria	10 ⁷⁾	9.1 ⁷⁾	≥30	48.6	≥30	51
PostNord	10.5 ²⁾	5.4 ²⁾	10–50 ⁵⁾	neg ⁵⁾	40–60	0
Samhall	7	neg.	>30	47	0	0
SAS	–	–	>20 ⁸⁾	40 ⁸⁾	–	–
SJ	≥7 ²⁾	12.9 ²⁾	0.5–1.0 ⁵⁾	0.19 ⁵⁾	30–50	40
SOS Alarm	8	neg.	40–50	27	5 ⁹⁾	0 ⁹⁾
Specialfastigheter	8	12.8	25–35	30.2	50 ³⁾	50 ³⁾
SSC	6 ²⁾	0.7 ²⁾	0.3–0.5 ⁵⁾	0.4 ⁵⁾	30	0
Sveaskog	>4.5 ¹⁰⁾	4.7 ¹⁰⁾	0.3–0.6 ⁵⁾	0.41 ⁵⁾	65–90	89
Svenska Spel	>22 ⁴⁾	22.6 ⁴⁾	–	–	–	–
Svevia	≥13	18.5	≥30	29.7	50–75	67
Swedavia	>7 ²⁾	14.5 ²⁾	1.0–1.5 ⁵⁾	0.7 ⁵⁾	30–50	40
Swedesurvey	Persistently positive	neg.	>30	33.2	–	–
Swedfund	rf	neg.	–	–	–	–
Systembolaget	rf+7	11.6	20–30	28.3	80–100	100
Telia Company	–	–	A- to BBB ⁺¹¹⁾	A- to BBB ⁺¹¹⁾	>50	85
Teracom Boxer Group	17	10.2	30	49	40–60	60
Vasallen	rf+4	2.5	>50	89.7	30–50	447
Vattenfall	9 ¹²⁾	neg ¹²⁾	50–90 ⁵⁾	55.4 ⁵⁾	–	–

1) The targets are set for a business cycle. 2) Return on operating capital. 3) Share of net profit after tax after reversal of changes in value for the year and associated deferred tax. 4) Operating margin. 5) Debt/equity ratio. 6) Share of net profit after tax adjusted for earnings and tax related to pension assets and pension commitments.

7) EBITDA margin. 8) Financial preparedness: liquid assets and unused credit facilities/fixed costs. 9) Share of equity. 10) Dividend yield.

11) Long-term credit rating. 12) Return on capital employed.

%	Profitability Return on equity		Capital structure Common equity Tier 1 capital ratio		Dividend Share of profit for the year	
	Target	Outcome 2015	Target	Outcome 2015	Target	Outcome 2015
SBAB	10	10.2	>20	28.6	>40	0
SEK	>6	7.2	16, minimum 12 ¹³⁾	21.6 ¹³⁾	30	30

13) A new capital target was adopted by the annual general meeting held 21 Jan 2016: SEK's total capital ratio under normal circumstances must be between 1 and 3 percentage points above the requirement communicated by Finansinspektionen.

Sustainability targets

Companies in the state portfolio must all have defined sustainability targets that are relevant to their operations and sustainability challenges. Sustainability targets and outcomes for each company are presented in the company overviews on pages 30–79.

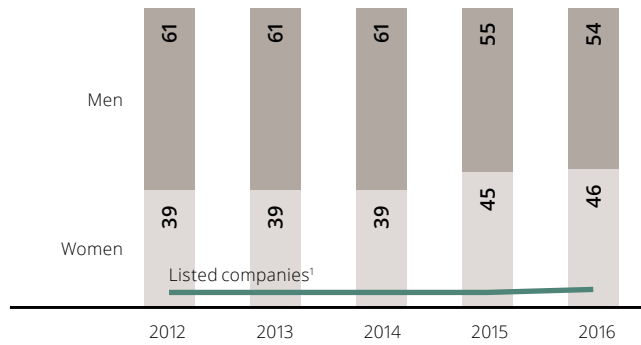
An overarching target for state-owned enterprises is that they should be role models in the effort towards gender equality and derive benefit from the expertise and experience of both men and women. They must work actively to achieve gender balance on boards of directors and in company management. The Gov-

ernment's target is for board representation of at least 40 per cent for each gender. As of 10 May 2015, board representation in companies wholly and partially owned by the state was 48 per cent women and 52 per cent men. Representation in executive management in companies wholly and partially owned by the state was 43 per cent women and 57 per cent men.

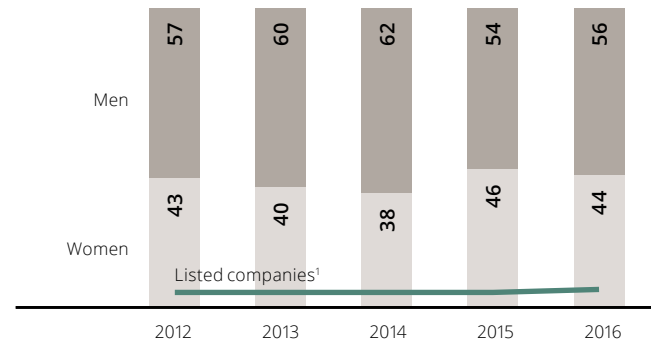
Public policy targets

Targets and outcomes for each company are presented in the company overviews on pages 30–79.

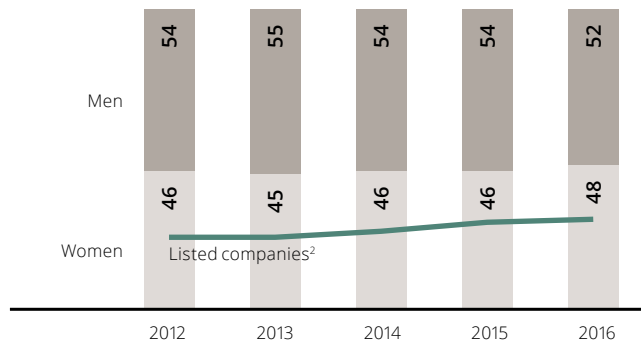
Gender distribution in wholly and partially owned companies – chairmen, %



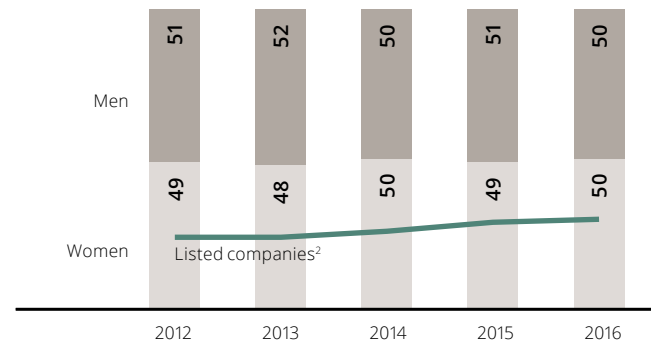
Gender distribution in wholly owned companies – chairmen, %



Gender distribution in wholly and partially owned companies – chairmen and directors, %



Gender distribution in wholly owned companies – chairmen and directors, %



1) Gender distribution of chairmen of listed companies, expressed as a percentage.

2) Gender distribution of all directors of listed companies, expressed as a percentage.

Gender distribution – CEOs and executive management

			2015		2014		2013		2012		
	W, no.	M, no.	Total	W, %	M, %	W, %	M, %	W, %	M, %	W, %	M, %
CEOs	14	32	46	32	68	32	68	36	64	29	71
Executive management	148	199	347	43	57	39	61	37	63	38	62

Gender distribution – directors appointed by the AGM

	10 May 2016			2015		2014		2013		2012			
	W, no.	M, no.	Total	W, %	M, %	W, %	M, %	W, %	M, %	W, %	M, %		
Wholly and partially owned companies													
Chairmen	22	26	48	46	54	45	55	39	61	39	61	39	61
Directors	150	157	307	49	51	47	53	47	53	46	54	48	52
Total chairmen and directors appointed by the AGM	172	186	358	48	52	46	54	46	54	45	55	46	54
Wholly owned companies													
Chairmen	18	23	41	44	56	46	54	38	62	40	60	43	57
Directors	123	119	242	51	49	49	51	52	48	49	51	50	50
Total chairmen and directors appointed by the AGM	141	142	283	50	50	49	51	50	50	48	52	49	51

The state-owned enterprise portfolio comprises 50 wholly and partially owned companies whose combined sales equal SEK 346 billion. Including associated companies, sales amount to SEK 387 billion. The state-owned enterprises provide important contributions to central government finances every year. In 2015, dividends amounted to approximately SEK 26.0 billion. The total value of the state's portfolio of companies – which are ultimately owned by the Swedish people – is an estimated SEK 430 billion.

Income statement and balance sheet

Sales

Consolidated sales for state-owned enterprises fell by 1 per cent in 2015 year-on-year, amounting to SEK 346.1 (350.0) billion.

Total sales including the state's ownership interest in associated companies declined by 0.4 per cent in 2015.

Income statement

SEKm	2015	2014
Net sales (including appropriation, if any)	346,119	350,125
Other income	5,838	7,466
Expenses	-362,609	-340,702
Profit from shares in associated companies	4,020	6,117
Changes in value	5,207	5,050
Operating profit/loss (EBIT)	-1,425	28,056
Financial income	3,664	4,149
Financial expenses	-10,029	-11,592
Profit/loss before tax	-7,789	20,612
Tax	5,801	-3,874
Profit/loss from discontinued operations		
Net profit/loss for the year	-1,833	16,523
Attributable to owners of the parent	1,314	16,616
Attributable to minority interests	-2,999	-94
Total	-1,685	16,523

Operating profit

The consolidated operating loss for 2015 was SEK -1.4 (28.1) billion.

Balance sheet

SEKm	2015	2014
Assets		
Property, plant and equipment	455,745	482,664
Intangible assets	24,788	27,343
Financial assets	812,103	818,591
Current assets	198,434	210,846
Total assets	1,491,070	1,539,444
Equity, provisions and liabilities		
Equity attributable to owners of the parent	325,080	347,059
Equity attributable to owners of minority interests	16,279	16,754
Total equity	341,359	363,813
Total liabilities and equity	1,491,070	1,539,444

Equity

Equity declined by SEK 22.4 billion in 2015 mainly due to dividends of SEK -26.0 billion paid in 2015 and a loss after tax of SEK -1.8 billion.

1) The Swedish state's share is 37.3 per cent.

Cash flow statement

Cash flow

SEKm	2015	2014
Cash flow from operating activities	60,274	65,246
Cash flow from investing activities	-35,321	-29,174
Cash flow from financing activities	-24,696	-35,908

Cash flow from operating activities

Cash flow from operating activities decreased by 7.6 per cent in 2015 compared with 2014, from SEK 65.2 billion to 60.3 billion.

Cash flow from investing activities

Cash flow (cash used) from investing activities increased by 21.1 per cent in 2015 compared with 2014, from SEK -29.2 billion to -35.3 billion.

Cash flow from financing activities

Cash flow (cash used) from financing activities decreased by 31.2 per cent in 2015 compared with 2014, from SEK -35.9 billion to -24.7 billion.



Vattenfall's cash flow from operating activities improved by SEK 0.8 billion to SEK 40.9 billion in 2015.

Dividends and appropriations

The majority of the state-owned enterprises have established in their dividend policies that a share of the profits is to be distributed to the owner. Companies with specifically adopted public policy assignments may receive budget appropriations.

Dividends paid, state's share

SEKm	Ownership interest, %	2015 ¹⁾	2014 ¹⁾
Akademiska Hus	100	7,945	1,374
Apoteket	100	158	150
Bilprovningen	100	48	290
Bostadsgaranti	50	138	9
Jernhusen	100	113	100
Lernia	100	235	58
LKAB	100	139	3,500
Metria	100	3	-
Orio	100	35	55
SBAB	100	502	502
SEK	100	378	327
SJ	100	1,930	73
Specialfastigheter	100	3,000	481
SSC, Svenska rymdaktiebolaget	100	10	3
Sveaskog	100	800	450
Swedavia	100	232	230
Svenska Spel	100	4,762	5,219
Svevia	100	120	-
Systembolaget	100	251	287
Telia Company	37	4,806	4,806
Teracom Boxer Group	100	235	290
Vasallen	100	300	100
Total		26,005	18,433

1) Dividends received are recognised in the year the decision to distribute dividends is taken; see the companies' statements of changes in equity and statements of cash flow.

The dividend policies of state-owned enterprises are intended to ensure that the owner receives predictable and sustainable dividends and are an important component in establishing financial targets. Of the 50 companies in the state portfolio, 22 companies distributed dividends in 2015. In total, these companies distributed SEK 26.0 billion to the state. The largest dividends in 2015 were paid by Akademiska Hus (SEK 7.9 billion), Svenska Spel (SEK 4.8 billion) and Telia Company (SEK 4.8 billion). The combined dividends of these companies correspond to 67 per cent of total dividends received by the state in 2015.

Appropriation/total income for 2015

SEKm	Appropriation 2015	Total income 2015	Share of financing via appropriation, %
Almi Företagspartner	248.7	900.9	27.6
Dramaten	226.7	282.9	80.1
Göta kanalbolag	25.2	62.4	40.4
Miljömärkning Sverige	3.4	58.6	5.8
Operan	439.0	538	81.6
PostNord	24.0	40112	0.1
RISE Research Institutes of Sweden	370.7	2128	17.4
Samhall	4,405.0	7229	60.9
SOS Alarm	251	977	25.7
Teracom Boxer Group	3	3966	0.1
VisitSweden	140	254	55.0
Voksenåsen	14	61	23.1
Total	6,150.8	56,569.5	10.9

Certain companies are allocated 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 provide rewarding jobs for people with disabilities. Samhall's appropriation in 2015 was SEK 4,405 million, corresponding to 72 per cent of the state's total appropriations allocated to state-owned enterprises. Further examples of companies that receive annual appropriations are the Royal Dramatic Theatre and the Royal Swedish Opera, which receive funding as national stages for dramatic theatre and opera/ballet, respectively. State-owned enterprises received a total of SEK 6,151 in appropriations in 2015.

Effect of divestments and dividends on central government finances

The state did not divest any companies, in whole or in part, during 2014 and 2015. State-owned enterprises have paid dividends of SEK 230 billion since 2007.

Divestment proceeds, primarily derived from the sales of Vin & Sprit, Vasakronan and shares in Nordea Bank and Telia Company, were used to amortise central government debt. These amortisations have helped reduce central government interest expenditure. Divestments of companies also reduce potential future dividends, which is normally factored into the sales value.

The annual dividends from state-owned enterprises reduce central government borrowing needs and interest expenditure.

Central government net lending – the net investment of funds in the form of financial assets less financial liabilities –

increases when the companies distribute dividends, as long as the dividends correspond to profits generated during the year. Net lending is not affected when the companies' dividends exceed their profits for the year and thus reduce their equity because the dividend is not matched by an equal reduction in equity (a financial liability). Consequently, it is not possible to strengthen central government net lending through additional dividends that exceed profit for the year generated by state-owned enterprises. Nor do divestments have any effect on net lending.

Divestments in the state-owned enterprise portfolio since 2007

SEK billions	Year	Income, SEKbn	Stake in company, %
Telia Company	2007	18.0	8
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
Total		160.3	

Total dividends from state-owned enterprises

Year	SEKbn
2007	31.3
2008	23.2
2009	20.8
2010	37.6
2011	27.8
2012	26.7
2013	17.7
2014	18.4
2015	26.0
Total	229.5

Effects of divestments and dividends on central government finances

	Proceeds of divestments of companies	Dividends equal to operating profit for the year in the companies	Dividends exceeding operating profit for the year in the companies
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 give rise to exposures to various forms of risk, which may affect the value of one or more companies in the portfolio and their capacity to distribute dividends. The greatest risks from a portfolio perspective are described below.

Business risks

The state company portfolio is illiquid, which means that individual companies are typically not acquired or sold in order to modify total portfolio risk. The portfolio is also concentrated. Consequently, risks associated with the largest companies may have significant impact on the value of the entire portfolio as well as upon potential dividends. The three most valuable companies account for more than 50 per cent of total portfolio value.

The sale or buyout of significant businesses is a business risk that may affect the value of the state portfolio and the possibility of distributing dividends. For example, Vattenfall's lignite business in Germany is in the process of being sold. Furthermore, Telia Company has announced that it intends to exit Eurasia. The sales process for Telia Company is highly complex due to the nature of the markets in Eurasia, including potential government interventions. Also, the assets are not wholly owned and the company is subject to commitments and obligations in various shareholder agreements. Consequently, the expected outcome is highly uncertain.

Another business risk is associated with the markets in which the state-owned enterprises operate. Telia Company's business in Eurasia is one example. Doing business in Eurasia is associated with risk and Telia Company's previous transactions in Uzbekistan, for example, are being investigated by the authorities in Sweden, the Netherlands and the United States. Moreover, a significant portion of Telia Company's profits are generated in associated companies, especially MegaFon and Turkcell. Telia Company does not have a controlling influence over key issues in these companies, such as approval of business plans and budgets or decisions related to the timing and size of cash dividends. The governance problems found at the shareholder level in Turkcell exemplify this risk.

The ongoing urban transformation in Kiruna and Malmberget is another example of a business risk in the state company portfolio. This may affect LKAB's value and ability to distribute dividends as this is a huge undertaking that will affect LKAB's profits and liquidity for many years to come.

Financial risks

The state company portfolio is also exposed to financial risks.

Currency risk is an example of a financial risk. Vattenfall and Telia Company in particular have extensive operations outside

RiR 2015:15 The Government's management of risks in state-owned enterprises

The National Audit Office has audited the Government's management of risks in state-owned enterprises. The Government has reported the measures it intends to take in response to the audit report. In a Government Communication (2015/16:60), "The National Audit Office report on the Government's management of risks in state-owned enterprises." The Government intends to improve information to the Riksdag with a view to providing the Riksdag with an overall view of the risks in the state-owned enterprise portfolio, primarily within the framework of the Government's annual communication to the Riksdag and its report on state-owned enterprises. This concludes the response to the audit report by the National Audit Office.

In the light of the above and as an aspect of the Government's actions to improve information to the Riksdag, a description of external factors and sector-specific risk factors that may have impact on the state-owned enterprise portfolio is provided on this page. The Government intends to continue improving information to the Riksdag with a view to providing the Riksdag with an overall view of the risks in the state-owned enterprise portfolio.


Sweden and LKAB's revenues are dependent upon movements in the exchange rate against the US dollar. Telia Company is also exposed to risks arising from currency restrictions, which may, among else, prevent Telia Company from implementing reversals of cash and cash equivalents.

The future development of the electricity price is another financial risk. A low electricity price benefits several state-owned enterprises, such as Akademiska Hus, Sveaskog and LKAB, but has adverse impact on portfolio value because it is highly significant to Vattenfall.

Likewise, future developments in the price of iron ore constitute a financial risk. The low price resulted in weaker earnings for LKAB in 2015 compared with previous years and the company's value and dividends have fallen.

Legal and regulatory risks

Many state-owned enterprises operate in markets that are regulated to one extent or another. Examples include Vattenfall, Telia Company and Svenska Spel. Changes in regulations applicable to these businesses may have significant impact on the value and prerequisites for distributing dividends of these companies – and thus the entire portfolio.



The Government has a mandate from the Riksdag to actively manage the state's assets. The Government Offices and all ministries assist the Government in its work and presently manage governance and administration of 41 wholly owned and 9 partially owned companies.

Companies

30	Akademiska Hus	56	SAS
31	Almi Företagspartner	57	SBAB
32	APL, Apotek Produktion & Laboratorier	58	SEK
33	Apoteket	59	SJ
34	Apoteksgruppen	60	SOS Alarm
35	Arlandabanan Infrastructure	61	Specialfastigheter
36	Bilprovningen	62	SSC, Svenska rymdaktiebolaget
37	Bostadsgaranti	63	Statens Bostadsomvandling
38	Dom Shvetsii	64	Sveaskog
39	Dramaten	65	Svedab
40	ESS, European Spallation Source	66	Svenska Skeppshypotek
41	Fouriertransform	67	Svenska Spel
42	Green Cargo	68	Svevia
43	Göta kanalbolag	69	Swedavia
44	Infranord	70	Swedesurvey
45	Inlandsinnovation	71	Swedfund
46	Jernhusen	72	Systembolaget
47	Lernia	73	Telia Company
48	LKAB	74	Teracom Boxer Group
49	Metria	75	Vasallen
50	Miljömärkning Sverige	76	Vattenfall
51	Operan	78	VisitSweden
52	Orio	79	Voksenåsen
53	PostNord	80	Other companies and operations
54	RISE, Research Institutes of Sweden	81	Dissolved companies
55	Samhall	81	Companies in voluntary dissolution

Akademiska Hus

Akademiska Hus owns, develops and manages properties for Swedish higher education institutions, focused mainly on educational and research activities. Sustainable and professional operations on market terms are an important cornerstone of the company's business.

Significant events in 2015

- Rental income essentially unchanged. Commissioning of new properties offset by divestments. Stable net operating income.
- A number of important projects including Albano in Stockholm were launched, along with several different student housing initiatives.
- A decision was taken in October to distribute a special dividend of SEK 6.5 billion to adjust the capital structure in alignment with the equity/assets ratio target.

Targets and tracking

Financial targets

- Profitability: Return on operating capital excluding changes in value of at least 6.5 per cent.
- Capital structure: Equity/assets ratio of 30–40 per cent.
- Dividends: 40–60 per cent of profit after tax, after reversal of changes in value and associated deferred tax.

Outcomes

- Return on operating capital fell to 6.9 (7.3) per cent. The downturn is explained by an increase in property value while the operating surplus remained essentially unchanged.
- The equity/assets ratio declined in 2015 as a consequence of the special dividend. This was offset to a certain extent by positive unrealised changes in value, and the equity/assets ratio was 40.7 per cent at year-end, just above the target range.
- In accordance with policy, the ordinary dividend amounted to 50 per cent of adjusted profit. In addition to this, the company resolved to distribute a special dividend to adjust the equity/assets ratio in line with the target.

Sustainability targets

- Cooperation with customers on sustainability initiatives (2015 target: initiate 16 sustainability initiatives).
- Reduction in purchased energy by 50 per cent from 2000 to 2025.
- Eliminate carbon footprint from operations.
- Zero workplace accidents.

Outcomes

- The cooperation target was attained with 19 joint sustainability initiatives in 2015.
- The quantity of purchased energy declined by 4.8 per cent, on track towards the long-term target.
- The carbon footprint target is under development and efforts to clarify the energy strategy are in progress.
- Zero workplace accidents is a long-term target. The focus in 2015 was reporting of accidents and incidents. Akademiska Hus has also initiated an industry-wide network dedicated to working with health and safety challenges.

Public policy targets

Akademiska Hus does not have a specifically adopted public policy assignment.



AKADEMISKA HUS



Chair: Anitra Steen



CEO: Kerstin Lindberg Göransson

Directors and auditors elected for 2016/2017

Chair: Anitra Steen **Board:** Britta Burreau, Olof Ehrlén, Ingela Lindh, Gunnar Svedberg and Ingemar Ziegler. Kristina Ekengren was elected at the 2016 AGM, Leif Ljungqvist, Pia Sandvik stepped down **Employee rep:** Thomas Jennlinger, Anders Larsson **Auditor:** Björn Flink (KPMG)

Fees paid to the chairman were SEK 290 (270) thousand. Fees paid to directors elected by the AGM amounted to SEK 140 (135) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Operating surplus	3,703	3,717
Changes in value	2,655	3,529
Operating profit	6,323	7,200
Profit/loss before tax	6,141	6,261
Net profit	4,780	5,215
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	74,433	69,719
Non-current assets	68,590	63,399
Equity	30,271	33,432
– of which, minority interests	0	0
Net debt	23,004	11,646
Operating capital	53,275	45,078
Key indicators		
Surplus ratio, %	65	65
Operating margin, %	110.9	126.7
Return on equity (average), %	15.0	16.5
Return on operating capital excluding changes in value (average), %	6.9	7.3
Net debt/equity ratio, multiple	0.8	0.3
Equity/assets ratio, %	40.7	48.0
Gross investments, SEKm	2,506	3,007
Appropriation, SEKm	0	0
Dividend, SEKm	7,945	1,374
Average no. of employees	409	408
Employees, gender distribution (women/men), %	26/74	26/74
Management group, gender distribution (women/men), %	43/57	42/58
Board, gender distribution (women/men), %	57/43 ¹⁾	50/50

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

1) Elected for 2016/2017.

Almi Företagspartner AB's mission is to strengthen the development of Swedish business, promote sustainable growth and contribute to the development and financing of small and medium-sized enterprises with profitability and growth potential. Almi's activities include advisory service, loans and equity capital.

The company's operations are to complement the private market and be accessible throughout the country. Advisory services are provided by Almi's own advisers, externally contracted consultants and by the partially owned company IFS Rådgivning AB, which focuses on people with a foreign background. Lending operations are based on a lending fund of approximately SEK 5.5 billion and must be conducted in a way that capital is kept nominally intact. Investments in equity capital are made through Almi Invest, a wholly owned organisation, which co-invests equity capital with private investors.

Significant events in 2015

- New lending to small and medium-sized enterprises increased by nearly 40 per cent and was on par with lending during the financial crisis in 2009.
- Credit losses decreased to SEK 129 (195 million).
- A new equity capital fund, Almi Invest II, was launched, with SEK 1,300 million in capital. Almi Invest I was simultaneously closed to new investments.

Targets and tracking

Financial targets

No financial targets have been established by the owner. Almi's remit is to conduct lending activities from a long-term perspective so that its capital is kept nominally intact, in accordance with Government Bill 1993/94:40.

Sustainability targets

- Sustainability issues must be included in the dialogue with all clients.
- Almi must take proactive measures towards all target groups.
- There should be diversity in Almi's own organisation.

Outcomes

- 97 per cent of clients understand that sustainability has been discussed in meetings.
- People with foreign background are overrepresented as regards lending and advisory services. Women are marginally underrepresented as regards advisory services to new entrepreneurs.
- The share of women managers is 48 per cent, the share of women working directly with clients is 44 per cent, the share of employees of foreign background is 16.3 per cent and the average age of employees is 48.

Public policy targets

- Target linked to Almi's assignment is to promote sustainable growth.
- Target linked to Almi's market-complementary role.
- Target linked to the extent to which Almi's operations focused on companies in the early phases in terms of life cycle or expansion phases reach women and people of foreign background.

Outcomes

The public policy targets were adopted by the 2016 AGM.



Chair: Birgitta Ågren Böhlin



CEO: Göran Lundwall

Directors and auditors elected for 2016/2017

Chair: Birgitta Ågren Böhlin **Board:** Anders Byström, Katarina Green, Nicolas Hassbjör, Åke Hedén, Agneta Mårdsjö and Anna Söderblom

Employee reps: Maria Ines Ribeiro de San Juan, Christina Wahlman.

Auditor: Jonas Ståhlberg (Deloitte)

Fees paid to the chairman were SEK 190 (180) thousand. Fees paid to directors elected by the AGM amounted to SEK 95 (90) thousand. Fees are not paid to directors employed by the Government Offices.

	2015	2014
State ownership (100%)		
Income statement, SEKm		
Net sales	901	1,074
Operating profit	45	35
Financial income	100	88
Profit before tax	139	120
Net profit	139	120
– of which attributable to minority interest	-1	1
Balance sheet, SEKm		
Total assets	7,929	7,803
Non-current assets	5,417	4,867
Equity	7,078	6,939
– of which, minority interests	182	183
Net debt	-7,014	-6,887
Operating capital	64	53
Key indicators		
Operating margin, %	5.0	3.3
Return on equity (average), %	2.0	1.7
Return on operating capital (average), %	77.5	1.7
Net debt/equity ratio, multiple	-1.0	-1.0
Equity/assets ratio, %	89.3	88.9
Gross investments, SEKm	218	221
Appropriation, SEKm	249	260
Dividend, SEKm	0	0
Average no. of employees	470	475
Employees, gender distribution (women/men), %	26/48	50/50
Management group, gender distribution (women/men), %	43/57	67/33
Board, gender distribution (women/men), %	57/43 ¹⁾	57/43
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		No

1) Elected for 2016/2017.

Apotek Produktion & Laboratorier AB's (APL) principal assignment is to produce and supply extemporaneous pharmaceuticals and stock preparations. Today, APL supplies extemporaneous pharmaceuticals to all pharmacy companies operating in the outpatient care market, as well as to inpatient care providers, on equal and non-discriminatory terms. Following changes in the law effective 1 June 2010, the extemporaneous pharmaceutical market is open to competition. The company has a particular responsibility to produce and deliver extemporaneous pharmaceuticals and stock preparations on demand from outpatient pharmacies.

Significant events in 2015

- Net sales increased by SEK 26 million to SEK 1,210 million, attributable to sales of pharmaceuticals included in the preparation service provided to county councils.
- Positive sales growth in the Healthcare & Pharmacies business area.
- Decreased sales in the Life Science business area, attributable to the expiration of a temporary contract deal.

Targets and tracking

Financial targets

- Profitability: Return on equity exceeding 8 per cent per year.
- Capital structure: Equity/assets ratio of 40-50 per cent.
- Dividend: At least 50 per cent of profit after tax for the year. Dividends are distributed provided that the capital structure target after the dividend is within the target range, taking into account implementation of the group's strategy and its investment needs.

Outcomes

- Return on equity was 2.2 per cent and the equity/assets ratio was 38.9 per cent. This is due to operating profit for January–December 2015 of SEK 8.5 million, which was SEK 6.6 million lower than operating profit for the preceding year. The change in operating profit is primarily attributable to a change in the product mix and to database maintenance activities of a one-time nature in preparation for upgrading a new business system.
- The board has proposed that profits from 2015 be carried forward in the light of an increase in future investment volumes.

Sustainability targets for 2015

- Reduce energy consumption by 5 per cent
- Reduce carbon emissions by 5 per cent within district heating, transport and business travel.
- Continuously improve operations based on APL's gender equality and diversity plan.

Outcomes

- Energy consumption decreased by 7.6 per cent.
- Carbon emissions decreased by 0.3 per cent.
- Pay survey and stakeholder dialogues carried out.

Public policy targets

APL has a specifically adopted public policy assignment. Targets have not yet been developed according to the public policy targets process.



Chair: Johan Assarsson



CEO: Eva Sjökvist Saers

Directors and auditors elected for 2016/2017

Chair: Johan Assarsson **Board:** Malin Forkman, Britt Hansson, Eugen Steiner and Ulf Tossman **Employee reps:** Susann Danielsson-Lindberg, Daniela Renner **Alternate employee reps:** Astrid Holdt, Sören Johansson **Auditor:** Magnus Fagerstedt (EY)

Fees paid to the chairman were SEK 250 (250) thousand. Fees paid to directors elected by the AGM amounted to SEK 130 (130) thousand.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	1,210	1,183
Operating profit	9	15
Financial income	0	0
Profit/loss before tax	7	12
Net profit	5	9
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	562	511
Non-current assets	262	228
Equity	219	214
- of which, minority interests	0	0
Net debt	164	161
Operating capital	383	375
Key indicators		
Operating margin, %	0.7	1.3
Return on equity (average), %	2.2	4.4
Return on operating capital (average), %	2.2	4.1
Net debt/equity ratio, multiple	0.8	0.8
Equity/assets ratio, %	38.9	41.9
Gross investments, SEKm	54	18
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	467	484
Employees, gender distribution (women/men), %	74/26	73/27
Management group, gender distribution (women/men), %	40/60	40/60
Board, gender distribution (women/men), %	40/60 ¹⁾	40/60

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

Apoteket AB offers products and services in the areas of pharmaceuticals and health and must be operated in a way that facilitates good supply of pharmaceuticals in Sweden. Apoteket is a commercial enterprise operating in a fully competitive market. In the outpatient pharmacy market, the company provides prescription and non-prescription drugs, merchandise, health services, information and advice to consumers through about 372 pharmacies nationwide. The company also has an extensive remote trade business via online trading and through the company's pharmacy agents.

Significant events in 2015

- Sales increased due to more expensive prescription drugs, increased sales of self-care products and reabsorbed franchise operations.
- Clear improvement in profitability due to higher gross profit on consumer sales and cost control.
- Continued stepped-up sustainability initiatives, including within quality control.

Targets and tracking

Financial targets

- Profitability: Operating margin of 3 per cent.
- Capital structure: Debt/equity ratio of 40–80 per cent of pension-adjusted equity.
- Dividend: 40–60 per cent of profit adjusted for profit/loss and tax attributable to pension assets and pension commitments.

Outcomes

- The operating margin increased to 2.4 (1.8) per cent.
- The debt/equity ratio was negative at year-end 2015.
- The ordinary dividend amounted to 50 (50) per cent of adjusted profit. A decision was taken to distribute a special dividend of SEK 920 million in addition to the ordinary dividend of SEK 180 million to adjust the capital structure in line with the target.

Sustainability targets

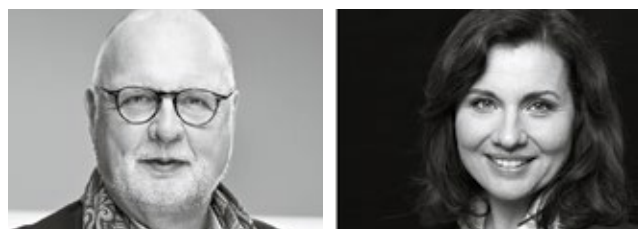
- Health target: Customer Satisfaction Index (CSI) of > 80.
- Product range target: All suppliers to have signed Apoteken's Code of Conduct.
- Environmental target: 80 per cent of customers return left-over pharmaceuticals.
- Diversity target: Employee Satisfaction Index (ESI) of 72 or higher for 2015. Diversity in the company is considered an important component in improving the ESI.

Outcomes

- Health target: 100 pharmacies evaluated, CSI 85 (85).
- Product range target: 89 per cent (94) had signed the Code of Conduct in 2015.
- Environmental target: 54 per cent reported turning in pharmaceutical waste in 2015.
- Diversity target: Employee motivation increased in 2015 to 77 per cent (72).

Public policy targets

According to its owner instruction, Apoteket is tasked with retaining existing pharmacy agents to the extent necessary to maintain good supply of pharmaceuticals in the community where the agent operates.



Chair: Christian W. Jansson

CEO: Ann Carlsson

Directors and auditors elected for 2016/2017

Chair: Christian W. Jansson **Board:** Maria Curman, Gert Karnberger, Sussi Kvarn, Leif Ljungqvist and Kristina Schauman **Employee reps:** Gunilla Larsson, Hanna Ottosson **Alternate employee reps:** Lisa Ekstrand, Lena Rhodin **Auditor:** Ingrid Hornberg Román (KPMG)

Fees paid to the chairman were SEK 300 (300) thousand. Fees paid to directors elected by the AGM amounted to SEK 150 (150) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	19,599	18,567
Operating profit	464	343
Financial income	127	138
Profit/loss before tax	591	481
Net profit	458	371
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	8,499	8,028
Non-current assets	4,305	4,201
Equity	5,150	4,686
– of which, minority interests	0	0
Net debt	-357	56
Operating capital	4,793	4,742
Key indicators		
Operating margin, %	2.4	1.8
Return on equity (average), %	9.3	8.2
Return on operating capital (average), %	9.7	11.9
Net debt/equity ratio, multiple	-0.1	0.0
Equity/assets ratio, %	60.6	58.4
Gross investments, SEKm	81	70
Appropriation, SEKm	0	0
Dividend, SEKm	158	150
Average no. of employees	3,318	3,474
Employees, gender distribution (women/men), %	85/15	86/14
Management group, gender distribution (women/men), %	29/71	43/57
Board, gender distribution (women/men), %	50/50 ¹	50/50

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

¹) Elected for 2016/2017.

Apoteksgruppen

Apoteksgruppen Sverige Holding AB is a voluntary pharmacy chain with a service organisation that is wholly owned by the state. Apoteksgruppen has 168 affiliated pharmacies, which are owned by about 180 independent business owners. The service organisation supports and coordinates the business owners.

The service organisation offers support to pharmacy owners in operating their pharmacies. Pharmacy owners gain access to a chain-wide range, Apoteksgruppen's proprietary brands, purchasing, finance and HR systems, quality, sales and start-up support, joint marketing and IT systems. Apoteksgruppen is the fourth largest market actor, with a market share of approximately 10 per cent.

Significant events in 2015

- Expanded e-commerce offering.
- Expansion in metropolitan areas.
- The reported loss is attributable to new ventures.
- CEO Eva-Britt Gustafsson retired 31 December 2015 and was succeeded by Tony Johansson on 1 January 2016.

Targets and tracking

Financial targets

- Profitability: Return on equity of at least 4 per cent.
- Capital structure: Equity/assets ratio in the group of approximately 80 per cent.
- Dividend: 40 per cent of profit for the year, taking into account the equity/assets ratio target.

Outcomes

- Return on equity was below target at -2.8 (-0.6) per cent.
- The equity/assets ratio exceeded the target by about 80 per cent.
- The dividend was SEK 0.0 (0.0) million.

Sustainability targets

- Increase the level of service at Apoteksgruppen pharmacies (that is, the proportion of directly dispensed prescription drugs).
- Increase the use of EES (Electronic Expert Support) in connection with dispensing prescriptions at Apoteksgruppen pharmacies.
- Increase the percentage of "Swan" and "Swallow" ecolabelled products among Apoteksgruppen's own brands in relation to total merchandise.

Outcomes

- The level of service was about 94 per cent at year-end. A new stock control system was deployed in 2014 with a view to improving the level of service to 95 per cent.
- Aimed at further improving service, customers have the option to pre-order pharmaceuticals and in mid-2015 Apoteksgruppen began offering prescription drugs via e-commerce.
- Apoteksgruppen has nine suppliers of PL (private label) goods, which account for about 8 per cent of the chain's merchandise sales. These suppliers must comply with the same standards as other suppliers of merchandise, but Apoteksgruppen manages tracking to a greater extent on their behalf.

Public policy targets

Apoteksgruppen does not have a specifically adopted public policy assignment.

apoteksgruppen



Chair: Birgitta Ågren Böhlin



CEO: Tony Johansson

Directors and auditors elected for 2016/2017

Chair: Birgitta Ågren Böhlin **Board:** Peder Larsson, Annema Paus, Richard Reinius, Gunilla Rittgård and Satish Sen **Auditor:** Lena Möllerström Nording (Grant Thornton)

Fees paid to the chairman were SEK 250 (250) thousand. Fees paid to directors elected by the AGM amounted to SEK 130 (130) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	255	254
Operating profit	-19	-8
Financial income	5	10
Profit/loss before tax	-14	0
Net profit	-11	-3
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	465	474
Non-current assets	83	116
Equity	386	396
- of which, minority interests	0	0
Net debt	0	0
Operating capital	386	396
Key indicators		
Operating margin, %	-7.3	-3.0
Return on equity (average), %	-2.8	-0.9
Return on operating capital (average), %	-4.8	-1.9
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	83.0	83.6
Gross investments, SEKm	13	11
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	58	59
Employees, gender distribution (women/men), %	72/28	69/31
Management group, gender distribution (women/men), %	71/29	60/40
Board, gender distribution (women/men), %	50/50 ¹⁾	50/50
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		Yes

1) Elected for 2016/2017.

Arlandabanan Infrastructure

Arlandabanan Infrastructure AB (AIAB) owns and administers the Arlandabanan rail line, granting 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 the Arlandabanan line and is responsible for ensuring that the government's contractual rights and obligations are observed. A-Train AB is the company's contractual counterparty and operates the Arlanda Express service, manages the infrastructure and is responsible for all the obligations this entails. The contracts grant A-Train the right to use AIAB's traffic rights on the state-owned rail network as well as the right to use Arlandabanan and its 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

Significant events in 2015

- The number of passengers using Arlanda Express decreased by 1.8 per cent.
- The number of passengers using other rail companies increased by 4.5 per cent.
- The market share for trains on the route decreased.

Targets and tracking

Financial targets

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

Sustainability targets

- Increase rail usage: 8 million trips a year by 2040.
- Financial commitments and earnings: Repay SEK 1.9 billion in conditional loans.
- Reduce emissions of greenhouse gases: Net reduction of 182,000 tonnes by 2040.
- Improved diversity and gender equality: Representation above 40 per cent for each gender.
- Impact on our neighbours: General and detailed development plans.
- Prevent corruption: Zero corruption
- Competition under certain conditions: Competition-neutral.
- Legal and regulatory compliance: Various obligations.
- Customer health and safety: Zero fatalities/injuries.
- Satisfied customers 100 per cent satisfied customers

Outcomes

- 5.6 million trips in 2015.
- Forecast repayment starting in 2018.
- Net reduction of greenhouse gases of 97,000 tonnes by year-end 2015.
- 35 per cent women on the boards of relevant companies.
- General and detailed development plans partially satisfactory.
- Zero corruption. Zero matters reported concerning competition. No regulatory violations. No injured passengers.
- 88 per cent satisfied passengers/rail companies, CSI = 73.

Public policy targets

AIAB has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked. Targets have not yet been developed according to the public policy targets process.



Chair: Jan Olson



CEO: Ulf Lundin

Directors and auditors elected for 2016/2017

Chair: Jan Olson **Board:** Lars Erik Fredriksson and Irene Svenonius. Britta Dalunde was elected at the 2016 AGM. Kerstin Hessius stepped down

Auditor: Mikael Sjölander (EY)

Fees paid to the chairman were SEK 110 (110) thousand. Fees paid to directors elected by the AGM amounted to SEK 66 (66) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	68	68
Operating profit	0	0
Financial income	0	0
Profit/loss before tax	0	0
Net profit	0	0
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	1,398	1,455
Non-current assets	1,381	1,437
Equity	10	10
- of which, minority interests	0	0
Net debt	-8	-10
Operating capital	2	0
Key indicators		
Operating margin, %	0.0	0.0
Return on equity (average), %	0.0	0.0
Return on operating capital (average), %	0.0	0.0
Net debt/equity ratio, multiple	-0.8	-1.0
Equity/assets ratio, %	0.7	0.7
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	1	1
Employees, gender distribution (women/men), %	-	-
Management group, gender distribution (women/men), %	-	-
Board, gender distribution (women/men), %	50/50 ¹⁾	50/50
Reported in compliance with GRI guidelines	Yes	
Externally assured GRI report	Yes	
Reporting in compliance with IFRS	No	

1) Elected for 2016/2017.

Bilprovningen

AB Svensk Bilprovning (Bilprovningen) provides advice and inspections of vehicle safety, environmental impact and cost of ownership.

Since 2013, Bilprovningen conducts commercial operations in a deregulated market. With 94 stations and 635 employees, Bilprovningen is the leading provider of vehicle inspection services in Sweden and the only player in the market with a nationwide network of stations. Bilprovningen delivers the best access in terms of opening hours. In the market and also offers drop-in service. Bilprovningen performed about two million inspections in 2015, of which 96 per cent were mandatory safety and registration inspections.

Significant events in 2015

- Net sales declined due to increasingly fierce competition in the vehicle inspection market.
- Bilprovningen implemented a price increase of 6 per cent, on average, in November.
- The Transport Agency submitted a proposal on adaptation of the new EU directive that would entail less frequent vehicle inspections.

Targets and tracking

Financial targets

- Profitability: Operating margin of at least 8 per cent.
- Capital structure: Equity/assets ratio of 30–40 per cent.
- Dividend: At least 80 per cent of profit after tax for the year.

Outcomes

- The operating margin for the financial year 2015 was 10.2 (8.4) per cent.
- The equity/assets ratio was 48.1 (43.8) per cent.
- The dividend for the 2015 financial year was SEK 56 million, corresponding to 100 per cent of profit after tax for the year.

Sustainability targets

- Safe vehicles: Supplementary services doubled by 2016.
- Attractive employer: Employee turnover rate of 7 per cent or less, at least 12 per cent women inspection technicians, at least 17 per cent employees of foreign background (2016).
- Environmental role model: Reduction of climate impact by 80 per cent (2006–2050) with an intermediate target of a 30 per cent reduction by 2020 and cumulative reduction in energy consumption of 2 per cent per year (kWh/inspection).

Outcomes

- Still at the baseline position. The target is expected to be attained with activities during 2015–2016.
- Employee turnover 7.2 per cent (13.2), women technicians 10.1 per cent (9.1), employees of foreign background 14 per cent (14).
- During the period of 2006–2012, Bilprovningen cut its climate impact by nearly 50 per cent and reduced energy consumption by about 15 per cent. The interim target has already been attained.

Public policy targets

Bilprovningen does not have a specifically adopted public policy assignment.

BILPROVNINGEN



Chair: Karin Strömberg



CEO: Benny Örnbergs

Directors and auditors elected for 2016/2017

Chair: Karin Strömberg **Board:** Hans Krondahl, Gunnar Malm, Anna Nilsson-Ehle, Kristina Patek and Hélène Westholm **Employee reps:** Bengt Lindblom, Joakim Rönnlund **Alternate employee reps:** Göran Lund, Jonas Nilsson **Auditor:** Jonas Ståhlberg (Deloitte)

Fees paid to the chairman were SEK 170 (160) thousand. Fees paid to directors elected by the AGM amounted to SEK 85 (85) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	708	719
Operating profit	72	61
Financial income	1	2
Profit/loss before tax	73	63
Net profit	56	63
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	317	330
Non-current assets	96	53
Equity	152	145
– of which, minority interests	0	0
Net debt	0	0
Operating capital	152	145
Key indicators		
Operating margin, %	10.2	8.4
Return on equity (average), %	37.9	24.3
Return on operating capital (average), %	48.6	23.4
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	48.1	43.8
Gross investments, SEKm	59	19
Appropriation, SEKm	0	0
Dividend, SEKm	48	290
Average no. of employees	635	636
Employees, gender distribution (women/men), %	12/88	12/88
Management group, gender distribution (women/men), %	33/67	33/67
Board, gender distribution (women/men), %	67/33 ¹⁾	33/67

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

1) Elected for 2016/2017.

AB Bostadsgaranti works with consumer protection in residential construction. Bostadsgaranti is owned equally by the state and the Swedish Construction Federation. As a step in the owners' voluntary dissolution of the company in November 2014, Bostadsgaranti completed the divestment of the shares in the subsidiary Försäkringsaktiebolaget Bostadsgaranti (FABO).

In December 2012, the Riksdag authorised the Government to divest the state's shares in Bostadsgaranti and in 2014 the Government was authorised, as an alternative, to liquidate the company. The divestment of the shares in the 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 the divestment, the remaining operations in Bostadsgaranti consisted of the ongoing voluntary dissolution of the deposit and advance guarantees. Remaining commitments are expected to have been wound up by 2018.

Significant events in 2015

- The winding up of previously pledged collateral is continuing according to plan.
- The profit after tax is explained by the dissolution of part of the company's fund to cover warranty damage resulting from the winding up of previously pledged collateral.

Targets and tracking

Financial targets

- Profitability: Return on equity should be equal to the five-year government bond rate plus 3 basis points.
- Dividend: At least one third of profit after tax for the year.

Outcomes

The company is under voluntary dissolution.

Sustainability targets

No strategic sustainability targets have been formulated for the company.

Public policy targets

Bostadsgaranti does not have a specifically adopted public policy assignment.

AB BOSTADS GARANTI



Chair: Hans Wibom



CEO: Kåre Eriksson

Directors and auditors elected for 2016/2017

Chair: Hans Wibom **Board:** Bo Antoni, Pether Fredholm and Richard Reinius **Auditor:** Gunilla Wernelind (KPMG)

Fees paid to the chairman were SEK 76 (76) thousand. Fees paid to directors elected by the AGM amounted to SEK 38 (38) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (50%)	2015	2014
Income statement, SEKm		
Net sales	0	1
Operating profit	0	-12
Financial income	3	232
Profit/loss before tax	-1	220
Net profit	12	263
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	115	399
Non-current assets	0	0
Equity	74	337
– of which, minority interests	0	0
Net debt	-115	-399
Operating capital	-41	-62
Key indicators		
Operating margin, %	0.0	-1,700.0
Return on equity (average), %	5.7	76.0
Return on operating capital (average), %	0.8	5.6
Net debt/equity ratio, multiple	-1.6	-1.2
Equity/assets ratio, %	64.4	84.4
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	275	17
Average no. of employees	1	1
Employees, gender distribution (women/men), %	0/100	0/100
Management group, gender distribution (women/men), %	–	–
Board, gender distribution (women/men), %	0/100 ¹	0/100

Reported in compliance with GRI guidelines No

Externally assured GRI report No

Reporting in compliance with IFRS No

¹) Elected for 2016/2017.

Dom Shvetsii

A/O Dom Shvetsii administers a “House of Sweden” in St Petersburg, housing official, cultural and commercial functions. The Ministry for Foreign Affairs leases premises in the building for the Consulate General of Sweden. A large part of the remaining premises is leased to enterprises with connections to Sweden and to Swedish and foreign companies.

When it was established, a House of Sweden in central St Petersburg was regarded as an aspect of developing relations between Sweden and Russia. It was considered important to give Swedish government agencies and Swedish enterprise a natural base for their operations in St Petersburg. The project was to be implemented on commercial terms and with the long-term objective of independent financial viability.

The company was formed through a tripartite agreement between the Swedish government, St Petersburg and Skanska. Skanska sold its 49 per cent interest in Dom Shvetsii to CA Fastigheter in the autumn of 2008. Dom Shvetsii is a Russian limited company owned 49 per cent by Ladoga Holding AB (a subsidiary of CA Fastigheter), 36 per cent by the Swedish state and 15 per cent by the City of St Petersburg. Dom Shvetsii retains the right of disposal of the Sweden House complex and the land for 49 years.

The property complex includes a lettable area of about 4,500 square metres. In the next few years, other construction projects in the city (including Gazprom’s major new build) may lead to additional office space of about 300,000 square metres coming onto the market. In addition, economic developments in Russia may contribute to a falling property market. As regards the House of Sweden, the company has in the past normally set rents in USD. As a result of the depreciation of the rouble, rents in the property have become high from the local perspective. In order to retain the tenants, Dom Shvetsii has in most cases changed the currency in the leases to roubles and has lowered rents to be in parity with the current market level.

Significant events in 2015

- Occupancy rate of approximately 75 per cent during the autumn.
- Greater competition due to a rise in available office space in the city.
- Market rents have dropped by about 30 per cent.

Performance review

Dom Shvetsii’s operations are dependent on the level of demand for premises in St Petersburg and on rent trends. In both cases, weak development is expected in future, which will have significant impact on the revenue side and thus result in considerably lower net profit.



Chair: Jan Borekull

The duties of the CEO are performed by a management company.

Directors and auditors elected for 2016/2017

Chair: Jan Borekull **Board:** Johan Damne, Lars Grundberg, Vladislav Vilorgovich Kozelsky and Lena Wedén **Auditor:** Dmitry Mikhaylov, Dmitry Mikhaylov Consulting Bureau

Fees paid to the chairman were USD 0 (0). Fees paid to directors elected by the AGM amounted to USD 4,000 (4,000). Fees are not paid to directors employed by the Government Offices.

	2015	2014
State ownership (36%)		
Income statement, SEKm		
Net sales	13	11
Operating profit	9	8
Financial income	1	-
Profit before tax	10	8
Net profit	8	6
- of which attributable to minority interest	3	2
Balance sheet, SEKm		
Total assets	23	21
Non-current assets	8	9
Equity	19	11
- of which, minority interests	7	4
Net debt	3	10
Operating capital	22	21
Key indicators		
Operating margin, %	70	71
Return on equity (average), %	43	60
Return on operating capital (average), %	37	31
Net debt/equity ratio, multiple	0.21	0.97
Equity/assets ratio, %	0.82	0.51
Gross investments, SEKm	-	-
Appropriation, SEKm	0	0
Dividend, SEKm	4	0
Average no. of employees	3	3
Employees, gender distribution (women/men), %	-	-
Management group, gender distribution (women/men), %	-	-
Board, gender distribution (women/men), %	20/80 ¹	20/80

Reported in compliance with GRI guidelines	No
Externally assured GRI report	No
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

Kungliga Dramatiska teatern AB (the Royal Dramatic Theatre, or “Dramaten”) is the Swedish national stage for spoken theatre. Dramaten’s mission is to be the leading theatrical institution in Sweden and, as a national stage, shall maintain the highest standards in terms of development, renewal, artistic quality and craftsmanship in its studios and workshops. Dramaten shall work in an international theatrical and cultural context, initiating partnerships and fostering intercultural exchange. Dramaten shall also nurture and promote the Swedish language and the national cultural heritage in theatre.

Significant events in 2015

- Continued positive results and strengthened equity position.
- The number of productions, audience numbers and capacity utilisation are stable and satisfactory.

Targets and tracking

Financial targets

- Dramaten shall maintain equity that provides a solid financial foundation for its operations.

Outcomes

- Profit for 2015 amounted to SEK 3,3 million, strengthening equity to SEK 39.1 million. The appropriation from the state was SEK 229 million.

Sustainability targets

- To manage, enrich, develop and renew artistic quality, intellectual pursuit and values by means of the repertoire and other activities.
- Increase the percentage of first-time audience members.
- Increase the audience percentage reached through digital channels.
- Achieve gender balance among authors of original artistic works.

Outcomes

- The repertoire is varied and offers both newly written and classical dramatic works. Activities for children and young people have moved back into the main Dramaten building at Nybroplan and performances have been given for various age groups.
- There were a total of 978 performances staged by Dramaten presented on the theatre’s stages and were seen by 234,044 people.
- Dramaten has invested in increasing access to performances by publishing them on the web to a greater extent, which has garnered a great deal of attention.

Public policy targets

Dramaten has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked. Targets have not yet been developed according to the public policy targets process.

DRAMATEN



Chair: Daniel Sachs



CEO: Eirik Stubø

Directors and auditors elected for 2016/2017

Chair: Daniel Sachs **Board:** Pontus Braunerhjelm, Sara Danius, Gunvor Kronman and Tasso Stafilidis. Eva Hamilton was elected at the 2016 AGM. Carina Brorman, Qaisar Mahmood stepped down **Employee reps:** Rebecka Hemse, Kjäll Åkerblom **Alternate employee reps:** Hannes Meidal, Mimmi Lindell **Auditor:** Kerstin Sundberg (Deloitte)

Fees paid to the chairman were SEK 60 (60) thousand. Fees paid to directors elected by the AGM amounted to SEK 30 (30) thousand.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	273	277
Operating profit	2	2
Financial income	5	4
Profit/loss before tax	3	5
Net profit	3	4
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	105	101
Non-current assets	18	10
Equity	38	36
– of which, minority interests	0	0
Net debt	-71	-75
Operating capital	-32	-39
Key indicators		
Operating margin, %	0.8	0.8
Return on equity (average), %	8.8	13.4
Return on operating capital (average), %	-6.2	-5.9
Net debt/equity ratio, multiple	-1.8	-2.1
Equity/assets ratio, %	37.2	35.7
Gross investments, SEKm	11	4
Appropriation, SEKm	227	227
Dividend, SEKm	0	0
Average no. of employees	315	318
Employees, gender distribution (women/men), %	51/49	49/51
Management group, gender distribution (women/men), %	50/50	40/60
Board, gender distribution (women/men), %	50/50 ¹⁾	43/57

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

European Spallation Source ESS AB plans, designs, builds, owns and operates the European Spallation Source (ESS) research facility in Lund. ESS is owned jointly by the Swedish and Danish states. The Swedish state owns about 74 per cent of equity and the Danish state about 26 per cent.

The company continued the construction of the European Spallation Source research facility in Lund during 2015. When the facility is finished, it will be the world's most powerful materials science facility, using neutrons to probe materials at the atomic and molecular level. This enables studies of, for example, the structure and function of a protein under conditions similar to those in which the molecule works in its original environment.

Significant events in 2015

- ESS was reorganised as an ERIC¹ consortium.
- Assets and liabilities were transferred from the company to the ERIC effective 30 September 2015.
- Shareholder contribution of SEK 980 million from the Swedish state.

Targets and tracking

Financial targets

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

Sustainability targets

All buildings within ESS to be designed for environmental certification under internationally recognised certification systems.

Public policy targets

ESS has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked. Targets have not yet been developed according to the public policy targets process.



**EUROPEAN
SPALLATION
SOURCE**



Chair: Sven Landelius



CEO: James H. Yeck

Directors and auditors elected for 2016/2017 Chair: Sven Landelius
Board: Katarina Bjelke, Lars Börjesson, Per Eriksson, Kim Graugaard, Lena Gustafsson, Hans Müller Pedersen and Bo Smith **Employee rep:** Michael Palade **Auditor:** Kent Linden (KPMG)

Fees paid to the chairman were SEK 175 (175) thousand. Fees paid to directors elected by the AGM amounted to SEK 70 (70) thousand. Fees are not paid to directors employed by the Government Offices or the Danish Ministry.

	2015	2014
State ownership (74%)		
Income statement, SEKm		
Net sales	0	0
Operating profit	-615	-780
Financial income	0	1
Profit/loss before tax	-615	-780
Net profit	-615	-780
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	858	538
Non-current assets	0	136
Equity	850	314
- of which, minority interests	0	0
Net debt	0	0
Operating capital	850	314
Key indicators		
Operating margin, %	0.0	0.0
Return on equity (average), %	-105.6	-427.8
Return on operating capital (average), %	-105.6	-428.3
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	99.0	58.4
Gross investments, SEKm	359	129
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	240	246
Employees, gender distribution (women/men), %	32/68	34/66
Management group, gender distribution (women/men), %	25/75	0/100
Board, gender distribution (women/men), %	25/75 ²	25/75

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

2) Elected for 2016/2017.

1) ESS was reorganised in 2015 as an ERIC consortium. In December 2014 the Riksdag authorised the government (Bill 2014/15:1, Report 2014/15: UbU1, Riksdag Communication 2014/15:90) to transfer the company's assets and liabilities to a European research infrastructure consortium of this kind and to liquidate the company at the time the Government deems appropriate. The European Commission established the European Spallation Source ERIC on 19 August 2015. The Commission's decision took legal effect on 30 August 2015. Assets and liabilities were transferred from the company to the ERIC effective 30 September 2015. ESS entered into voluntary dissolution on 18 March 2016.

Fouriertransform AB is a state-owned venture capital company. The company was established in December 2008 with equity of approximately SEK 3 billion. Fouriertransform invests in enterprises deemed able to contribute to the Swedish automotive industry, other Swedish industry and related services maintaining their prominent position, particularly in the areas of the environment and safety. The company's assignment also includes being an active owner that brings expertise to all investments by contributing highly qualified board representatives. The company shall be a long-term industrial partner that invests on a commercial basis.

The Government submitted a bill "Structure for financing innovation and sustainable growth" to the Riksdag in March 2015. The proposal calls for the establishment of a national development company tasked with investing indirectly in companies in the development phase through privately managed unit funds. In this bill, the Government proposes transfer to the new company the shares in Fouriertransform and Inlandsinnovation, which will in this new structure manage their existing investments towards an organised and long-term voluntary dissolution.

Significant events in 2015

- One exit (LeanNova) and one IPO (SciBase) were carried out during the year.
- Three new companies were added to the portfolio: Lamera, TechROi Fuel Systems and OssDsign.
- Since its inception, Fouriertransform has invested a total of about SEK 1.6 billion. Compared with the estimated fair value of the existing portfolio and capital repaid by the portfolio companies, this corresponds to an increase in the value of invested capital of about 3 (2) per cent.

Targets and tracking

Financial targets

No financial targets have been established by the owner.

Sustainability targets

- Fouriertransform shall invest in companies that have sustainable products and services.
- All portfolio companies shall implement sustainability targets that are subsequently integrated into owner agendas and business plans.

Outcomes

- Fouriertransform seeks to invest expertise as capital in companies whose products conserve resources and reduce negative environmental impact. In so doing, the company's sustainability, growth and profitability targets interact and contribute to strengthening the competitiveness of Swedish industry.
- During 2015, Fouriertransform transitioned from analysing the preparedness of holdings as regards sustainability to increasing knowledge about their unique challenges and opportunities in the area of sustainability. Fouriertransform has intensified the dialogue with companies in which investments have been made to identify measurable sustainability targets that support day-to-day business operations.

Public policy targets

Fouriertransform does not have a specifically adopted public policy assignment.



Chair: Sigrun Hjelmquist

CEO: Per Nordberg

Directors and auditors elected for 2016/2017

Chair: Sigrun Hjelmquist Board: Jan Bengtsson, Ulf Berg, Hasse Johansson, Richard Reinius and Charlotte Rydin Auditor: Birgitta Lööf (Deloitte)

Fees paid to the chairman were SEK 300 (300) thousand. Fees paid to directors elected by the AGM amounted to SEK 150 (150) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	72	3
Changes in value	-87	-112
Operating profit	-76	-172
Financial income	22	92
Profit/loss before tax	-54	-80
Net profit	-49	-91
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	3,094	3,223
Non-current assets	1,301	1,362
Equity	3,044	3,192
- of which, minority interests	0	0
Net debt	-1,787	-1,850
Operating capital	1,257	1,342
Key indicators		
Operating margin, %	-105.3	-5,924.1
Return on equity (average), %	-1.6	-2.8
Return on operating capital (average), %	-5.8	-14.5
Net debt/equity ratio, multiple	-0.6	-0.6
Equity/assets ratio, %	98.4	99.0
Gross investments, SEKm	220	399
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	13	12
Employees, gender distribution (women/men), %	23/77	17/83
Management group, gender distribution (women/men), %	0/100	-
Board, gender distribution (women/men), %	33/67 ¹⁾	33/67

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

1) Elected for 2016/2017.

Green Cargo

Green Cargo AB is a supplier of rail logistics. The company offers transport services in a nationwide network with partners in thousands of locations across the European Continent.

Green Cargo is Sweden's largest rail freight operator, whose strategy is to focus on efficient and sustainable rail logistics. The major efficiency programme instituted in autumn 2013 delivered clear results in 2015. In spite of a weak economy and transport volumes that were down by 4 per cent, Green Cargo's operating result improved by SEK 136 million in 2015.

Significant events in 2015

- An important step in Green Cargo's efficiency programme was taken during the first half of 2015. The company's trains now run at a fill level that is higher by 10 percentage points and production is working with about 100 fewer locomotives, but with the same capacity as before.
- The efficiency programme delivered positive results in the second quarter.
- The company started an intermodal shuttle (trailers and containers) between Skåne and Stockholm Årsta on 1 September.

Targets and tracking

Financial targets

- Profitability: Return on operating capital of 10 per cent by 2016.
- Capital structure: Debt/equity ratio, multiple of 0.6–0.9.
- Dividend: 50 per cent taking into account the debt/equity ratio target.

Outcomes

- Green Cargo did not meet its financial targets in 2015.
- The company did not distribute a dividend in 2015.

Sustainability targets

- Train drivers trained in ECO driving (2020).
- New rules for idling of diesel locomotives drafted and all drivers trained (2015).
- Idle controls installed on all diesel locomotives (2020).
- Number of accidents halved (2020).
- In the long term, sickness absence below 3.5 per cent (2020).
- 50 per cent increase in the proportion of women in senior positions (2020).

Outcomes

- Most of the targets are long-term and aimed at 2020.

Public policy targets

Green Cargo does not have a specifically adopted public policy assignment.




Chair: Lennart Pihl

CEO: Jan Kilström

Directors and auditors elected for 2016/2017

Chair: Lennart Pihl **Board:** Margareta Alestig Johnson, Ann-Christine Hvittfeldt, Daniel Kristiansson, Ingvar Nilsson, Lotta Stalin and Tryggve Sthen **Employee reps:** Stefan Bieder, Peter Lundmark **Alternate employee reps:** Anders Gustavsson, Jerker Liljeberg **Auditor:** Jenny Jansson (KPMG)

Fees paid to the chairman were SEK 300 (300) thousand. Fees paid to directors elected by the AGM amounted to SEK 150 (150) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	3,907	4,154
Operating profit	15	-121
Financial income	7	11
Profit/loss before tax	-15	-171
Net profit	-27	-188
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	3,413	4,192
Non-current assets	2,819	2,969
Equity	1,092	1,096
- of which, minority interests	0	0
Net debt	1,539	1,449
Operating capital	1,828	385
Key indicators		
Operating margin, %	0.4	-2.9
Return on equity (average), %	-2.5	-15.5
Return on operating capital (average), %	1.4	-20.5
Net debt/equity ratio, multiple	1.4	1.3
Equity/assets ratio, %	32.0	26.1
Gross investments, SEKm	178	163
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	1,861	2,002
Employees, gender distribution (women/men), %	14/86	14/86
Management group, gender distribution (women/men), %	40/60	17/83
Board, gender distribution (women/men), %	43/57 ¹⁾	43/57

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

1) Elected for 2016/2017.

AB Göta kanalbolag's assignment is to operate and manage Göta canal in a manner that preserves its value as a structure of cultural historical importance and as a tourist attraction.

Today, Göta canal is one of the main drivers of the Swedish hospitality industry with about three million visitors every year. The canal is mainly navigated by leisure and passenger boats. The company also conducts extensive maintenance and upgrading of the canal and adjacent properties. These activities are financed with an appropriation from the state. Most of the properties are leased out as homes or commercial premises. The specifically adopted public policy assignment covers all operations except the company's forestry business.

Significant events in 2015

- The renovation project Göta kanal 2.0, the largest project on the canal since its completion in 1832, was begun.
- Decreased traffic volume on the canal.

Targets and tracking

Financial targets

- Profitability: The total EBIT margin must be at least 0 per cent, except for the forestry business, for which the EBT margin must be at least 68 per cent.¹
- Capital structure: Debt/equity ratio of -10 to +50 per cent.

Sustainability targets

- At least 50 avenue trees planted along the canal every year.
- Minimum score of 4.5 (max 5.0) on the annual customer satisfaction survey of leisure boat customers.
- Water quality in the canal measured at five sites and within the limits applied to swimming waters applied by each municipality based on EU directives.
- The company shall work with the Public Employment Service in the seven municipalities along the canal to create work experience places/job opportunities during the canal season for young people with no previous work experience. The interim target for 2015 was cooperation with the Public Employment Service in four municipalities.

Outcomes

- A total of 96 trees were planted in 2015 thanks to the donation of trees by sponsors.
- Leisure boat customers gave a score of 4.6 (4.7) on the annual customer satisfaction survey, with the decrease attributable to non-ocean-going boats.
- Water quality at the measurement sites met the relevant limits for swimming waters.
- The model for cooperation with the Public Employment Service has been deployed in two municipalities. The other local offices invited to participate declined.

Public policy 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

1) The EBT margin is calculated as earnings before tax through sales.



Chair: Elisabeth Nilsson



CEO: Anders Donlau

Directors and auditors elected for 2016/2017

Chair: Elisabeth Nilsson **Board:** Gunilla Asker, Göran Carlberg, Anna Ernestam, Bengt-Olov Gunnarson, Jenny Lahrin, Ulf Larsson and Mikael Lundström **Employee rep:** Sofia Ring **Alternate employee rep:** Karin Nybrolin **Auditor:** Clas Tegedius (EY)

Fees paid to the chairman were SEK 70 (60) thousand. Fees paid to directors elected by the AGM amounted to SEK 50 (41) thousand. Fees are not paid to directors employed by the Government Offices. Nor are fees paid to employee representatives.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	62	73
Operating profit	-3	0
Financial income	0	0
Profit/loss before tax	-3	0
Net profit	-3	0
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	58	63
Non-current assets	51	54
Equity	39	42
- of which, minority interests	0	0
Net debt	0	-4
Operating capital	39	42
Key indicators		
Operating margin, %	-4.2	0.1
Return on equity (average), %	-6.8	0.0
Return on operating capital (average), %	-6.6	0.2
Net debt/equity ratio, multiple	0.0	-0.1
Equity/assets ratio, %	68.0	67.1
Gross investments, SEKm	5	11
Appropriation, SEKm	25	25
Dividend, SEKm	0	0
Average no. of employees	37	40
Employees, gender distribution (women/men), %	38/62	57/43
Management group, gender distribution (women/men), %	33/67	-
Board, gender distribution (women/men), %	50/50 ²	50/50

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

2) Elected for 2016/2017.

Infranord

Infranord AB is the leading rail contractor in Sweden, offering operation, maintenance, rebuilding and new construction of railways in Sweden and Norway. Effective from January 2015, in addition to the staff functions, operations in Sweden are conducted in two regions, North and South, as well as in the Equipment, Surveying and Components units. The outlook for the Nordic railway market remains favourable. There is general political consensus on continued expansion and modernisation of the railways to enable the transition of transports from road to rail. The change processes implemented in Infranord in recent years have delivered significant improvement in earnings that enhances conditions for future competitiveness.

Significant events in 2015

- Earnings improvements due to lower costs and improved project management.
- The order book at year-end was the highest since the company was formed.
- Continued systematic efforts to enhance safety, professionalism, company culture and leadership.

Targets and tracking

Financial targets

- Profitability: Return on equity of at least 16 per cent.
- Equity/assets ratio of at least 33 per cent.
- Dividend: 50–75 per cent of profit after tax.

Outcomes

- Return on equity amounted to 21.6 (3.7) per cent. The owner's target was reached due to accomplishment of earnings improvements.
- The equity/assets ratio was 31.3 (23.8) per cent. Earnings improvements are contributing to a stronger equity/assets ratio.
- Dividends are distributed only if the equity/assets ratio target is met. As this was not the case, no dividend was distributed.

Sustainability targets

- Safety: Decreased number of workplace accidents.
- Profitability: No negative budget deviation and Customer Satisfaction Index (CSI) for Production and Delivery > 7.
- Ethics: Reduced discrimination/harassment in the Employee Satisfaction Index (ESI) and at least 70 per cent of purchasing via approved suppliers.
- Environment: Decreased number of environmental accidents.

Outcomes

- Safety: There were 100 (85) workplace accidents and the target was not met. The percentage of workplace inspections performed by the Swedish Transport Administration passed with no objections was 41 (27) per cent, which is an improvement.
- Profitability: The CSI score for Production and Delivery was 7, and the target was thus met.
- Ethics: Discrimination and harassment are still high in the ESI at 5 and 9 per cent respectively (3 and 9 per cent). The share of purchasing via approved suppliers was 58 (64) per cent.
- Environment: There were 13 (12) environmental accidents.

Public policy targets

Infranord does not have a specifically adopted public policy assignment.

INFRANORD



Chair: Eva Färnstrand

CEO: Lars Öhman

Directors and auditors elected for 2016/2017

Chair: Eva Färnstrand **Board:** Magnus Jonasson, Agneta Kores, Johan Skoglund, Gunilla Spongh and Per Westerberg. Ulrika Nordström was elected at the 2016 AGM. Johan Hallberg stepped down **Employee reps:** Håkan Englund, Jörgen Lundström **Alternative employee rep:** Anders Högström, Dennis Lövgren **Auditor:** Peter Ekberg (Deloitte)

Fees paid to the chairman were SEK 380 (380) thousand. Fees paid to directors elected by the AGM amounted to SEK 190 (190) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	3,947	3,956
Operating profit	153	32
Financial income	5	10
Profit/loss before tax	152	27
Net profit	117	17
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	1,951	2,013
Non-current assets	747	777
Equity	610	479
- of which, minority interests	0	0
Net debt	94	150
Operating capital	704	629
Key indicators		
Operating margin, %	3.9	0.8
Return on equity (average), %	21.6	3.7
Return on operating capital (average), %	23.0	5.0
Net debt/equity ratio, multiple	0.2	0.3
Equity/assets ratio, %	31.3	23.8
Gross investments, SEKm	44	146
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	1,891	2,184
Employees, gender distribution (women/men), %	8/92	9/91
Management group, gender distribution (women/men), %	44/56	33/67
Board, gender distribution (women/men), %	57/43 ¹	43/57
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		Yes

1) Elected for 2016/2017.

Inlandsinnovation AB is a venture capital company with a capital base of approximately SEK 2 billion. The company was formed to increase access to venture capital to exploit the growth potential and strengthen the international competitiveness of companies in northern Sweden. Investments can vary in terms of size and sector, and are made on market conditions in companies that are in early or mature stages of expansion. Inlandsinnovation acts as an active, long-term and stable owner by providing capital and development resources. Normally, Inlandsinnovation is a minority owner and works actively alongside other owners to build strong companies with the aim of phasing out ownership within seven to eight years.

Since its inception in 2011 through year-end 2015, Inlandsinnovation has invested SEK 942 million in 59 companies through equity investments, loans and capital provided through convertible loans. Five exits (divested former holdings) and one capital reduction have been carried out. There was also one bankruptcy and one commitment that was otherwise wound up. Net invested capital in 2015 was SEK 834 million. Just over half the capital in invested directly in operating companies. The rest has been invested in regional fund-of-funds companies, growth funds and lending to Norrlandsfonden.

In Bill 2015/16:110, the Government has proposed an altered organisational structure for the state's financing initiatives as of 1 January 2017. Under this proposal, Inlandsinnovation and Fouriertransform will become subsidiaries of a new national development company and the development company's investments in private venture capital funds will be financed with capital from Inlandsinnovation and Fouriertransform.

Significant events in 2015

- Portfolio investments of SEK 206 (162) million in 29 (29) new and existing companies.
- Three positive and two negative exits.

Targets and tracking

Financial targets

- No financial targets have been set.

Sustainability targets

Create growth and long-term profitable companies in northern Sweden:

1. Before any new investment is made in a portfolio company, the company must be analysed from a sustainability perspective.
2. Sustainability issues must be included as an item on the agenda at one portfolio day per year arranged by Inlandsinnovation.
3. At all times, growth in the portfolio companies should be higher than average growth in small and medium-sized enterprises in the area.

Maintain capital income over time:

4. Inlandsinnovation's financial target is to keep nominal capital intact over time.

Outcomes

- Target 1 has not been met; a template for sustainability due diligence has been prepared. Targets 2 and 4 have been met. Target 3 is evaluated over a rolling three-year period starting in 2016.

Public policy targets

- Inlandsinnovation does not have a specifically adopted public policy assignment.



Chair: Eva Färnstrand



CEO: Peter Gullander

Directors and auditors elected for 2016/2017

Chair: Eva Färnstrand **Board:** Siv Svensson, Katarina Green, Mats Gullbrandsson, Leif Boström and Anita Johansson **Auditor:** Jonas Ståhlberg (Deloitte)

Fees paid to the chairman were SEK 110 (110) thousand. Fees paid to directors elected by the AGM amounted to SEK 55 (55) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	3	3
Changes in value	-39	-34
Operating profit	-55	-48
Financial income	51	60
Profit/loss before tax	-4	7
Net profit	-15	-12
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	1,961	2,065
Non-current assets	749	758
Equity	1,903	1,918
- of which, minority interests	0	0
Net debt	-240	-270
Operating capital	1,663	1,648
Key indicators		
Operating margin, %	neg.	neg.
Return on equity (average), %	neg.	neg.
Return on operating capital (average), %	neg.	neg.
Net debt/equity ratio, multiple	-0.1	-0.1
Equity/assets ratio, %	97.0	92.9
Gross investments, SEKm	206	166
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	10	7
Employees, gender distribution (women/men), %	40/60	43/57
Management group, gender distribution (women/men), %	0/100	0/100
Board, gender distribution (women/men), %	67/33 ¹	67/33

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

¹) Elected for 2016/2017.

Jernhusen

Jernhusen owns, develops and manages stations, railyards, maintenance depots and freight and container terminals along the Swedish railways. Jernhusen serves an important purpose by managing and developing a number of properties whose function is critical to rail traffic, on a competition-neutral and commercial basis.

Significant events in 2015

- Jernhusen delivered stronger profits and dividend yield significantly above the target for the year.
- The central stations in Stockholm and, in particular, Malmö, experienced a sharp increase in the number of arriving refugees during the year.
- Jernhusen has stepped up cooperation with municipalities, government agencies and voluntary organisations in order to manage this development.

Targets and tracking

Financial targets

- Profitability: Return on equity of 12 per cent.
- Capital structure: Equity/assets ratio of 35–45 per cent. Interest coverage ratio, minimum multiple of 2.0.
- Dividend: All capital not required in operations while safeguarding financial and strategic targets. Normally one third of profit after net financial income and expense.

Outcomes

- Profitability: Return on equity was 17.2 per cent and the interest coverage ratio was a multiple of 6.1. The high level is explained partially by unrealised changes in the value of property holdings, but also the strong profit for the year. Average return for the last ten years is 10.6 per cent.
- Capital structure: The equity/assets ratio was 41.1 per cent.
- Dividend: A dividend of SEK 500 million will be proposed, which is about 1.8 times profit upon which dividends are calculated.

Sustainability targets

- Sustainable transport: 6 per cent growth in the number of visitors annually over a business cycle.
- Sustainable properties: Environmental classification of Jernhusen's existing property holdings at Bronze level or above.
- Sustainable finances: Return on equity of 12 per cent.

Outcomes

- Sustainable transport: The number of visitors to Jernhusen's stations increased by 1.7 per cent.
- Sustainable properties: Eight of the existing buildings met the criteria for the Sweden Green Building Council Bronze level. Inventories and action are taken continuously.
- Sustainable finances: See Profitability.

Public policy targets

Jernhusen does not have a specifically adopted public policy assignment.



Chair: Kjell Hasslert



CEO: Kerstin Gillsbro

Directors and auditors elected for 2016/2017

Chair: Kjell Hasslert **Board:** Kristina Ekengren, Jakob Grinbaum, Anders Kupsu, Kerstin Lindberg Göransson, Ingegerd Simonsson and Christel Wiman **Employee rep:** Thomas Franzon **Auditor:** Magnus Fagerstedt (EY)

Fees paid to the chairman were SEK 225 (225) thousand. Fees paid to directors elected by the AGM amounted to SEK 120 (120) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	789	748
Changes in value	1,027	17
Operating profit	1,599	500
Financial income	0	0
Profit/loss before tax	1,307	355
Net profit	984	389
– of which attributable to minority interest	90	1
Balance sheet, SEKm		
Total assets	14,974	12,776
Non-current assets	14,509	12,417
Equity	6,158	5,262
– of which, minority interests	153	8
Net debt	7,297	6,302
Operating capital	13,455	11,564
Key indicators		
Operating margin, %	202.7	66.9
Return on equity (average), %	17.2	7.6
Return on operating capital (average), %	12.8	4.5
Net debt/equity ratio, multiple	1.2	1.2
Equity/assets ratio, %	41.1	41.2
Gross investments, SEKm	1,432	1,199
Appropriation, SEKm	0	0
Dividend, SEKm	113	100
Average no. of employees	203	222
Employees, gender distribution (women/men), %	47/53	47/53
Management group, gender distribution (women/men), %	62/38	50/50
Board, gender distribution (women/men), %	57/43 ¹⁾	57/43
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		Yes

1) Elected for 2016/2017.

Lernia AB is a leading supplier in training, staffing and career realignment. The company provides services to develop and match people's skills with the needs of companies. Lernia offers training, staffing and career realignment services. The company operates in more than 100 locations throughout Sweden and has been certified as a staffing, training and career realignment company by the relevant industry associations. Lernia's services target individuals and customers in private enterprise and the public sectors. Its market share of the total staffing market was 8.2 per cent in 2015, making Lernia the fourth largest staffing company overall in Sweden and the largest in the segment of staffing of professional workers covered by collective agreements. In December 2012, the Riksdag authorised the Government to divest the state's shares in Lernia.

Significant events in 2015

- Income continued to rise as a consequence of higher demand for staffing services.
- The margin was lower due to a shift in the mix towards staffing services.
- Continued shift according to the strategy of strengthening Lernia's role as a skills partner.

Targets and tracking

Financial targets

- Profitability: Minimum return of 20 percent over a business cycle.
- Capital structure: Equity assets ratio of 30–50 per cent, target value 40 per cent.
- Dividend: Ordinary dividend of at least 50 per cent of profit for the year.

Outcomes

- Operating profit of SEK 106 (111) million produced return on equity of 17 per cent.
- The company's equity/assets ratio was 42 (54) per cent, which is in line with the target and policy.
- The proposed dividend for 2015 is SEK 50 million (253 including special dividend), corresponding to 61 per cent of profit for the year.

Sustainability targets

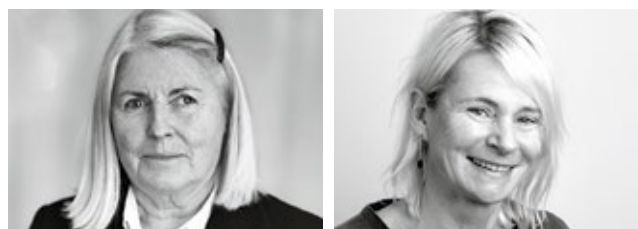
- Self-support: More individuals become self-supporting.
- Business ethics: A sustainable, ethical approach to business that stands up to thorough scrutiny.
- Diversity: Greater diversity by assigning value to people's differences and varied skills. At least 40 per cent of employees of each gender.

Outcomes

- 79 per cent of participants in career realignment programmes soon secured a new job (target 80 per cent).
- The company reported zero corruption incidents and the share of employees who are familiar with Lernia's Code of Conduct exceeded the target level.
- The gender distribution of employees was 36 per cent women and 64 per cent men.

Public policy targets

Lernia does not have a specifically adopted public policy assignment.



Chair: Birgitta Ågren Böhlin

CEO: Helena Skåntorp

Directors and auditors elected for 2016/2017

Chair: Birgitta Ågren Böhlin **Board:** Peter Hägglund, Anna Klingspor, Ola Salmén and Karin Strömberg. Joakim Mörnefält and Ulrika Nordström were elected at the 2016 AGM. Johan Hallberg, Peter Lundahl stepped down **Employee reps:** Olle Eriksson, Akbar Sattarian, Julia Viktorsson **Alternate employee rep:** Per Svärth **Auditor:** Ann-Christine Hägglund (PwC)

Fees paid to the chairman were SEK 240 (240) thousand. Fees paid to directors elected by the AGM amounted to SEK 120 (120) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	2,999	2,621
Operating profit	106	111
Financial income	0	2
Profit/loss before tax	106	112
Net profit	82	85
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	1,039	1,011
Non-current assets	197	113
Equity	438	542
- of which, minority interests	0	0
Net debt	-136	-334
Operating capital	302	208
Key indicators		
Operating margin, %	3.5	4.2
Return on equity (average), %	16.7	15.9
Return on operating capital (average), %	41.6	37.9
Net debt/equity ratio, multiple	-0.3	-0.6
Equity/assets ratio, %	42.2	53.6
Gross investments, SEKm	43	22
Appropriation, SEKm	0	0
Dividend, SEKm	235	58
Average no. of employees	4,680	4,163
Employees, gender distribution (women/men), %	36/64	37/63
Management group, gender distribution (women/men), %	36/64	40/60
Board, gender distribution (women/men), %	57/43 ¹	43/57

Reported in compliance with GRI guidelines	No
Externally assured GRI report	No
Reporting in compliance with IFRS	Yes

¹) Elected for 2016/2017.

Luossavaara-Kiirunavaara AB, LKAB, is an international high-tech 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 also include other closely related products and services that are based on LKAB's expertise and that support the core business. LKAB should be perceived by its customers as the supplier that provides the most added value and thus a leader in its chosen market segments. For LKAB, superior and consistent product quality and cost efficiency are critical factors in successful competition.

Significant events in 2015

- Structural oversupply in the market continued to pressure the world market price for iron ore.
- Decreased operating profit due to the lower iron ore price and impairment losses on property, plant and equipment.
- Lower delivery volumes as a result of disruptions in raw materials supply from underground mines and the replacement of the mantle ring at one of the pelletising plants in Kiruna.
- A savings programme reduced costs by about SEK 800 million during the year. Personnel reductions corresponding to 400 positions were initiated and completed during the first quarter of 2016.

Targets and tracking

Financial targets

- Profitability: Return on equity above 12 per cent. Production costs reduced by 20 per cent between 2012 and 2015.
- Capital structure: Debt/equity ratio of 0–20 per cent.
- Dividend: 30–50 per cent of profit for the year.

Outcomes

- Return on equity was negative. The cost reduction target was not met.
- The debt/equity ratio was 10 per cent.
- The proposed dividend was SEK 0.

Sustainability targets

LKAB has twelve sustainability targets, including:

- Reduction of the annual mean value for falling particulates by 10 per cent by 2015 from the 2011 level.
- Reduction of emissions of sulphur dioxide from all existing pelletising plants from about 2,000 tonnes in 2011 to 1,000 tonnes by 2015 and 500 tonnes by 2017.
- Proportion of women employees at LKAB of at least 25 per cent by 2020.

Outcomes

- The target for reduction of falling particulates has been met.
- LKAB has not met the target for emissions of sulphur dioxide from all pelletising plants.
- The proportion of women at the company has continued to rise and the outlook is good for reaching the long-term target of 25 per cent women in the business by 2020.

Public policy targets

LKAB does not have a specifically adopted public policy assignment. LKAB's targets will be revised in 2016.



Chair: Sten Jakobsson



CEO: Jan Moström
(started 1 September 2015)

Directors and auditors elected for 2016/2017

Chair: Sten Jakobsson **Board:** Leif Darner, Maija-Liisa Friman, Eva Hamilton, Lars-Åke Helgesson and Hanna Lagercrantz. Bjarne Moltke Hansen and Ola Salmén were elected at the 2016 AGM. Hans Biörck, Lars Pettersson stepped down **Employee reps:** Stefan Fagerkull, Tomas Strömberg, Jan Thelin **Alternate employee reps:** Dan Hallberg, Pentti Rahkonen, Tommy Wettainen **Auditor:** Peter Ekberg (Deloitte)

Fees paid to the chairman were SEK 615 (570) thousand. Fees paid to directors elected by the AGM amounted to SEK 270 (250) thousand. Fees are not paid to directors employed by the Government Offices.

	2015	2014
State ownership (100%)		
Income statement, SEKm		
Net sales	16,200	20,615
Operating profit	-7,156	570
Financial income	293	519
Profit/loss before tax	-7,271	594
Net profit	-5,686	347
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	56,028	63,133
Non-current assets	35,558	40,776
Equity	32,116	37,754
- of which, minority interests	0	0
Net debt	3,203	-15
Operating capital	35,319	37,739
Key indicators		
Operating margin, %	-44.2	2.8
Return on equity (average), %	-16.3	0.9
Return on operating capital (average), %	-19.6	1.6
Net debt/equity ratio, multiple	0.1	0.0
Equity/assets ratio, %	57.3	59.8
Gross investments, SEKm	6,354	5,490
Appropriation, SEKm	0	0
Dividend, SEKm	139	3,500
Average no. of employees	4,463	4,539
Employees, gender distribution (women/men), %	20/80	20/80
Management group, gender distribution (women/men), %	33/67	30/70
Board, gender distribution (women/men), %	38/62 ¹⁾	38/62
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		Yes

¹⁾ Elected for 2016/2017.

Metria AB supplies products and services related to the collection, processing and application of geographical and property data.

Metria AB was founded in 2011 through the incorporation of a division of the National Land Survey. Metria supplies everything from major infrastructure projects to developing and operating IT technical systems for geographical IT. In addition to municipalities and other public bodies, customers operate in the fields of banking and insurance, telecommunications, energy, infrastructure, forestry and defence. Metria has about 250 employees and is represented in some 20 locations throughout Sweden. The head office is in Gävle. Metria's objective is to generate return in line with the market and maintain an operating margin comparable to the rest of the sector.

Significant events in 2015

- Organisational changes combined with key recruitments to continue the transition towards a more business-driven and efficient company.
- Increased net sales and improved operating margin. The favourable trend applies to all three business areas.
- More higher-margin business than in 2014.

Targets and tracking

Financial targets

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

Outcomes

Metria demonstrated a favourable profitability trend in 2015. All financial targets except that for the EBITDA margin were met:

- The equity/assets ratio was 48.6 per cent.
- The EBITDA margin was 9.1 per cent.
- The proposed dividend amounted to SEK 8 million.

Sustainability targets

- Attractive employer.
- Reduced environmental impact from travel.
- Increased revenues from products and services with positive environmental impact.

Outcomes

- The Employer Net Promoter score shows a downturn from -6 to -17 for 2015.
- Total carbon emissions during 2015 decreased by 6 per cent.
- Almost one quarter of Metria's sales is derived from business that entails positive environmental impact for its customers. No shift can be reported because the measurement was done for the first time in 2015.

Public policy targets

Metria does not have a specifically adopted public policy assignment.



Chair: Eva Gidlöf



Acting CEO: Lars Kevsjö, succeeded Urban Lindskog 2 May 2016

Directors and auditors elected for 2016/2017

Chair: Eva Gidlöf **Board:** Katarina Axelsson Lindgren, Katarina Burton, Pia Gideon and Michael Thorén. Anders Hugosson was elected at the 2016 AGM. Börje Bengtsson, Lotta Jarleryd stepped down **Employee reps:** Per-Åke Jureskog, Erik Nilsson **Alternate employee reps:** Lars-Erik Johansson, Mats Rosengren **Auditor:** Jennifer Rock-Baley (EY)

Fees paid to the chairman were SEK 182 (175) thousand. Fees paid to directors elected by the AGM amounted to SEK 91 (88) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	431	415
Operating profit	24	12
Financial income	0	0
Profit/loss before tax	20.4	12
Net profit	16	10
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	224	198
Non-current assets	59	71
Equity	109	96
– of which, minority interests	0	0
Net debt	0	0
Operating capital	109	96
Key indicators		
Operating margin, %	5.5	2.8
Return on equity (average), %	15.6	10.5
Return on operating capital (average), %	22.9	13.0
Net debt/equity ratio, multiple	0.0	0.0
Equity/assets ratio, %	48.6	48.3
Gross investments, SEKm	5	5
Appropriation, SEKm	0	0
Dividend, SEKm	3	-
Average no. of employees	253	259
Employees, gender distribution (women/men), %	32/86	34/66
Management group, gender distribution (women/men), %	29/71	44/56
Board, gender distribution (women/men), %	67/33 ¹	71/29

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

Miljömärkning Sverige

Miljömärkning Sverige AB has been tasked by the Government with administering the voluntary Nordic Swan Ecolabel and the EU Ecolabel systems. The purpose of both labels is to make it easier for consumers to choose eco-adapted products and services and to stimulate product development that takes environmental and climate factors into account.

The company is encouraging more sustainable consumption through its work to set environmental criteria for a large number of goods and services and to inspect and license products that meet the criteria and thus promote the use of more eco-adapted products. The Nordic Swan has maintained its position as one of the strongest brands in Sweden, with public awareness of 96 per cent. Awareness of the EU Ecolabel has also increased. Studies show that consumers think ecolabels are the best tool for making sustainable choices.

Significant events in 2015

- Aimed at improving efficiency, the business is increasingly operated on a co-Nordic basis.
- Efforts to develop criteria for labelling equity funds with the Nordic Swan have continued and will be completed in 2016.
- A promotional campaign, "Save the world a little bit every day" had widespread impact. The campaign will continue in 2016.

Targets and tracking

Financial targets

Operations are not intended to generate a profit for the owners.

Sustainability targets (2014–2016):

- The business: Miljömärkningens licence revenues, which reflect sales of ecolabelled products, should increase by 10 per cent. The company should have equity equal to 33 per cent of total sales by 2016.
- The planet: 1,000 licences (companies) meet the criteria and are verified in relation to the EU Ecolabel or the Nordic Swan's revised and more stringent requirements.
- Human beings: Social requirements (beyond legislation) added to the company's ecolabelling criteria for at least 10 additional product groups (sectors).

Outcomes:

- Licence revenues increased by a total of 9 per cent in 2014 and 2015.
- 517 licences met the revised and more stringent requirements.
- 6 new product groups with revised and more stringent social requirements.

Public policy targets

Miljömärkning has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked. Targets have not yet been developed according to the public policy targets process.



Chair: Christina Lindbäck

CEO: Ragnar Unge

Directors and auditors elected for 2016/2017

Chair: Christina Lindbäck **Board:** Marita Axelsson, Jan Peter Bergkvist, Anita Falkenek and Gunilla Jarlbro. Jan Johansson was elected at the 2016 AGM. Svante L. Axelsson stepped down **Employee reps:** Ulla Sahlberg, Maria Sundesten Zacharias **Auditor:** Thomas Lönnström (EY)

Fees paid to the chairman were SEK 126 (120) thousand. Fees paid to directors elected by the AGM amounted to SEK 30 (30) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	59	51
Operating profit	-3	-3
Financial income	4	3
Profit/loss before tax	1	0
Net profit	1	0
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	30	34
Non-current assets	18	22
Equity	23	22
– of which, minority interests	0	0
Net debt	-5	-8
Operating capital	17	14
Key indicators		
Operating margin, %	-4.3	-5.3
Return on equity (average), %	5.0	1.9
Return on operating capital (average), %	-15.9	-38.3
Net debt/equity ratio, multiple	-0.2	-0.3
Equity/assets ratio, %	74.8	63.7
Gross investments, SEKm	0	3
Appropriation, SEKm	3	4
Dividend, SEKm	0	0
Average no. of employees	52 ¹⁾	60
Employees, gender distribution (women/men), %	58/42	63/37
Management group, gender distribution (women/men), %	62/38	67/33
Board, gender distribution (women/men), %	67/33 ²⁾	67/33

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) A new calculation method returns a lower figure for the same workforce as in 2014.

2) Elected for 2016/2017.

Kungliga Operan AB (the Royal Swedish Opera) is Sweden's national stage for opera and ballet. Operan's mission is to be the leading institution for opera and ballet in Sweden and, as a national stage, shall maintain the highest standards in terms of development, renewal, artistic quality and craftsmanship in its studios and workshops. Operan shall work in an international opera and dance context, initiating partnerships and fostering intercultural exchange. Operan's opera and ballet repertoire must be characterised by both breadth and innovation.

Significant events in 2015

- Although Operan is reporting negative earnings for 2015, equity is at an acceptable level.
- In terms of audience, Operan is demonstrating continued successful operations with excellent audience numbers and high attendance.
- In May 2015, the National Property Board reported on its task of working in close cooperation with Operan to draft a pre-study on the conversion and refurbishment of the Stockholm Opera House.

Targets and tracking

Financial targets

- Equity should provide a stable financial foundation for operations.

Outcomes

- The loss for 2015 amounted to SEK -6.6 million, resulting in a decrease in equity to SEK 26.7 million. The appropriation from the state was SEK 452 million.

Sustainability targets

- Foster human needs including creativity, identity and artistic expression, as well as favourable working conditions and methods that afford employees the conditions in which they can develop.
- Strive towards a modern, resource-based approach and ethical responsibility for people and the environment.
- Be open towards all of society and people of all ages. Foster diversity and gender equality.
- Be good stewards of cultural heritage, engage with the outside world and reflect social challenges.

Outcomes

- The number of performances and visitors has increased in relation to the preceding year. A total of 391 performances were seen by 239,137 people.
- Operan's work – particularly that of the Royal Ballet – has garnered a great deal of international attention and appreciation.
- Activities aimed at children, both in school and through family performances, has had greater impact than previously.

Public policy targets

Operan has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked. Targets have not yet been developed according to the public policy targets process.



Chair: Kristina Rennerstedt

CEO: Birgitta Svendén

Directors and auditors elected for 2016/2017

Chair: Kristina Rennerstedt **Board:** Anna-Karin Celsing, Mira Helenius Martinsson, Baker Karim, Lotta Lekvall and Örjan Wikfors. Olov Carlsson was elected at the 2016 AGM. Mikael Christiansen stepped down
Employee reps: Sara Fällström, Gunilla Markström, Daniel Norgren-Jensen **Alternate employee reps:** Monika Mannerström Skog, Martin Säfstrom **Auditor:** Kerstin Sundberg (Deloitte)

Fees paid to the chairman were SEK 60 (60) thousand. Fees paid to directors elected by the AGM amounted to SEK 30 (30) thousand.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	538	523
Operating profit	-6	0
Financial income	0	1
Profit/loss before tax	-7	1
Net profit	-7	1
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	294	229
Non-current assets	167	135
Equity	27	33
- of which, minority interests	0	0
Net debt	-28	-41
Operating capital	-1	-8
Key indicators		
Operating margin, %	-1.1	0.0
Return on equity (average), %	-22.0	3.0
Return on operating capital (average), %	136.2	0.0
Net debt/equity ratio, multiple	-1.0	-1.2
Equity/assets ratio, %	9.2	14.4
Gross investments, SEKm	42	93
Appropriation, SEKm	439	447
Dividend, SEKm	0	0
Average no. of employees	525	528
Employees, gender distribution (women/men), %	47/53	48/52
Management group, gender distribution (women/men), %	70/30	70/30
Board, gender distribution (women/men), %	57/43 ¹⁾	57/43
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		No

1) Elected for 2016/2017.

Orio

Orio AB's business is to develop, manufacture, acquire and sell vehicle parts and accessories and to develop and sell logistics and technical services.

Orio AB, formerly Saab Automobile Parts AB, supplies spare parts for motor vehicles and has been wholly owned by the Swedish state since December 2012. The company was established in 2009 when Saab Automobile AB applied for a loan from the European Investment Bank (EIB), with the Swedish state as guarantor. The subsidiary Saab Automobile Parts AB was pledged as collateral and the Swedish state assumed control from the liquidator one year after the company applied for bankruptcy.

Orio's principal business is to supply Saab Genuine Parts for about 1.5 million Saab cars in use in more than 60 markets. The US, Sweden and the UK are markets with large Saab fleets and account for the majority of the company's sales of parts and other related products.

The company's strategy is to develop its existing operations by broadening the customer base and including e-commerce and independent workshops, widening the product range with parts of quality equivalent to genuine parts alongside continued supply of Saab Genuine Parts and through providing technical and logistics services.

Significant events in 2015

- Launch of new e-commerce platform in the fourth quarter.
- Expansion of the independent network. Approximately 300 new customers.
- Expanded product range with about 15,000 new products in the fourth quarter.

Targets and tracking

Financial targets

No financial targets have been established by the owner.

Sustainability targets

- Total carbon emissions from transports procured directly by the company to decrease by 20 per cent by 2020 compared with the 2013 level.
- Average growth of 6 per cent annually until 2020.
- By 2020, 80 per cent of the company's total sales should be derived from new business initiatives.

Outcomes

- Total emissions in 2015 decreased by 33 per cent compared with 2013.
- The company did not attain its growth target in 2015. The outcome was -6 per cent.
- New business initiatives generated approximately 14 per cent of the company's sales in 2015.

Public policy targets

Orio does not have a specifically adopted public policy assignment.



Chair: Håkan Erixon



CEO: Jonas Tegström

Directors and auditors elected for 2016/2017

Chair: Håkan Erixon **Board:** Charlotte Hansson, Hans Kron Dahl, Monica Lingegård and Michael Thorén. Catrina Ingelstam was elected at the 2016 AGM. Johan Formgren stepped down **Employee reps:** Jan Jakobsen, Ingemar Sandberg **Auditor:** Martin Johansson (PWC)

Fees paid to the chairman were SEK 200 (200) thousand. Fees paid to directors elected by the AGM amounted to SEK 100 (100) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	935	994
Operating profit	-88	84
Financial income	0	0
Profit/loss before tax	-94	89
Net profit	-82	70
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	802	930
Non-current assets	184	182
Equity	625	735
- of which, minority interests	0	0
Net debt	-59	-89
Operating capital	566	646
Key indicators		
Operating margin, %	-9.4	8.5
Return on equity (average), %	-12.1	9.6
Return on operating capital (average), %	-14.5	13.3
Net debt/equity ratio, multiple	-0.1	-0.1
Equity/assets ratio, %	77.9	79.0
Gross investments, SEKm	9	63
Appropriation, SEKm	0	0
Dividend, SEKm	35	55
Average no. of employees	321	347
Employees, gender distribution (women/men), %	32/68	32/68
Management group, gender distribution (women/men), %	12/88	17/83
Board, gender distribution (women/men), %	50/50 ¹⁾	33/67

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

¹⁾ Elected for 2016/2017.

PostNord AB offers communications and logistics solutions to, from and within the Nordic region. The company has net sales of almost SEK 40 billion and about 35,000 employees. The parent company PostNord AB, which owns the subsidiaries Post Danmark A/S and PostNord Group AB, is a Swedish public limited company owned 39.3 per cent by the Danish state and 60.7 per cent 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. The markets range from flows of physical letters and parcels to partially or fully electronic services. PostNord provides nationwide postal service to millions of households in Sweden and Denmark. Each day, PostNord handles about 27 million pieces of mail and is a world leader in terms of quality of delivery. Business customers account for more than 90 per cent of sales. PostNord delivers letters and parcels to other Nordic countries and the rest of the world via its network of subsidiaries and partners.

Significant events in 2015

- Increased parcel volumes are partially offsetting the continued sharp decline in letter volumes.
- Comprehensive realignment work to secure long-term profitability burdened profit for the year.
- Postal regulations are under review in both Denmark and Sweden.

Targets and tracking

Financial targets

- Profitability: Return on operating capital of 10.5 per cent.
- Capital structure: Debt/equity ratio of 10–50 per cent.
- Dividend: 40–60 per cent of profit after tax for the year.

Outcomes

- The profitability target was not met during the year. Consequently, the debt/equity ratio was below the target range.
- PostNord did not distribute dividends in 2015.

Sustainability targets

- The group has a long-term target of reducing carbon emissions by 40 per cent by 2020 from the baseline year of 2009.
- The group has a target of having 40 per cent women in managerial positions by 2015.
- An additional target that 80 per cent of the supply chain must be sustainable was adopted in 2015.

Outcomes

- The company believes the carbon emissions target will be attained by 2020.
- The target for the percentage of women in managerial positions was not achieved during the year.

Public policy targets

PostNord does not have a specifically adopted public policy assignment. However, the company's permit to conduct postal operations entails a mandate to provide postal service for all areas of society. The delivery quality requirement is that 85 per cent of first class letters should be delivered the next working day and 97 per cent within three days. The delivery quality target for first class letters was attained during the year.

postnord



Chair: Jens Moberg



CEO: Håkan Ericsson

Directors and auditors elected for 2016/2017

Chair: Jens Moberg **Board:** Mats Abrahamsson, Gunnel Duveblad, Christian Ellegaard, Torben Janholt, Magnus Skåninger and Anitra Steen. Mette Grunnet was elected at the 2016 AGM. Sisse Fjeldsted Rasmussen stepped down **Employee reps:** Kristofer Björklund, Lars Chennitz, Johan Landholm **Alternate employee reps:** Peder Madsen, Ulf Sjödin, Sandra Svensk **Auditor:** Helene Willberg (KPMG)

Fees paid to the chairman were SEK 650 (600) thousand. Fees paid to directors elected by the AGM amounted to SEK 275 (250) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (60.7%)	2015	2014
Income statement, SEKm		
Net sales	39,351	39,950
Operating profit	564	351
Financial income	21	89
Profit/loss before tax	451	245
Net profit	278	176
– of which attributable to minority interest	2	3
Balance sheet, SEKm		
Total assets	24,723	25,464
Non-current assets	15,605	16,407
Equity	9,150	7,991
– of which, minority interests	3	4
Net debt	1,695	3,284
Operating capital	10,845	11,275
Key indicators		
Operating margin, %	1.4	0.9
Return on equity (average), %	3.2	2.1
Return on operating capital (average), %	5.4	2.9
Net debt/equity ratio, multiple	0.2	0.4
Equity/assets ratio, %	37.0	31.4
Gross investments, SEKm	1,200	1,846
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	35,256	37,407
Employees, gender distribution (women/men), %	34/66	35/65
Management group, gender distribution (women/men), %	29/71	25/75
Board, gender distribution (women/men), %	38/62 ¹	38/62

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

¹) Elected for 2016/2017.

RISE

Research Institutes of Sweden AB, RISE is tasked with promoting a cohesive Swedish institute sector and cross-sector cooperation among industrial research institutes under RISE. RISE is wholly owned by the state. Its remit is to gather the Swedish institute sector and strengthen its role in the innovation system through effective governance and work with matters of structure, impact and financing. The overall objective of the institutes in the RISE group is for them to be internationally competitive and foster sustainable growth in Sweden by strengthening competitiveness and renewal in Swedish business.

The group includes the subsidiaries SP Sveriges Tekniska Forskningsinstitut AB (100 per cent) and Swedish ICT Research AB (60 per cent) and the associated companies Swerea AB (42.8 per cent) and Innventia AB (29 per cent). The partially owned companies are owned jointly with the private sector. All partners within SP, Swedish ICT and Innventia signed a letter of intent in autumn 2015, according to which RISE will acquire the other owners' shares in the various sub-institutes in order to make it possible to offer integrated solutions to the business sector from various sub-institutes in order to meet increased demand for system solutions.

Significant events in 2015

- Continued good growth, driven by the largest institute, SP. The RISE group's sales have increased by 5–6 per cent annually for the last five years.
- Strategic project to coordinate the institutes continued.
- Project to increase access to the RISE group's test and demonstration facilities.

Targets and tracking

Financial targets

RISE is not profit-driven and does not distribute dividends. The institutes that are part of the RISE group (subsidiaries and associates) are profit-driven, but do not distribute dividends.

Sustainability targets

- The RISE group's research and innovation generate value, meeting the needs and demands of society and the business sector.
- The RISE group strives to contribute to sustainable growth, to use its resources responsibly and to contribute to solutions to major global challenges.
- The RISE group is an attractive employer, able to recruit and retain employees while actively contributing to the supply of knowledge and expertise in the business sector.

Outcomes

- Research is conducted to achieve public benefit and the development of human welfare. Research and innovation proceed from global challenges. During 2015, RISE clarified its strategic sustainability targets and commenced sustainability assurance of all of its research projects.

Public policy targets

RISE has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked. Targets have not yet been developed according to the public policy targets process.



Chair: Pia Sandvik



CEO: Olof Sandén

Directors and auditors elected for 2016/2017

Chair: Pia Sandvik **Board:** Anna Hultin Stigenberg, Hasse Johansson, Richard Reinius, Marie Westrin, Fredrik Winberg and Sven Wird. Anna-Karin Stenberg was elected at the 2016 AGM. Ulf Säter stepped down **Auditor:** Anders Malmby (KPMG), Olof Enerbäck (PWC)

Fees paid to the chairman were SEK 120 (120) thousand. Fees paid to directors elected by the AGM amounted to SEK 60 (60) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	2,107	1,977
Operating profit	40	51
Financial income	2	8
Profit/loss before tax	38	58
Net profit	30	48
– of which attributable to minority interest	6	9
Balance sheet, SEKm		
Total assets	2,119	2,046
Non-current assets	960	942
Equity	958	927
– of which, minority interests	87	80
Net debt	0	244
Operating capital	958	1,171
Key indicators		
Operating margin, %	1.9	2.6
Return on equity (average), %	3.2	5.3
Return on operating capital (average), %	3.8	4.6
Net debt/equity ratio, multiple	0.0	0.3
Equity/assets ratio, %	45.2	45.3
Gross investments, SEKm	111	227
Appropriation, SEKm	371	361
Dividend, SEKm	0	0
Average no. of employees	1,745	1,673
Employees, gender distribution (women/men), %	33/67	33/67
Management group, gender distribution (women/men), %	0/100	–
Board, gender distribution (women/men), %	50/50 ¹⁾	38/62

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

¹⁾ Elected for 2016/2017.

As a component of Swedish labour market policy, Samhall AB's remit is to produce goods and services, thereby creating meaningful and enriching jobs for people with disabilities that entail diminished capacity to work. Today, Samhall holds a leading position in Sweden when it comes to work-based development for people with disabilities. Samhall has some 22,000 employees in about 200 locations in Sweden. In accordance with its assignment, Samhall creates jobs by matching the right individual with the right job to carry out customer commissions, which are subject to competition. The company has offerings in areas including workplace and property service, warehousing and logistics, cleaning and laundry, manufacturing and services for the elderly. The company will maintain its focus on delivering high business growth so that additional jobs can be offered to people with disabilities while demonstrating long-term sustainable economic growth.

Significant events in 2015

- Good sales growth in the priority areas of Services and Manned Solutions.
- Losses as a result of higher wage costs and unchanged compensation from the state for additional costs.
- Major organisational changes in 2015 are laying a solid foundation for continued efforts to attain established targets.

Targets and tracking

Financial targets

- Profitability: Return on equity of 7 per cent.
- Capital structure: Equity/assets ratio of at least 30 per cent.
- Dividend: None. If a profit is generated, profits are carried forward to promote the company's continued operations.

Outcomes

- Return on average equity was -4 (5) per cent.
- The equity/assets ratio for 2015 was unchanged at 47 (47) per cent.

Sustainability targets

- Employees in work (EIW): From factor 3.5 to 3.3 during 2015.
- Committed employees: The sub-index for commitment should increase from 64 to 65 per cent in 2015.
- Increased degree of self-financing: Degree of self-financing of 32 per cent in 2015.
- Environmental target – Reduced carbon emissions: Increase the share of green cars from 11 to 13 per cent in 2015.

Outcomes

- Employees in work (EIW): Unchanged at factor 3.5; target not met.
- The sub-index rose to 65 per cent and thus met the established target for employee commitment.
- The degree of self-financing increased from 30 to 31 per cent. The trend was positive but the target was not met.
- The share of green cars increased from 11.4 to 12.7 per cent.

Public policy targets

Samhall has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked.

samhall



Chair: Erik Strand



CEO: Monica Lingegård

Directors and auditors elected for 2016/2017

Chair: Erik Strand **Board:** Bertil Carlsén, Helen Fasth Gillstedt, Angelica Frithiof, Kenneth Johansson, Leif Ljungqvist and Maria Nilsson **Employee reps:** Ann-Christin Andersson, Hans Abrahamsson, Pia Litbo **Alternate employee reps:** Kristina Jakobsson, Hans Janeman **Auditor:** Peter Ekberg (Deloitte)

Fees paid to the chairman were SEK 310 (310) thousand. Fees paid to directors elected by the AGM amounted to SEK 138 (130) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	6,858	6,903
Operating profit	-80	0
Financial income	55	94
Profit/loss before tax	-83	92
Net profit	-63	81
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	3,394	3,522
Non-current assets	135	154
Equity	1,593	1,656
- of which, minority interests	0	0
Net debt	-2,664	-2,743
Operating capital	-1,071	-1,087
Key indicators		
Return on equity (average), %	-3.9	5.0
Return on operating capital (average), %	7.4	0.0
Net debt/equity ratio, multiple	-1.7	-1.7
Equity/assets ratio, %	46.9	47.0
Gross investments, SEKm	25	40
Appropriation, SEKm	4,405	4,405
Dividend, SEKm	0	0
Average no. of employees	17,932	17,908
Employees, gender distribution (women/men), %	44/56	44/56
Management group, gender distribution (women/men), %	40/60	33/67
Board, gender distribution (women/men), %	43/57 ¹⁾	43/57

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

SAS is the largest airline in the Nordic region with a 35 per cent market share in its domestic market. SAS was formed in 1946 when the national airlines of Sweden, Norway and Denmark agreed to operate as a consortium. In order to operate under the same conditions as other airlines in the international market, the ownership structure was changed in 2001. Shares in the national companies were exchanged for shares in a new, integrated parent company, SAS AB. Since then, the Swedish state has owned 21.4 per cent of the shares in SAS.

During the 2014/2015 financial year, SAS flew a total of 28.9 million passengers to 119 destinations. SAS is part of the Star Alliance. SAS is listed in Stockholm, Copenhagen and Oslo. Strategic priorities for SAS are to 1) Gain the loyalty of Scandinavian frequent flyers, 2) Improve operational efficiency and 3) Secure the right skills.

Significant events in 2014/2015

- Earnings improvement driven primarily by commercial success, cost-savings measures and, in the fourth quarter, lower fuel costs.
- The cost savings measures, which are intended to have a total effect of SEK 2.1 billion by 2017 had an effect on earnings of about SEK 1 billion.
- As an aspect of streamlining the aircraft fleet, agreements were made with partners on frequencies with smaller aircraft.
- Temporarily stabilised capacity increase and reduced price pressure during the period. The company is expecting much tougher competition in the next few years.

Targets and tracking

Financial targets

Capital structure: The target for financial preparedness is for cash and cash equivalents and unutilised credit facilities must exceed 20 per cent of fixed costs.

Outcomes

Improved financial position with higher equity/assets ratio of 21 (17) per cent and financial preparedness of 40 (37) per cent.

Sustainability targets

- Reduce emissions from flight operations by 20 per cent by 2020 compared with 2010.
- Reduce noise at take-off by 15 per cent by 2020 compared with 2010.
- Regular use of renewable jet fuel by 2020.

Outcomes

- Carbon emissions from flight operations were reduced by 1.8 per cent between 2013/2014 and 2014/2015. Total carbon emissions have decreased by 14 per cent since 2005.
- The area exposed to take-off noise above 85 dB has decreased from 2.14 km² in 2012/2013 to 1.97 km² in 2014/2015.
- The company has joined the Fly Green Fund (FGF), whose objective is for passengers to be able to upgrade their fuel production from fossil to renewable.

Public policy targets

SAS does not have a specifically adopted public policy assignment.



SAS Group



Chair: Fritz H. Schur



CEO: Rickard Gustafson

Directors and auditors elected for 2016/2017

Chair: Fritz H. Schur **Board:** Monica Caneman, Carsten Dilling, Lars-Johan Jarnheimer, Dag Mejdell, Sanna Suvanto-Harsaae and Jacob Wallenberg.

Berit Svendsen was elected at the 2016 AGM. Birger Magnus stepped down **Employee reps:** Sven Cahier, Jens Lippestad, Bo Nielsen **Alternate employee reps:** Erik Bohlin, Kim Kalsås-Carlsen, Janne Wegeberg **Auditor:** Bo Hjalmarsson, PwC

Fees paid to the chairman were SEK 410 (410) thousand, and to the first and second vice chairmen 242 (242) thousand. Fees paid to directors elected by the AGM amounted to SEK 207 (207) thousand.

State ownership (21.4%)	2015	2014
Income statement, SEKm		
Net sales	39,650	38,006
Operating profit	2,225	153
Financial income	127	111
Profit/loss before tax	1,417	-918
Net profit	956	-719
- of which attributable to minority interest	0	17
Balance sheet, SEKm		
Total assets	30,266	29,325
Non-current assets	18,512	18,291
Equity	6,339	4,907
- of which, minority interests	0	27
Net debt	-5,094	-2,676
Operating capital	1,245	2,231
Key indicators		
Operating margin, %	5.6	0.4
Return on equity (average), %	17.0	-17.7
Return on operating capital (average), %	128.0	4.6
Net debt/equity ratio, multiple	-0.8	-0.5
Equity/assets ratio, %	20.9	16.7
Gross investments, SEKm	4,306	2,113
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	11,288	12,329
Employees, gender distribution (women/men), %	38/62	40/60
Management group, gender distribution (women/men), %	14/86	13/87
Board, gender distribution (women/men), %	38/62 ¹⁾	25/75

Reported in compliance with GRI guidelines Yes

Externally assured GRI report Yes

Reporting in compliance with IFRS Yes

1) Elected for 2016/2017.

SBAB Bank AB offers savings and loans to consumers, tenant-owner associations and property companies in Sweden. SBAB is one of the largest niche banks in Sweden. The bank's strategy, adopted in autumn 2014, is to focus on its core product, mortgage loans, augmented with a savings account. The strategy has been successful thus far and the bank has gained market shares in the consumer segment. Combined with increased capital requirements, the growth is putting high demands on SBAB's capital.

Significant events in 2015

- SBAB acquired Booli to strengthen its customer offering.
- For the second consecutive year, SBAB has the most satisfied mortgage loan customers in Sweden according to the Swedish Quality Index.
- SBAB has terminated the cooperation agreements with Bättre Bolån and Plus Bolån.

Targets and tracking

Financial targets

- Profitability: Return on equity of at least 10 per cent
- Capital structure: Common equity Tier 1 capital ratio (CET1) of at least 20 per cent.
- Dividend: Minimum of 40 per cent of profit after tax.

Outcomes

- Profitability: Return on equity was 10.2 per cent, which was lower than in 2014, but the underlying operating profit was stronger in 2015.
- Capital structure: CET1 was 28.6 per cent.
- Dividend: In response to rising capital requirements, the board has proposed no dividend for 2015.

Sustainability targets

- Sound finances: Aligned with the financial targets set by the annual general meeting.
- Social responsibility and transparency:
 - Sub-target 1 Responsible lender:* At least 85 per cent of customers who believe SBAB provides simple and transparent information about terms and conditions and at least 80 per cent of customers who would recommend SBAB.
 - Sub-target 2 Responsible employer:* Women/men in senior positions should be 45–55 per cent and 80 per cent of employees should be willing to recommend SBAB as an employer.
- Sustainable housing: SBAB's market share as regards the financing of the number of newly built homes should be 6 per cent. Develop a sustainable offering directed at consumers and one to businesses and tenant-owner associations.

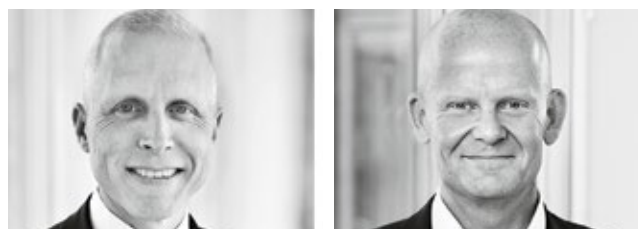
Outcomes

- Sound finances: See the financial targets.
- Social responsibility & transparency:
 - Sub-target 1 Responsible lender:* 88 per cent and 88 per cent.
 - Sub-target 2 Responsible lender:* 44/56 per cent and 61 per cent.
- Sustainable housing: Financing of new homes amounted to 8 per cent.

Public policy targets

SBAB does not have a specifically adopted public policy assignment.

SBAB!



Chair: Bo Magnusson

CEO: Klas Danielsson

Directors and auditors elected for 2016/2017

Chair: Bo Magnusson **Board:** Carl-Henrik Borg, Lars Börjesson, Jakob Grinbaum, Ebba Lindsö, Jane Lundgren Ericsson and Karin Moberg. Daniel Kristiansson was elected at the 2016 AGM. Kristina Ekengren stepped down **Employee reps:** Johan Ericsson, Kristina Ljung **Auditor:** Patrick Honeth (Deloitte)

Fees paid to the chairman were SEK 430 (430) thousand. Fees paid to directors elected by the AGM amounted to SEK 215 (215) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net interest income	2,442	2,111
Net commission income	-102	-110
Net financial income/expense	1	620
Other operating expenses	0	0
Total income	2,341	2,621
Operating profit		
	1,492	1,644
Profit/loss before tax	1,492	1,644
Net profit	1,162	1,256
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	374,552	338,985
Loans to the general public	300,437	268,882
Equity	11,848	11,001
– of which, minority interests	0	0
Key indicators		
Credit loss level, %	0.0	0.0
Return on equity (average), %	10.2	12.1
Tier 1 capital ratio, %	35.1	36.8
Capital adequacy ratio, %	49.3	44.7
Dividend, SEKm	502	502
Average no. of employees	443	437
Employees, gender distribution (women/men), %	53/47	55/45
Management group, gender distribution (women/men), %	27/73	38/62
Board, gender distribution (women/men), %	38/62 ¹⁾	50/50
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		Yes

1) Elected for 2016/2017.

SEK

AB Svensk Export Kredit (SEK) is to conduct credit operations aimed at promoting the Swedish export industry by offering financing solutions that directly or indirectly support Swedish exports. SEK is meant to complement the market and endeavour to cooperate with other state export promoters 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.

Significant events in 2015

- High level of new lending of SEK 104.6 (57.1) billion as a result of the financing agreement for the Brazilian purchase of the Gripen fighter plane from Saab of SEK 49.1 billion.

Targets and tracking

Financial targets

- Profitability: Return on equity of at least 6 per cent.
- Capital structure: CET1 of 16 per cent, but at least 12 per cent.
- Dividend: Ordinary dividend of 30 per cent of profit for the year, taking into account the capital structure target, future capital requirements and investments.

Outcomes

- Return on equity 7.2 (8.1) per cent. CET1 ratio 21.6 (16.9) per cent.¹ Ordinary dividend in 2015 as per policy.

Sustainability targets

- Sustainable financing: 100 per cent of customers should understand that sustainability requirements are imposed in connection with lending.
- Business ethics: 100 per cent of SEK's customers and suppliers should commit to complying with SEK's guidelines in the area of anti-corruption.
- Gender equality and diversity: There should be 40–60 per cent women/men in managerial positions and the share of employees of foreign background should exceed 25 per cent.

Outcomes

- 81 per cent understood that sustainability requirements were imposed in connection with lending. 53 per cent of customers and suppliers have committed to complying with SEK's guidelines. This effort has taken longer than expected. The breakdown of women/men in managerial positions is 38/62 and employees of foreign background is 30 per cent.

Public policy targets

The target is for SEK's export credits to help strengthen the competitiveness of Swedish export companies and for customers to perceive SEK as meeting their expectations and that the Swedish export credit system is as competitive as the systems in key competitor countries.

Outcomes

The public policy target was adopted by the 2015 AGM.

1) A new capital target was adopted by the Annual General Meeting held in January 2016: SEK's total capital ratio under normal circumstances must be between 1 and 3 basis points above the requirement communicated by Finansinspektionen (FI). According to FI, SEK was required to have a capital adequacy ratio of 16.3 per cent in 2015. The outcome was 24.5 per cent.

SEK



Chair: Lars Linder-Aronson



CEO: Catrin Fransson

Directors and auditors elected for 2016/2017

Chair: Lars Linder-Aronson **Board:** Cecilia Ardström, Jan Belfrage, Susanne Lithander, Lotta Mellström, Ulla Nilsson and Teppo Tauriainen. Magnus Uggla was elected at the 2016 AGM. Jan Roxendal stepped down **Auditor:** Erik Åström (EY)

Fees paid to the chairman were SEK 400 (400) thousand. Fees paid to directors elected by the AGM amounted to SEK 180 (180) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net interest income	1,662	1,578
Net commission income	-6	-6
Net profit/loss from financial transactions	400	506
Other operating expenses	0	0
Total income	2,056	2,078
Operating profit		
	1,535	1,629
Profit/loss before tax		
	1,535	1,629
Net profit		
	1,187	1,260
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	280,411	325,166
Lending ²	268,535	234,250
Equity	16,828	16,157
- of which, minority interests	0	0
Key indicators		
Credit loss level, %	0.0	0.0
Return on equity (average), %	7.2	8.1
Common equity Tier 1 capital ratio (%)	21.6	16.9
Total capital ratio, %	24.5	19.2
Dividend, SEKm	378	327
Average no. of employees	251	243
Agreed but not disbursed credits, S system	54,638	7,528
Employees, gender distribution (women/men), %	46/54	46/54
Management group, gender distribution (women/men), %	55/45	57/43
Board, gender distribution (women/men), %	50/50 ³	50/50

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

2) Outstanding and agreed but not disbursed loans.

3) Elected for 2016/2017.

SJ is the largest operator of passenger rail services in Sweden. SJ's mission is to operate profitable passenger rail services in competition with other train operators as well as car, air and bus travel. SJ operates mainly in the market for regional and long-distance travel within Sweden and to/from Copenhagen and Oslo. Services are divided into two categories: commercial services and contract (publicly financed) public transport services. Rail services in the group are operated by the parent company and its subsidiaries, SJ Götalandståg, Stockholmståg and SJ Norrlandståg. Other subsidiaries have limited operations that are closely related to rail services.

Significant events in 2015

- The number of leisure and business travellers increased by 2 per cent during the year and the Customer Satisfaction Index (CSI) improved to 66 (63).
- The company began preparations ahead of the new law on travellers' rights, which goes into effect 1 April 2016.
- An extraordinary general meeting resolved to distribute a special dividend of SEK 1.7 billion.

Targets and tracking

Financial targets

- Profitability: Return on operating capital of at least 7 per cent on average.
- Capital structure: Debt/equity ratio of 0.5–1.0 (multiple) over the long term.
- Dividend: Over the long term, dividends should amount to between 30 and 50 per cent of profit for the year.

Outcomes

- SJ attained the target for return on operating capital. The net debt/equity ratio was below the stated target range at a multiple of 0.19.
- Dividend: SEK 188 million.

Sustainability targets

- Punctuality: 95 per cent by 2020.
- Completed supplier and partnership assessments, target for 2015 of 40 per cent.
- SJ Volunteer – An opportunity for employees to engage in voluntary work during working hours: 1,300 hours in 2015.

Outcomes

- Punctuality for SJ's long-distance trains improved to 82 (81) per cent, while punctuality for regional trains was on par with last year at 89 (89) per cent. The work is continuing and the part of the punctuality problems for which SJ is responsible is declining, while the share of delays caused by infrastructure and external events remains substantial.
- 40 per cent of supplier and partnership assessments were completed. Assessments of 700 suppliers were carried out in 2015. Up to year-end 2015, a total of 1,400 suppliers had been assessed.
- SJ Volunteer, 256 hours. Aimed at increasing the level of target attainment, the company more clearly market SJ Volunteer internally during 2016.

Public policy targets

SJ does not have a specifically adopted public policy assignment.



Chair: Jan Sundling



CEO: Crister Fritzson

Directors and auditors elected for 2016/2017

Chair: Jan Sundling **Board:** Ulrika Dellby, Mikael Staffas, Mikael Stöhr, Siv Svensson and Michael Thorén. Kersti Strandqvist was elected at the 2016 AGM. Gunilla Wikman stepped down **Employee reps:** Per Hammarqvist, Hans Pilgard, Stefan Zetterlund **Auditor:** Hans Warén (Deloitte)

Fees paid to the chairman were SEK 400 (400) thousand. Fees paid to directors elected by the AGM amounted to SEK 160 (150) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, group, SEKm		
Net sales	9,052	9,065
Operating profit	625	568
Financial income	2	49
Profit/loss before tax	602	578
Net profit	471	460
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	7,864	8,870
Non-current assets	6,317	7,082
Equity	3,876	5,335
– of which, minority interests	0	0
Net debt	751	-396
Operating capital	4,721	4,952
Key indicators		
Operating margin, %	6.9	6.2
Return on equity (average), %	10.2	8.9
Return on operating capital (average), %	12.9	10.6
Net debt/equity ratio, multiple	0.2	0.0
Equity/assets ratio, %	49.3	60.1
Gross investments, SEKm	525	828
Appropriation, SEKm	0	0
Dividend, SEKm	1,930 ¹	73
Average no. of employees	4,232	4,541
Employees, gender distribution (women/men), %	38/62	38/62
Management group, gender distribution (women/men), %	55/45	42/58
Board, gender distribution (women/men), %	43/57 ²	43/57

Reported in compliance with GRI guidelines Yes

Externally assured GRI report Yes

Reporting in compliance with IFRS Yes

¹ Of which, ordinary dividend of SEK 230 million and special dividend of SEK 1,700 million.

² Elected for 2016/2017.

SOS Alarm

SOS Alarm Sverige AB's principal task is to be responsible, on assignment from the state, for the emergency response service in Sweden by receiving and forwarding calls to the emergency number 112 and to offer municipalities and county councils routing and prioritisation of ambulance and fire services, for example. SOS Alarm is also capable of acting as a command centre for emergency response teams and, when capacity is available, receiving and dealing with alarms from automated alarm systems.

Significant events in 2015

- Operating profit declined due to factors including increased staffing of operational personnel and organisational changes.
- Maria Khorsand was appointed the new CEO and acceded to the position in January 2016.
- Additional compensation of SEK 30 million to achieve cost coverage of the 112 emergency number assignment.

Targets and tracking

New financial, public policy and sustainability targets are planned for the April 2016 AGM.

Financial targets

- Profitability: ROE of 8 per cent over a rolling five-year period.
- Capital structure: Minimum equity/assets ratio of 40–50 per cent adjusted to at least 30 per cent.
- Dividend: 5 per cent of equity.

Outcomes

- The long-term financial targets were not met. The equity/assets ratio was 27 (26) per cent and ROE was -1.5 (19.5) per cent.

Sustainability targets

- Secure citizens
- Improve customer relationships.
- Motivated employees
- Stable profitability
- Reduced environmental load.

Outcomes

- 2016 will be a zero base measurement for the public confidence index.
- Customer satisfaction increased during the year and exceeded the target level.
- Employee turnover and the sickness absence rate are still challenges for the company, although the net flow of nurses is now positive. Basic staffing has now reached a higher level, which is expected to have positive impact in future periods.

Public policy targets

SOS Alarm has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked. Targets have been established for response times.

Outcomes

The public policy targets for response times improved during the year but did not attain the level stated in the 112 agreement. The average response time in 2015 was 13.2 (15.3) seconds.



Chair: Eva Fernvall

CEO: Maria Khorsand

Directors and auditors elected for 2016/2017

Chair: Eva Fernvall **Board:** Alf Jönsson, Ingrid Lennerwald, Johnny Magnusson, Maria Nilsson, Ewa Stålldal and Håkan Sörman. Jenny Lahrin and Inge Lindberg were elected at the 2016 AGM. Johan Hallberg stepped down **Employee reps:** Mats Lundgren, Bengt Norberg **Alternate employee reps:** Johan Magnusson, Maria Olsson **Auditor:** Magnus Fagerstedt (EY)

Fees paid to the chairman were SEK 140 (125) thousand. Fees paid to directors elected by the AGM amounted to SEK 80 (75) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (50%)	2015	2014
Income statement, SEKm		
Net sales	970	953
Operating profit	1	30
Financial income	2	3
Profit/loss before tax	2	33
Net profit	-2	29
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	578	618
Non-current assets	197	228
Equity	158	162
– of which, minority interests	5	7
Net debt	-197	-154
Operating capital	-39	8
Key indicators		
Operating margin, %	0.1	3.2
Return on equity (average), %	-1.5	19.5
Return on operating capital (average), %	-6.4	101.3
Net debt/equity ratio, multiple	-1.2	-1.0
Equity/assets ratio, %	27.4	26.3
Gross investments, SEKm	44	52
Appropriation, SEKm	251	244
Dividend, SEKm	0	0
Average no. of employees	909	848
Employees, gender distribution (women/men), %	58/42	58/42
Management group, gender distribution (women/men), %	58/42	56/44
Board, gender distribution (women/men), %	56/44 ¹	56/44

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

¹) Elected for 2016/2017.

Specialfastigheter Sverige AB owns, develops and manages properties in Sweden with strict security requirements. Operations are conducted in three business areas: correctional services, defence and judiciary and institutional care and other special operations. The largest tenants are the Prison and Probation Service, the National Police Board, the National Board of Institutional Care (SiS), the Armed Forces and the Swedish Defence Materiel Administration (FMV). Specialfastigheter's operations are conducted on a long-term and commercial basis and are distinguished by long contracts, which creates stability in financial performance.

Significant events in 2015

- Stable rental income and earnings.
- The market value of the properties increased by 3 per cent to SEK 20,919 million.

Targets and tracking

Financial targets

- Profitability: Return on equity of 8 per cent based on profit after tax and after reversal of changes in value and deferred tax.
- Capital structure: Equity/assets ratio of 25–35 per cent.
- Dividend: 50 per cent of profit after tax and after reversal of changes in value for the year and associated deferred tax.

Outcomes

- Return on equity exceeded target at 12.8 (11.9) per cent.
- The equity/assets ratio was 30.2 (41.2) per cent. The change is attributable to a special dividend of SEK 3 billion distributed to adjust the capital structure to the equity/assets target.
- The ordinary dividend for 2015 of SEK 446 million was distributed according to policy.

Sustainability targets

- All leases must have green schedules attached to the contracts.
- Zero (0) instances of corruption or the giving or taking of bribes.
- At least 90 per cent of purchasing from contractual partners.
- Improve energy efficiency – Maximum energy consumption of 180 kWh/m² for building electricity, operational electricity, heating, comfort cooling and hot water.
- At least 30 per cent of managers should be women.

Outcomes

- In a clear improvement, the share of leases with green schedules was 95 (32) per cent at year-end 2015.
- Zero (0) instances of corruption or the giving or taking of bribes were found.
- Contractual partners accounted for 88 (78) per cent of purchasing, which is close to the target.
- Energy consumption in 2015 was 206 (213) kWh/m². A systematic effort to cut energy consumption is ongoing.
- The proportion of women managers was 32 (21) per cent.

Public policy targets

Specialfastigheter does not have a specifically adopted public policy assignment.

1) Per defined financial targets.



SPECIALFASTIGHETER
EN SÄKER VÄRD



Chair: Bo Lundgren



CEO: Åsa Hedenberg

Directors and auditors elected for 2016/2017

Chair: Bo Lundgren **Board:** Jan Berg, Carin Götblad, Eva Landén, Mikael Lundström and Ulrika Nordström. Maj-Charlotte Wallin was elected at the 2016 AGM. Lotta Mellström and Nina Linander stepped down **Employee reps:** Masoomeh Antonsson, Roger Törngren **Alternate employee rep:** Tomas Edström, Erik Ydreborg **Auditor:** Mikael Ikonen (EY)

Fees paid to the chairman were SEK 240 (240) thousand. Fees paid to directors elected by the AGM amounted to SEK 120 (120) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	1,867	1,872
Changes in value	367	669
Operating profit	1,700	2,064
Financial income	4	0
Profit/loss before tax	1,474	1,782
Net profit	1,178	1,390
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	22,012	20,571
Non-current assets	21,522	20,391
Equity	6,652	8,475
– of which, minority interests	0	0
Net debt	11,554	8,985
Operating capital	18,206	17,460
Key indicators		
Operating margin, %	91.1	110.3
Return on equity (average), % ¹	12.8	11.9
Return on operating capital (average), %	9.5	12.0
Net debt/equity ratio, multiple	1.7	1.1
Equity/assets ratio, %	30.2	41.2
Gross investments, SEKm	404	374
Appropriation, SEKm	0	0
Dividend, SEKm	3,000	481
Average no. of employees	128	121
Employees, gender distribution (women/men), %	30/70	28/72
Management group, gender distribution (women/men), %	62/38	29/71
Board, gender distribution (women/men), %	57/43 ²	43/57

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

2) Elected for 2016/2017.

Svenska Rymdaktiebolaget (Swedish Space Corporation, SSC) is responsible for operation of the Esrange Space Center, providing advanced space services to the global space market, conducting technical development in the field of space operations and managing the operation and development of testing at the Vidö test site. SSC is a global group with about 500 employees in eleven countries, about half of whom in Sweden. Operations are conducted in four divisions:

- The civilian Esrange Space Center is unique by international comparison with its extensive infrastructure, rocket landing area and restricted air space.
- Satellite Management Services, which provides ground station services for satellite communications.
- Engineering Services, which provides engineering services for planning and development of satellite missions, satellite control and ground station services.
- Technology includes Aerospace Test Systems, which manages test operations at the Vidö test site.

Significant events in 2015

- Operating profit excluding extraordinary items and restructuring costs improved by SEK 6 million year-on-year.
- High activity at the Esrange Space Center.

Targets and tracking

Financial targets

- Profitability: Return on operating capital of at least 6 per cent.
- Capital structure: Debt/equity ratio of 0.3–0.5 (multiple) with stable earnings.
- Dividend: Minimum of 30 per cent of profit after tax.

Outcomes

- SSC did not meet its return target, mainly due to high restructuring costs related to a major cost efficiency programme and thus did not distribute a dividend to the owner.

Sustainability targets

- All employees at SSC have been trained in, understand and comply with the ethical and environmental standards established by the company.

Outcomes

- The sustainability target is considered to have been met for 2015.

Public policy targets

- Science Services: 1. Capacity utilisation rate at the Esrange Space Center. 2. Quality index pertaining to the Esrange Space Center and related services.
- SSC: By means of a special stakeholder dialogue, the company shall ensure that operations are designed to promote Swedish interests in the best way possible.

Outcomes

- The capacity utilisation rate at the Esrange Space Center was 110 per cent (target: minimum 70 per cent) during 2015.
- Measurements were carried out on three occasions in 2015 to assess quality of delivery. The result was an overall quality index of 94 per cent (target: minimum 80 per cent).



Chair: Monica Lingegård

CEO: Stefan Gardefjord

Directors and auditors elected for 2016/2017

Chair: Monica Lingegård was elected at the 2016 AGM, Hans Karlander stepped down **Board:** Fredrik Brunell, Anne Gynnerstedt, Hanna Lagercrantz, Lars Leijonborg, John Stuart, Håkan Syrén and Fredrik Wilhelmsson. Maria Palm was elected at the 2016 AGM. Åsa Hedin stepped down **Employee reps:** Mattias Abrahamsson, Ylva Houltz **Alternate employee reps** Lennart Jonasson, Alf Vaerneus **Auditor:** Camilla Samuelsson, for the companies in Sweden (PwC)

Fees paid to the chairman were SEK 246 (240) thousand. Fees paid to directors elected by the AGM amounted to SEK 123 (120) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	989	842
Operating profit	5	31
Financial income	14	14
Profit/loss before tax	13	41
Net profit	-4	34
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	1,146	1,005
Non-current assets	751	658
Equity	495	503
- of which, minority interests	0	0
Net debt	188	72
Operating capital	684	575
Key indicators		
Operating margin, %	0.5	3.6
Return on equity (average), %	-0.7	7.1
Return on operating capital (average), %	0.7	6.2
Net debt/equity ratio, multiple	0.4	0.1
Equity/assets ratio, %	43.2	50.1
Gross investments, SEKm	150	158
Appropriation, SEKm	0	0
Dividend, SEKm	10	3
Average no. of employees	498	533
Employees, gender distribution (women/men), %	24/76	23/77
Management group, gender distribution (women/men), %	22/78	22/78
Board, gender distribution (women/men), %	44/56 ¹⁾	33/67

Reported in compliance with GRI guidelines Yes

Externally assured GRI report Yes

Reporting in compliance with IFRS Yes

¹⁾ Elected for 2016/2017.

Statens Bostadsomvandling

Statens Bostadsomvandling AB, Sbo, has a public policy assignment to participate practically in bringing balance to the housing market in communities where the population is declining. Sbo acquires, owns, manages, develops and divests properties taken over from municipalities or municipal housing companies. The focus is on assisted living and housing for elderly people.

There is often considerable need for housing in these communities that is accessible for elderly people and adapted to their needs. The restructuring process generates chains of people moving home within the housing market. Once balance has been achieved in the local housing market, the company sells the properties it has developed on market terms in the open market.

Significant events in 2015

- The number of lettable flats had increased by 470 (415) by the end of the year. The occupancy rate is 100 per cent.
- Three properties were acquired during the year and a total of SEK 46.2 million was invested during the year in ongoing development projects.
- The report “The EU and Municipal Housing Policy” (SOU 2015:58), which covers issues including Sbo’s operations, was submitted in June 2015.

Targets and tracking

Financial targets

- At least 37 per cent of combined project costs recovered when products are completed.
- In at least 80 per cent of projects, the properties must be restructured and sold within eight years on market terms in the open market.

Outcomes

- The assessment is that approximately 60 per cent of project costs (including impairments) has been recovered.
- During the period of 2010–2015, Sbo sold 17 properties in six communities. Various types of properties were included. Most of the properties Sbo currently owns and manages were acquired in 2007 or later.

Sustainability targets

- 100 per cent of developed properties to be leased upon completion.
- Occupancy rate of 80 per cent in properties adapted to the needs of elderly people.
- 100 per cent of flats and common areas in the properties to be accessible to people who, for example, use walking frames or wheelchairs.
- Increase the proportion of accessible and attractive flats in communities that have access to community services (e.g., grocery store, health care, public transport) within 5–10 minutes’ walking distance, or 300–500 metres, from the developed property.

Outcomes

All sustainability targets for 2015 were achieved.

Public policy targets

Statens Bostadsomvandling has a specifically adopted public policy assignment. Targets have not yet been developed according to the public policy targets process.

Sbo

Statens Bostadsomvandling AB



Chair: Christel Wiman

CEO: Ann Eriksson

Directors and auditors elected for 2016/2017

Chair: Christel Wiman Board: Leif Ljungqvist, Brita Saxton, Håkan Steinbüchel and Björn Sundström Auditor: Lars Magnusson (Deloitte)

Fees paid to the chairman were SEK 74 (70) thousand. Fees paid to directors elected by the AGM amounted to SEK 37 (35) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	18	17
Operating profit	-14	-16
Financial income	6	11
Profit/loss before tax	-8	-5
Net profit	-12	-9
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	534	541
Non-current assets	237	216
Equity	497	509
– of which, minority interests	0	0
Net debt	-282	-313
Operating capital	215	196
Key indicators		
Operating margin, %	-81.7	-96.6
Return on equity (average), %	-2.4	-1.7
Return on operating capital (average), %	-6.9	-8.2
Net debt/equity ratio, multiple	-0.6	-0.6
Equity/assets ratio, %	93.0	94.1
Gross investments, SEKm	46	42
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	3	3
Employees, gender distribution (women/men), %	33/67	33/67
Management group, gender distribution (women/men), %	100/0	–
Board, gender distribution (women/men), %	40/60 ¹⁾	40/60

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

Sveaskog AB is the largest forest owner in Sweden and manages a total of 4.1 million hectares of land. Sveaskog is an independent actor in the timber market whose core business is forestry. Operations are conducted on a commercial basis. Sveaskog manages 3.1 million hectares of productive forest land, which accounts for 14 per cent of all forest land in Sweden. The company's forest holdings are spread throughout Sweden but are concentrated in the north. The forest plays a vital role in providing raw materials for the forest products industry and generates employment and recreational opportunities. Sveaskog primarily sells timber, pulpwood and biofuel. The company is pursuing sustainable forestry by means including setting aside 20 per cent of the productive forest land as nature conservation land and establishing a total of 37 ecoparks.

Significant events in 2015

- Operating profit increased.
- Sales of sawmill timber increased, but sales of pulpwood, chips and biofuel decreased.
- Positive change in value of forest holdings.

Targets and tracking

Financial targets

- Dividend yield: minimum 4.5 per cent.
- Capital structure: Debt/equity ratio, multiple of 0.3–0.6.
- Dividend: 65–90 per cent of profit after tax, excluding changes in value not affecting cash flow.

Outcomes

- Dividend yield was 4.7 per cent.
- The debt/equity ratio declined to 0.41, which is near the middle of the range for the financial target.
- Proposed dividend of SEK 800 million, corresponding to 89 per cent of profit.

Sustainability targets

- Higher profitability
- Partner of choice to customers.
- Leader in innovation.
- Leader in sustainable forestry.
- Attractive employer.

Outcomes

- The next customer satisfaction survey will occur in 2016.
- The sustainability indicator "Consideration Index for Sustainable Forestry" increased to 94 (87) per cent and the company reported lower carbon emissions from its own operations.
- Higher scores for motivated employees and leadership.

Public policy targets

The company has a specifically adopted public policy assignment whose objective is to sell 10 per cent of the productive forest land, but targets have not been developed in accordance with the public policy targets process.

Outcomes

The company sold 10,618 hectares of land in 2015 within the land sale programme. Sveaskog has now sold a total of about 8 per cent of its forest holdings in accordance with the land sale programme.

SVEASKOG



Chair: Helene Biström



CEO: Per Olof Wedin

Directors and auditors elected for 2016/2017

Chair: Helene Biström acceded 16 June 2016 when Göran Persson stepped down **Board:** Eva Färnstrand, Thomas Hahn and Anna-Stina Nordmark-Nilsson. Leif Ljungqvist, Annika Nordin and Sven Wird were elected at the 2016 AGM. Johan Hallberg and Birgitta Johansson-Hedberg stepped down **Employee reps:** Sofia Gilliusson, Sture Persson **Alternate employee reps:** Lars Djerf, Thomas Esbjörnsson **Auditor:** Hans Warén (Deloitte)

Fees paid to the chairman were SEK 420 (400) thousand. Fees paid to directors elected by the AGM amounted to SEK 160 (150) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	6,078	6,232
Changes in value	1,432	1,032
Operating profit	2,800	2,418
Financial income	10	22
Profit/loss before tax	2,586	2,157
Net profit	2,017	1,691
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	38,299	37,203
Non-current assets	35,088	33,557
Equity	19,714	18,463
– of which, minority interests	0	0
Net debt	9,224	9,552
Operating capital	28,938	28,015
Key indicators		
Operating margin, %	46.1	38.8
Return on equity (average), %	10.6	9.4
Return on operating capital (average), %	9.8	8.8
Net debt/equity ratio, multiple	0.5	0.5
Equity/assets ratio, %	51.5	49.6
Gross investments, SEKm	330	133
Appropriation, SEKm	0	0
Dividend, SEKm	800	450
Average no. of employees	856	877
Employees, gender distribution (women/men), %	21/79	20/80
Management group, gender distribution (women/men), %	45/55	40/60
Board, gender distribution (women/men), %	57/43 ¹	57/43

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

¹) Elected for 2016/2017.

Through its partnership in the Öresund Bridge Consortium, Svensk-Danska Broförbindelsen Svedab AB (Svedab AB) owns and manages the 50 per cent Swedish interest in the Öresund Bridge. The consortium owns the 16 km long toll-financed coast-to-coast link for both road and rail traffic. Svedab also owns and manages the Swedish land connections to the bridge.

Significant events in 2015

- July was a record-setting month for the number of cars in one 24-hour period and number per month. On average, 19,300 vehicles drove over the bridge every day.
- The surplus (before change in value) rose by DKK 116 million to DKK 899 million, attributable to higher road toll income and lower interest expenses.

Targets and tracking

Financial targets

- Svedab's loans repaid before 2040.

Outcomes

- According to the current forecast, the loans are expected to be repaid before 2040.

Sustainability targets

- Svedab should contribute to a cohesive Öresund Region and act as an enabler.
- Svedab must comply with laws, ordinance and regulations to ensure sustainable use of resources.
- 100 per cent of energy consumption should be renewable.
- Long-term, Svedab should reduce energy consumption.
- Svedab aims to engage suppliers that share the values expressed in Svedab's code of conduct.
- Zero tolerance of bribes and corruption.
- No deaths or serious injuries should occur on Svedab's structure or facilities.
- Svedab is receptive to opinions on the maintenance of the structure and facilities. All opinions and questions must be welcomed and responded to.

Outcomes

- Svedab was involved in several initiatives in 2015, all aimed at developing and adapting the structure and facilities to new needs.
- Svedab complied with laws, ordinances and regulations during the year.
- 100 per cent of energy consumption was renewable.
- Svedab reduced its energy consumption by 4 per cent during the year.
- In 2015, Svedab conducted an in-depth survey of its largest suppliers concerning their efforts with sustainable business.
- There were no incidents at Svedab in 2015 that can be linked to corruption.
- No one died or was seriously injured on Svedab's structures or facilities.
- As of 2016, there is an opportunity to communicate opinions that concern Svedab and the operation and maintenance of structure and facilities on the company's website.

SVEDAB



Chair: Bo Lundgren



CEO: Ulf Lundin

Directors and auditors elected for 2016/2017

Chair: Bo Lundgren, elected at the extraordinary general meeting in March 2016. Lena Erixson stepped down **Board:** Lars Erik Fredriksson, Kerstin Hessius and Jan Olson **Auditor:** Mats Åkerlund (PwC)

Fees paid to the chairman were SEK 133 (133) thousand. Fees paid to directors elected by the AGM amounted to SEK 66 (66) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	6	6
Operating profit	336	452
Financial income	43	46
Profit/loss before tax	286	393
Net profit	223	306
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	5,766	5,509
Non-current assets	5,736	5,420
Equity	336	131
- of which, minority interests	0	0
Net debt	2,876	2,913
Operating capital	3,212	3,043
Key indicators		
Operating margin, %	5,256.4	7,924.4
Return on equity (average), %	95.5	-281.3
Return on operating capital (average), %	10.8	15.6
Net debt/equity ratio, multiple	8.5	22.3
Equity/assets ratio, %	5.8	2.4
Gross investments, SEKm	430	401
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	3	3
Employees, gender distribution (women/men), %	33/67	33/67
Management group, gender distribution (women/men), %	0/100	-
Board, gender distribution (women/men), %	25/75 ¹⁾	50/50
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		No

1) Elected for 2016/2017.

Svenska Skeppshypotek

Svenska Skeppshypotekskassan (The Swedish Ships Mortgage Bank, Skeppshypotek) was founded in 1929 with the mission of making financing easier for Swedish shipping companies and assist in the rejuvenation of the Swedish merchant fleet. Skeppshypotek is not a limited company, but rather a unique form of association under public law. Its operations are governed by the Swedish Ships Mortgage Bank Act (1980:1097). Skeppshypotek's remit is to assist in the rejuvenation and modernisation of the Swedish merchant fleet. Skeppshypotek finances Swedish-owned shipping operations or 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.

Significant events in 2015

- Higher demand for financing due to increased activity in the market combined with decreased availability of bank financing.
- New loans amounted to SEK 2,645 million, the highest figure ever.
- Loans approved for disbursement amounted to SEK 2,084 million at year-end 2015.
- Net interest income improved despite lower return on investments.
- The credit risk in the loan portfolio has continued to improve in spite of a reserve requirement of SEK 25 million.

Targets and tracking

Financial restrictions

The Swedish Ships Mortgage Bank Act (1980:1097) contains no financial targets. However, the board of directors has established restrictions for operations as regards:

- Equity/assets ratio, minimum 10 per cent.
- Total capital adequacy ratio, minimum 12 per cent.

Outcomes

- The equity/assets ratio was 24.8 per cent.
- The total capital adequacy ratio was 23.4 per cent.

Sustainability targets

- Ship financing
- Business ethics
- Environment

Outcomes

- Ship financing: The active dialogue concerning environmental management in the shipping sector has continued with intensified contacts with shipping companies/industry organisations.
- Business ethics: All personnel have already undergone training in anti-corruption and anti-money laundering.
- Environment: The company's direct environmental impact remains limited. Compensation for carbon emissions remains in place.

Public policy targets

The Swedish Ships Mortgage Bank Act (1980:1097) contains no financial targets.

SVENSKA SKEPPSHYPOTEK



Chair: Michael Zell

CEO: Lars Johanson

Directors and auditors elected for 2016/2017

Chair: Michael Zell **Board:** Tomas Abrahamsson, Lars Höglund, Elizabeth Kihlbom, Anders Källsson, Jan-Eric Nilsson and Anna Öberg **Auditors:** Harald Jagner (Deloitte), Henrik Nilsson (Deloitte)

Fees paid to the chairman were SEK 125 (120) thousand. Fees paid to directors elected by the AGM amounted to SEK 55 (48) thousand.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	163	148
Operating profit	55	73
Financial income	0	0
Profit/loss before tax	55	73
Net profit	55	73
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	7,549	6,605
Non-current assets	7,201	6,095
Equity	1,871	1,816
– of which, minority interests	0	0
Net debt	-1,868	-1,806
Operating capital	3	10
Key indicators		
Operating margin, %	33.9	49.7
Return on equity (average), %	3.0	4.1
Return on operating capital (average), %	884.8	502.1
Net debt/equity ratio, multiple	-1.0	-1.0
Equity/assets ratio, %	24.8	27.5
Gross investments, SEKm	1	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	8	8
Employees, gender distribution (women/men), %	50/50	50/50
Management group, gender distribution (women/men), %	–	–
Board, gender distribution (women/men), %	29/71 ¹⁾	29/71

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

AB Svenska Spel's assignment from the state is, on licence from the Government, to arrange gaming and lotteries in a socially responsible manner. Svenska Spel's operations are based on four permits issued by the Government for: lotteries and betting on sporting events, slot machines, casino games and online poker. The public policy assignment involves fostering social protective interests and meeting demand for gaming in controlled forms; in other words, promoting a healthy and secure gaming market. Concern for the customer and the endeavour to minimise the negative effects of gambling are always ascribed greater importance than the interest in making a profit. The company's market share is about 42 (43) per cent of the total known Swedish gaming market, with the trend being a sustained decline. Svenska Spel is certified in accordance with the European Lotteries (EL) and World Lottery Associations (WLA) standards for responsible gaming.

Significant events in 2015

- 2015 was characterised by continued fierce competition, particularly in the online gaming segment.
- In the autumn of 2015, the Government resolved to appoint a gaming licence inquiry with the objective of a deregulated gaming market by 2018.

Targets and tracking

Financial targets

- Profitability: Operating margin of at least 22 per cent.

Outcomes

- The operating margin for 2015 was 22.6 (22.2) per cent.

Sustainability targets

- To be a leader in responsible gaming and set the standard in the market.
- Have a genuine impact on problem gambling.
- Uncover and prevent all unethical conduct, both internal and external.
- Work actively to prevent money laundering, fraud and other gaming-related corruption.
- Endeavour to achieve gender balance among women and men managers in the range of 45–55 per cent.
- Increase the proportion of employees of foreign background.

Outcomes

- Responsible gaming image 54 (55).
- Customer Satisfaction Index 69 (72).
- Motivation Index (ESI) 94 (92).
- Proportion of women managers 40 (38).
- Proportion of employees of foreign background 26 (22).

Public policy targets

Svenska Spel has a specifically adopted public policy assignment. Targets have not yet been developed according to the public policy targets process.



SVENSKA SPEL



Chair: Erik Strand



CEO: Lennart Käll

Directors and auditors elected for 2016/2017

Chair: Erik Strand was elected at the 2016 AGM. Anitra Steen stepped down **Board:** Eva-Britt Gustafsson and Hélène Westholm. Johan Strid and Fredrik Åhlberg were elected at the 2016 AGM. Hans Bergenheim, Catarina Fritz, Christer Åberg, Frank Åkerman stepped down **Employee reps:** Patrik Lindell, Martina Ravn, Jonas Ringqvist **Alternate employee reps:** Henrik Laigård, Yvonne Lovén, Maria Schubert **Auditor:** Jonas Ståhlberg (Deloitte)

Fees paid to the chairman were SEK 290 (290) thousand. Fees paid to directors elected by the AGM amounted to SEK 140 (130) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	7,605	7,541
Operating profit	4,791	4,705
Financial income	38	144
Profit/loss before tax	4,803	4,760
Net profit	4,803	4,762
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	8,393	8,328
Non-current assets	3,292	3,025
Equity	4,803	4,763
– of which, minority interests	0	0
Net debt	0	-256
Operating capital	4,803	4,507
Key indicators		
Operating margin, %	63.0	62.4
Return on equity (average), %	100.4	94.9
Return on operating capital (average), %	102.9	99.7
Net debt/equity ratio, multiple	0.0	-0.1
Equity/assets ratio, %	57.2	57.2
Gross investments, SEKm	1,039	466
Appropriation, SEKm	0	0
Dividend, SEKm	4,762	5,219
Average no. of employees	1,600	1,580
Employees, gender distribution (women/men), %	40/60	40/60
Management group, gender distribution (women/men), %	38/62	50/50
Board, gender distribution (women/men), %	40/60 ¹⁾	57/43

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

1) Elected for 2016/2017.

Svevia AB conducts contracting, service and leasing operations in the traffic, land, construction and civil engineering sector.

Svevia's business concept is to build and maintain Sweden's roads and infrastructure. The Swedish infrastructure market is valued at about SEK 100 billion, with new building and renovation accounting for about SEK 83 billion while the remainder consists of repairs, maintenance and operation. Half the market is private, while public investment accounts for the other half.

In the operation and maintenance of roads, Svevia is the market leader in Sweden with a market share of slightly less than 30 per cent of the country's road network. In civil engineering (new building and rebuilding of roads), Svevia is number four in the market, behind Skanska, Peab and NCC. The Swedish Transport Administration is Svevia's largest customer, accounting for 58 per cent of sales. It is followed by Sweden's municipalities, which account for 14 per cent of sales.

Significant events in 2015

- Continued change process with focus on increased profitability.
- All divisions delivered earnings improvements.
- CEO Torbjörn Torell stepped down 23 June 2015 and was succeeded by Zdavko Markovski.

Targets and tracking

Financial targets

- Profitability: Return on equity of 13 per cent.
- Capital structure: Equity/assets ratio at least 30 per cent.
- Dividend: 50–75 per cent of net profit after tax taking into account the equity/assets ratio.

Outcomes

- Return on equity was 18.5 per cent.
- The equity/assets ratio was nearly 30 per cent.
- A dividend of SEK 150 million was distributed in accordance with policy.

Sustainability targets

- Safety: No serious workplace injuries. Sub-target of reducing the number of work-related injuries by more than 10 per cent per year.
- Reduced environmental impact: Continuously reduce carbon emissions. Sub-target of reducing carbon emissions from the company's own vehicles, machinery and asphalt plants by 10 per cent by 2020.
- Corruption: Reduce the risk of corruption by increasing the proportion of purchases made through central contracts. The sub-target for 2016 is to achieve 100 per cent contract adherence in selected areas.

Outcomes

- The work-related injury frequency was 5.7 (7.2).
- Carbon emissions from Svevia's own vehicles, machinery and asphalt plants amounted to 32.7 (32.3) kton.
- Contract adherence in selected areas was 86 (88) per cent.

Public policy targets

Svevia does not have a specifically adopted public policy assignment.

SVEVIA



Chair: Olof Ehrlén



CEO: Anders Elfner, began 25 April 2016

Directors and auditors elected for 2016/2017

Chair: Olle Ehrlén **Board:** Pia Gideon, Marie Hallander Larsson, Ola Salmén and Michael Thorén. Charlotte Bergman, Petter Eiken and Anna-Jeanette Larnelius were elected at the 2016 AGM. Börje Bengtsson, Johan Trouvé, Ann-Cathrine Zetterdahl stepped down **Employee reps:** Moody Israelsson, Tommy Lovened, Thomas Skoog **Auditor:** Peter Ekberg (Deloitte)

Fees paid to the chairman were SEK 400 (400) thousand. Fees paid to directors elected by the AGM amounted to SEK 200 (200) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	6,961	6,933
Operating profit	265	202
Financial income	24	41
Profit/loss before tax	289	240
Net profit	224	188
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	4,213	3,922
Non-current assets	2,372	2,189
Equity	1,250	1,176
- of which, minority interests	0	0
Net debt	-1,649	-1,367
Operating capital	-399	-191
Key indicators		
Operating margin, %	3.8	2.9
Return on equity (average), %	18.5	17.4
Return on operating capital (average), %	-89.8	-86.7
Net debt/equity ratio, multiple	-1.3	-1.2
Equity/assets ratio, %	29.7	30.0
Gross investments, SEKm	908	544
Appropriation, SEKm	0	0
Dividend, SEKm	120	0
Average no. of employees	1,868	1,918
Employees, gender distribution (women/men), %	13/87	12/88
Management group, gender distribution (women/men), %	23/77	23/77
Board, gender distribution (women/men), %	50/50 ¹⁾	38/62

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

1) Elected for 2016/2017.

Swedavia owns, operates and develops ten airports across Sweden, which have been determined by the Government to constitute Sweden's core airport offering. In addition to its airport operations, Swedavia engages in property operations whose task is to own, manage and develop properties and developable land at and around the airports. Swedavia is also assigned with participating actively and on commercial terms in the development of the Swedish transport sector and contributing to the transport policy objectives adopted by the Riksdag.

Significant events in 2015

- The number of passengers increased by 5.4 per cent to 37.6 (35.7) million. Seven airports achieved an "all-time high".
- Divestment of the property portfolio yielded a capital gain of SEK 820 million.
- New environmental permit for Stockholm Arlanda Airport.
- Arlanda has been selected to be given the opportunity to implement US preclearance. Negotiations between Swedish and US authorities are in progress.
- The board of directors resolved in December to dismiss Torborg Chetkovich from the position of President and CEO. Karl Wistrand was appointed Acting President and CEO.

Targets and tracking

Financial targets

- Return on operating capital of at least 7 per cent.
- Debt/equity ratio, multiple of 1.0–1.5.
- The ordinary dividend should correspond to 30–50 per cent of profit for the year excluding capital gains from property sales, changes in value and attributable tax.

Outcomes

- Return on operating capital was 14.5 (10.3) per cent.
- The debt/equity ratio was 0.7 (1.4).
- An ordinary dividend of SEK 232 million was distributed in 2015 according to policy.

Sustainability targets

- 85 per cent satisfied customers (ASQ) by 2020.
- 85 per cent satisfied employees (ESI) by 2020.
- Return on operating capital. See financial targets.
- Zero (0) direct fossil carbon emissions by 2020.

Outcomes

- 76 per cent satisfied travellers (ASQ) by 2015.
- 86 per cent satisfied employees (ESI) by 2015.
- Swedavia's direct fossil carbon emissions were reduced during the year to 3,000 tonnes. Accordingly, the sub-target of reaching zero emissions by 2020 is still being exceeded.

	2015	2014
Public policy outcomes		
Satisfied travellers, %	76	75
Number of passengers, domestic flights, millions	13.3	13.1
Number of passengers, international flights, millions	24.3	22.6
Number of international destinations	323	320
Number of crashes or serious incidents	4	5
Carbon footprint, kton	457 ¹	446.2

1) Footprint per passenger has declined by 3 per cent compared with 2014.



Chair: Åke Svensson

Acting CEO: Karl Wistrand

Directors and auditors elected for 2016/2017

Chair: Åke Svensson was elected at the 2016 AGM. Ingemar Skogö stepped down **Board:** Karin Apelman, Lars Backemar, Anna Elgh, Adine Grate-Axén, Lottie Knutson, Lotta Mellström, Lars Mydland and Lottie Svedenstedt **Employee reps:** Lars Andersson, Robert Olsson **Alternate employee reps:** Agne Lindbom, Michael Siönäs **Auditor:** Magnus Fagerstedt (EY)
Fees paid to the chairman were SEK 440 (440) thousand. Fees paid to directors elected by the AGM amounted to SEK 220 (220) thousand. Fees are not paid to directors employed by the Government Offices.

	2015	2014
State ownership (100%)		
Income statement, SEKm		
Net sales	5,416	5,384
Operating profit	1,777	1,405
Financial income	4	6
Profit/loss before tax	1,547	1,162
Net profit	1,410	926
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	13,259	15,265
Non-current assets	12,385	11,353
Equity	6,863	5,571
- of which, minority interests	0	0
Net debt	3,727	6,907
Operating capital	10,590	12,478
Key indicators		
Operating margin, %	32.8	26.1
Return on equity (average), %	22.7	17.7
Return on operating capital (average), %	14.5	10.3
Debt/equity ratio, multiple	0.7	1.4
Equity/assets ratio, %	51.8	36.5
Gross investments, SEKm	1,120	924
Appropriation, SEKm	0	0
Dividend, SEKm	232	230
Average no. of employees	2,787	2,516
Employees, gender distribution (women/men), %	66/34	35/65
Management group, gender distribution (women/men), %	42/58	43/57
Board, gender distribution (women/men), %	67/33 ²	67/33

Reported in compliance with GRI guidelines Yes

Externally assured GRI report Yes

Reporting in compliance with IFRS Yes

2) Elected for 2016/2017.

Swedesurvey

Swedesurvey AB sells services related to property administration and geographical information supply in the international market, in close collaboration with the government agency Lantmäteriet, aimed at promoting Lantmäteriet's services abroad. Swedesurvey mainly works with public sector organisations in developing countries and most of its projects seek to support them in capacity development through advisory services and training. Operations encompass issues of fundamental political and legal conditions, the development of systems for land parcelling, land administration, records, valuation and geodetic surveying. Services are financed directly from the customer or through international institutions and development assistance agencies. By means of a comprehensive change process, the company has reversed the negative trend that began when Lantmäteriet took over the Sida-financed assignments. With continued cost control and sharper focus on marketing, the business has the potential to further develop.

Significant events in 2015

- The year was characterised by an intense effort to obtain major projects, especially in the Middle East, Africa and former Soviet republics.
- An EU-funded Twinning project began in Jordan in December.

Targets and tracking

Up to 30 April 2016:

Financial targets

- Profitability: The operating margin should be persistently positive.
- Capital structure: Equity/assets ratio of at least 30 per cent.

Outcomes

- The operating margin was -2.8 per cent and did not meet the target.

Sustainability targets

- Anti-corruption
- Risk hedging
- Transfer of expertise.

Outcomes

- Following a stakeholder dialogue in 2015, the risk hedging target has been changed to a human rights target.

Public policy targets

Swedesurvey does not have a specifically adopted public policy assignment.

Financial targets, effective April 2016

- Equity: SEK 10–15 million.
- Operating margin: 5 per cent.
- Dividend share: 50–100 per cent.

Sustainability targets, effective April 2016

- Anti-corruption
- Human rights
- Transfer of expertise.



Chair: Bengt Kjellson



CEO: Fredrik Zetterquist

Directors and auditors elected for 2016/2017

Chair: Bengt Kjellson Board: Lars Jansson and Monica Lagerqvist Nilsson
Auditor: Pär Månsson, PwC

Fees paid to the chairman were SEK 60 (60) thousand. Fees paid to directors elected by the AGM amounted to SEK 35 (35) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	10	12
Operating profit	0	1
Financial income	0	1
Profit/loss before tax	0	2
Net profit	0	2
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	20	22
Non-current assets	1	1
Equity	7	7
– of which, minority interests	0	0
Net debt	-15	-18
Operating capital	-8	-11
Key indicators		
Operating margin, %	-3.9	11.3
Return on equity (average), %	-3.0	24.0
Return on operating capital (average), %	4.2	-11.8
Net debt/equity ratio, multiple	-2.2	-2.7
Equity/assets ratio, %	33.2	31.2
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	6	5
Employees, gender distribution (women/men), %	67/33	60/40
Management group, gender distribution (women/men), %	–	–
Board, gender distribution (women/men), %	33/67 ¹⁾	33/67

Reported in compliance with GRI guidelines Yes

Externally assured GRI report Yes

Reporting in compliance with IFRS No

1) Elected for 2016/2017.

Swedfund International AB, Swedfund is a wholly state-owned enterprise that funds development and a development assistance actor tasked with helping to reduce poverty through sustainable business. Swedfund contributes venture capital, start-up support and expertise for investments in low- and middle-income countries. Together with its strategic partners, Swedfund establishes viable and commercially operated enterprises, primarily through direct investment in the form of equity or loans, but also indirectly through investments in unit funds. Investments must be made in countries qualifying for development financing according to the OECD/DAC's definition and contribute to attaining the objectives of Sweden's Policy for Global Development and Swedish international development assistance. At year-end 2015, Swedfund was active in 27 countries and had 63 contractual commitments. About 60 per cent of the portfolio consisted of investments in Africa.

Significant events in 2015

- The Government proposed an additional capital injection of SEK 400 million.

Targets and tracking

Financial targets

- Profitability: Return on equity before tax should exceed the average one-year government bond rate. Return is to be measured over seven-year rolling periods.
- The owner is presently drafting new financial targets.

Outcomes

- The company has not attained the return target for the last seven years. The company's earnings have been negatively affected in recent years by external events, such as deteriorating national security conditions in several countries due to war and conflict, currency collapse and the ebola outbreak in West Africa. These events, combined with company-specific challenges, have resulted in impairment losses in a number of portfolio companies.

Sustainability targets

- Social development: Compliance with ILO core conventions by every portfolio company. The number of jobs should increase every year, calculated as an average for all investments.
- Sustainability: Implementation of a sustainability management system in Swedfund and all portfolio companies.
- Anti-corruption: Implementation of an anti-corruption management system in Swedfund and the portfolio companies.

Outcomes

- 79 per cent of portfolio companies comply with ILO core conventions. 3.7 per cent job growth in the portfolio companies.
- 96 per cent of portfolio companies have a sustainability or environmental policy and 79 per cent of the companies have appointed a head of ESG on the executive management team.
- 88 per cent of portfolio companies have an anti-corruption policy.

Public policy targets

Swedfund has a specifically adopted public policy assignment. Quantifiable targets for the assignment are being drafted by the owner.

Swedfund



Chair: Göran Barsby



CEO: Anna Ryott

Directors and auditors elected for 2016/2017

Chair: Göran Barsby was elected at the 2016 AGM, Claes Ekström stepped down **Board:** Pernilla Bard, Björn Börjesson, Hanna Lagercrantz, Charlotte Salford, Stefan Isaksson. Fredrik Arp and Kerstin Borlin were elected at the 2016 AGM. Renée Andersson, Bengt Kvarnback stepped down **Auditors:** Jennifer Rock-Bailey (EY)

Fees paid to the chairman were SEK 184 (180) thousand. Fees paid to directors elected by the AGM amounted to SEK 92 (90) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	384	149
Changes in value	-171	-116
Operating profit	-5	-87
Financial income	9	25
Profit/loss before tax	3	-63
Net profit	2	-63
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	4,657	4,529
Non-current assets	41	38
Equity	3,787	3,785
- of which, minority interests	0	0
Net debt	-2,062	-2,118
Operating capital	1,725	1,667
Key indicators		
Operating margin, %	-1.2	-58.1
Return on equity (average), %	0.1	-1.7
Return on operating capital (average), %	-0.3	-5.3
Net debt/equity ratio, multiple	-0.5	-0.6
Equity/assets ratio, %	81.3	83.6
Gross investments, SEKm	0	0
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Average no. of employees	36	39
Employees, gender distribution (women/men), %	58/42	52/48
Management group, gender distribution (women/men), %	50/50	43/57
Board, gender distribution (women/men), %	50/50 ¹⁾	50/50
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		No

¹⁾ Elected for 2016/2017.

Systembolaget

Systembolaget Aktiebolag has the exclusive right to conduct retail sales of strong beer, wine and spirits to the public in Sweden. The assignment is to sell responsibly, provide good service and inform people about the risks associated with alcohol. The aim is to contribute to improved public health by limiting the harmful effects of alcohol. Systembolaget is intended to be a modern, efficient retail company that sells alcoholic beverages responsibly and promotes a sound drinking culture. Systembolaget restricts access to alcohol by controlling shop openings and opening hours and by ensuring that alcoholic beverages are not sold to people under the age of 20 or who are noticeably intoxicated, or when there is cause to suspect unlawful redistribution.

Significant events in 2015

- The alcohol index shows that the trend towards moderation is enduring.
- Public support for Systembolaget's exclusive right to sell alcohol remains strong at 77 per cent.

Targets and tracking

Financial targets

- Profitability: Return on equity should be equal to the ten-year government bond rate plus 7 basis points.
- Capital structure: Equity/assets ratio of 20–30 per cent.
- Dividend: 80–100 per cent of profit for the year.
- Cost efficiency: New owner target starting in 2015 and with 2015 as the base year.

Outcomes

- Return on equity exceeded target at 11.6 per cent. The equity/assets ratio was 28.3 per cent. The dividend was SEK 197 (251) million. Cost efficiency was 7.2.

Sustainability targets

- Reduced climate impact: Annual reduction in carbon emissions of 1,000 tonnes CO₂ equivalents by 2020.
- The alcohol index, a measure of people's attitudes towards alcohol in various situations. This year's target: 66.
- Systembolaget must confirm that sellers are checking that the recipient is at least 20 years of age.

Outcomes

- Carbon emissions increased by 2,081 tonnes CO₂ equivalents. The increase is explained by higher sales of wine in disposable glasses (75 cl). The alcohol index was 65, slightly below the target of 66. The age check rate was 96, which was the target for the year.

Public policy targets

- Customer Satisfaction Index (CSI) 83.
- Alcohol consumption in Sweden <9.2 litres per person.
- Alcohol index, see sustainability targets.

Outcomes

- The CSI was 84. Alcohol consumption in Sweden was 9.4 litres, which was above the established target. Systembolaget's consumption percentage/volume was 61 per cent.¹ Alcohol index, see sustainability targets.

1) 2014 figures.



Chair: Kenneth Bengtsson



CEO: Magdalena Gerger

Directors and auditors elected for 2016/2017

Chair: Kenneth Bengtsson **Board:** Thord Andersson, Viveca Bergstedt Sten, Pia Fagerström, Crister Fritzson, Håkan Leifman and Kerstin Wigzell

Employee reps: Berit Morén, Maria Nilsson **Alternate employee reps:** Karin Larsson, Nils Undall-Behrend **Auditor:** Åsa Lundvall (EY)

Fees paid to the chairman were SEK 240 (240) thousand. Fees paid to directors elected by the AGM amounted to SEK 110 (110) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	27,645	26,431
Operating profit	179	370
Net financial income/expense	-3	56
Profit/loss before tax	256	324
Net profit	198	251
- of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	5,817	5,756
Non-current assets	2,300	2,520
Equity	1,521	1,574
- of which, minority interests	0	0
Net debt	-3,822	-3,768
Operating capital	-2,301	-2,194
Key indicators		
Operating margin, %	0.6	1.4
Return on equity (average), %	11.6	14.4
Return on operating capital (average), %	-8.0	-18.8
Net debt/equity ratio, multiple	-2.5	-2.4
Equity/assets ratio, %	28.3	30.6
Gross investments, SEKm	844	1,050
Appropriation, SEKm	0	0
Dividend, SEKm	251	287
Average no. of employees	3,425	3,347
Employees, gender distribution (women/men), %	62/38	63/37
Management group, gender distribution (women/men), %	57/43	57/43
Board, gender distribution (women/men), %	43/57 ²	44/56

Reported in compliance with GRI guidelines Yes

Externally assured GRI report Yes

Reporting in compliance with IFRS Yes

2) Elected for 2016/2017.

Telia Company AB¹ provides telecommunications via landline and mobile telephone service, internet and data communications. Telia Company is one of the leading telecommunications companies in the Nordics and Baltics. In the long term, the company will exit Eurasia and concentrate its operations to the Nordics and Baltics. Telia Company has changed the future dividend policy and capital structure target to reflect the altered structure of the group. The company intends to distribute at least 80 per cent of free cash flow based on continuing operations and the target is to distribute at least SEK 2 per share for the 2016 financial year. The long-term basis of the capital structure will remain a solid credit rating over the long term (A- to BBB+) with a debt/equity ratio corresponding to the measurement of net loan debt in relation to EBITDA plus a multiple of 2 plus/minus a multiple of 0.5.

Significant events in 2015

- On 11 September 2015, Telia Company and Telenor announced that the companies had discontinued efforts with the proposed merger of the respective companies' operations in Denmark. The companies had failed to reach agreement with the EU Commission on acceptable terms and conditions for carrying out the plan.
- On 17 September 2015 a project was commenced to reduce presence in the region with the long-term intention of exiting Eurasia altogether.

Targets and tracking

New targets were implemented in 2016.

Financial targets

- Capital structure: solid long-term credit rating (A- to BBB+).
- Dividend: At least 50 per cent of profit.

Outcomes

- The long-term credit rating was solid (A- to BBB+) in line with the target.
- Dividend of SEK 3 per share, which is above the target of 50 per cent of profit.

Sustainability targets

Telia Company has prioritised targets in the following areas:

- Inclusive digitalisation
- Anti-corruption
- Freedom of expression and integrity.
- Customer privacy
- Work environment, health and safety.
- Sustainability in the supply chain.
- Environmental responsibility

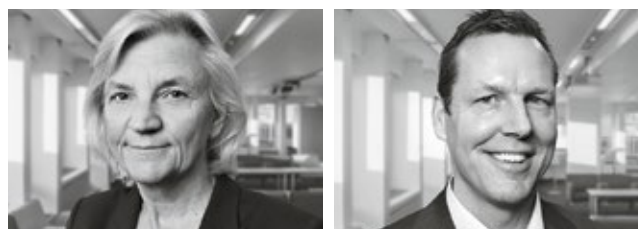
Outcomes

Most of the sustainability targets have been set for 2018 and are regularly evaluated.

Public policy targets

Telia Company does not have a specifically adopted public policy assignment.

1) The 2016 AGM decided to change the company's name from TeliaSonera AB to Telia Company AB.



Chair: Marie Ehrling

CEO: Johan Dannelind

Directors and auditors elected for 2016/2017

Chair: Marie Ehrling **Board:** Olli-Pekka Kallasvuo, Mikko Kosonen, Nina Linander and Martin Lorentzon. Susanna Campbell, Anna Setzman and Olaf Swantee were elected at the 2016 AGM. Mats Jansson, Per Arne Sandström, Kersti Strandqvist stepped down **Employee reps:** Agneta Ahlström, Stefan Carlsson, Peter Wiklund **Auditor:** Jan Nilsson, Annual Report, Sustainability Report (Deloitte), Didrik Roos, Sustainability Report (Deloitte)

Fees paid to the chairman were SEK 1,600 (1,550) thousand, and to the vice chairman 775 (750) thousand. Fees paid to directors elected by the AGM amounted to SEK 545 (530) thousand.

State ownership (37.3%)	2015	2014
Income statement, SEKm		
Net sales	86,569	81,131
Operating profit	14,606	17,744
Financial income	2,582	3,801
Profit/loss before tax	11,689	15,209
Net profit	10,205	15,599
- of which attributable to minority interest	1,654	1,097
Balance sheet, SEKm		
Total assets	254,017	272,066
Non-current assets	173,850	210,422
Equity	102,202	116,364
- of which, minority interests	4,318	4,981
Net debt	59,289	47,425
Operating capital	161,491	163,789
Key indicators		
Operating margin, %	16.9	21.9
Return on equity (average), %	9.3	13.6
Return on operating capital (average), %	9.0	10.1
Net debt/equity ratio, multiple	0.6	0.4
Equity/assets ratio, %	40.2	42.8
Gross investments, SEKm	20,412	13,166
Appropriation, SEKm	0	0
Dividend, SEKm	12,990	12,990
Average no. of employees	25,450	24,973
Employees, gender distribution (women/men), %	42/58	43/57
Management group, gender distribution (women/men), %	30/70	36/64
Board, gender distribution (women/men), %	50/50 ²	38/62

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

2) Elected for 2016/2017.

Teracom Boxer Group

Teracom Boxer Group AB sells and distributes radio and TV to households in Sweden and Denmark. Demand for linear terrestrial TV is declining over time and in pace with broadband expansion, but is still strong and will remain so for a number of years. The focus for Teracom Boxer Group is to continue generating business based on its infrastructure, which was accomplished in 2015.

Significant events in 2015

- In early 2015, Teracom Denmark won the public tender to operate the Danish coastal radio system.
- Teracom Sweden has taken over operation, maintenance and customer support for the Swedish national communications network Rakel.
- Boxer Sweden is launching TV via the fibre network.

Targets and tracking

Financial targets

- Profitability: Return on equity of 17 per cent.
- Capital structure: Equity/assets ratio of 30 per cent.
- Dividend: 40–60 per cent of net profit.

Outcomes

- Profitability: Return on equity was 10.2 (21.1) per cent. In terms of underlying earnings, 2015 was a stronger year but net financial income declined from SEK 620 million in 2014 to SEK 1 million in 2015.
- Capital structure: The equity/assets ratio was 49 per cent.
- Dividend: SEK 285 million, equal to 60 per cent of net profit.

Sustainability targets

- Responsible business: 80 per cent of purchasing volumes delivered by suppliers that adhere to Teracom Boxer Group's sustainability policy.
- Responsible employer: At least 40 per cent representation of both genders.
- Responsibility for the environment and climate: Annual reduction of CO₂ equivalents by 3 per cent.

Outcomes

- Responsible business: The suppliers that completed the established assessment process in 2015 account for 52 per cent (excluding programming providers) of the Group's total purchasing value. Efforts will continue in 2016.
- Responsible employer: The proportion of women employees in the Group has increased from 24 to 25 per cent and from 27 to 30 per cent at the managerial level.
- Responsibility for the environment and climate: CO₂ equivalents were reduced by 4.8 per cent in 2015, accomplished through actions including switching to more energy-efficient transmission equipment and by streamlining service routes.

Public policy targets

Teracom Boxer Group has a specifically adopted public policy assignment that covers operations in the subsidiary Teracom AB. Targets have not yet been developed according to the public policy targets process.

TERACOM BOXER GROUP



Chair: Kia Orback Pettersson



CEO: Åsa Sundberg

Directors and auditors elected for 2016/2017

Chair: Kia Orback Pettersson **Board:** Jeanette Almberg, Håkan Dahlström, Kristina Ekengren, Fredrik Rystedt, Nils Petter Tetlie and Martin Tiveus. Maria Curman stepped down at the 2016 AGM **Employee reps:** Jan-Olof Blomkvist, Jan Ossfeldt **Auditor:** Bo Hjalmarsson (PwC)

Fees paid to the chairman were SEK 250 (250) thousand. Fees paid to directors elected by the AGM amounted to SEK 125 (125) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	3,952	3,824
Operating profit	601	542
Financial income	19	10
Profit/loss before tax	594	513
Net profit	477	393
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	5,273	5,169
Non-current assets	3,691	3,893
Equity	2,602	2,329
– of which, minority interests	0	0
Net debt	231	560
Operating capital	2,833	2,889
Key indicators		
Operating margin, %	15.2	14.2
Return on equity (average), %	19.3	17.1
Return on operating capital (average), %	21.0	17.8
Net debt/equity ratio, multiple	0.1	0.2
Equity/assets ratio, %	49.3	45.1
Gross investments, SEKm	258	284
Appropriation, SEKm	0	0
Dividend, SEKm	235	290
Average no. of employees	724	741
Employees, gender distribution (women/men), %	24/76	24/76
Management group, gender distribution (women/men), %	56/44	40/60
Board, gender distribution (women/men), %	43/57 ¹⁾	50/50

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

¹⁾ Elected for 2016/2017.

Vasallen AB develops and improves closed regimental bases and other military real estate, transforming them into attractive and vibrant neighbourhoods with new purposes and ultimately divests the properties. Since its founding, Vasallen has acquired a total of 24 property holdings throughout Sweden. Of these, 20 have been developed and sold. Following the divestment of large parts of the company's property holdings in 2012, development projects have been concentrated on creating various types of housing in the locations where Vasallen is still operating. The long-term plan is to wind up the company.

Significant events in 2015

- Rental income declined due to property sales.
- The sale of tenant-owned apartments and improvement of the Rindö district in the municipality of Vaxholm have been successful, with high interest among buyers.

Targets and tracking

Financial targets

- Profitability: Return on average equity over an improvement cycle should be equal to the risk-free rate plus 4 basis points.
- Capital structure: Equity/assets ratio of at least 50 per cent, interest coverage ratio above 2.
- Dividend: 30–50 per cent of profit after tax.

Outcomes

- The return was 2.5 per cent for 2015 and average return over the last five years is 2.9 percent, which is 3.0 basis points below target. The failure to reach the five-year target is partially explained by the substantial loss in 2011, for which earnings in the other years could not compensate. The low profit in 2015 is due to that the continuing operations are dependent upon sales proceeds and there were few sales in 2015.
- The equity/assets ratio is above 50 per cent. The interest coverage ratio was 9 and the target was met.
- Dividend: SEK 85 million, which is above target.

Sustainability targets

- Minimum Customer Satisfaction Index (CSI) of 80.
- Maximum sickness absence of 3 per cent.
- Annual energy consumption below 100 kWh/m².

Outcomes

- The year's CSI survey returned a score of 86, which is above target.
- The sickness absence rate was 5.1 per cent and the target was not met. The higher sickness absence is due to isolated instances of long-term sick leave. Because the workforce is relatively small, isolated instances of extended sick leave have substantial impact.
- Energy consumption for 2015 amounted to 108 (120) kWh/m², which is slightly lower than in the preceding year. The target of 100 kWh/m² was not met. Vasallen has since 2011 sold a large share of the fully developed properties with good energy performance, which explains the high energy consumption in the current property holdings.

Public policy targets

Vasallen does not have a specifically adopted public policy assignment.



Chair: Charlotte Axelsson

CEO: Leif Rytter

Directors and auditors elected for 2016/2017

Chair: Charlotte Axelsson Board: Agneta Kores, Daniel Kristiansson, Biljana Pehrsson and Tomas Werngren Employee rep: Mats Sundqvist Auditor: Gunilla Andersson (EY)

Fees paid to the chairman were SEK 148 (138) thousand. Fees paid to directors elected by the AGM amounted to SEK 74 (69) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	47	63
Changes in value	24	70
Operating profit	14	75
Financial income	1	3
Profit/loss before tax	13	76
Net profit	19	93
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	698	1,021
Non-current assets	625	639
Equity	626	907
– of which, minority interests	0	0
Net debt	-33	-336
Operating capital	593	571
Key indicators		
Operating margin, %	29.8	119.0
Return on equity (average), %	2.5	10.2
Return on operating capital (average), %	2.4	11.0
Net debt/equity ratio, multiple	-0.1	-0.4
Equity/assets ratio, %	89.7	88.8
Gross investments, SEKm	151	165
Appropriation, SEKm	0	0
Dividend, SEKm	300	100
Average no. of employees	19	18
Employees, gender distribution (women/men), %	32/68	33/67
Management group, gender distribution (women/men), %	0/100	–
Board, gender distribution (women/men), %	60/40 ¹⁾	60/40
Reported in compliance with GRI guidelines		Yes
Externally assured GRI report		Yes
Reporting in compliance with IFRS		Yes

1) Elected for 2016/2017.

Vattenfall

Vattenfall AB is one of the largest producers of electricity in Europe whose main products are power, heat and gas. Vattenfall should generate market returns by conducting energy operations on commercial terms so that the company is among the leaders of development towards environmentally sustainable energy production.

The energy market is undergoing a paradigm shift that is affecting all conventional energy companies in the market, even as electricity prices are an historic low. Impairment losses on the value of production assets were taken in 2015 consequent upon the sustained deterioration in market conditions and increased business risks. Cost savings partially offset lower prices and volumes. No dividends were distributed.

Significant events in 2015

- Decision to close the Ringhals 1 and 2 nuclear reactors about five years earlier than planned due to insufficient profitability in the face of low electricity prices and higher costs.
- Asset values were impaired by SEK 36.8 billion due to deteriorating market conditions and higher business risks.
- The process of selling the German lignite assets was begun.
- Continued investments in wind power and the charging infrastructure to promote faster growth of electric vehicles.

Targets and tracking

Financial targets

- Return on capital employed of 9 per cent.
- Debt/equity ratio, 50–90 per cent.
- Funds from operations (FFO)/adjusted net debt of 22–30 per cent.

Outcomes

- Return on capital employed was -8.2 (-0.7) per cent, due to the impairment losses.
- The equity/assets ratio was 55.4 (61.9) per cent.
- Funds from operations (FFO)/adjusted net debt of 21.1 (20.3) per cent.

Sustainability targets

- Reduce carbon exposure in the company portfolio to 65 million tonnes by 2020.
- Outpace market growth in renewable capacity by 2020.
- Improve energy efficiency improvements by reducing annual usage of primary energy by a total of 440 GWh.

Outcomes¹

- Carbon exposure amounted to 83.8 (82.3) tonnes, an increase due to the commissioning of the Moorburg hard coal plant in Germany.
- Growth in renewable energy was 13.4 (6.3) per cent, which exceeded the market growth rate forecast.
- With an energy efficiency improvement of 1,066 (435) GWh, the target was exceeded.

Public policy targets

Vattenfall does not have a specifically adopted public policy assignment.

1) The board of directors of Vattenfall adopted six new long-term strategic targets in December 2015. The three previous sustainability targets will be replaced by the following, effective January 2016.



Chair: Lars G. Nordström



CEO: Magnus Hall

Directors and auditors elected for 2016/2017

Chair: Lars G. Nordström **Board:** Fredrik Arp, Viktoria Bergman, Håkan Erixon, Tomas Kåberger, Jenny Lahrin, Åsa Söderström Jerring, Staffan Bohman, Hilde Tonne were elected at the 2016 AGM. Gunilla Berg, Håkan Buskhe stepped down **Employee reps:** Carl-Gustaf Angelin, Johnny Bernhardtsson, Ronny Ekwall. **Alternate employee reps:** Lennart Bengtsson, Christer Gustafsson, Jeanette Regin **Auditor:** Staffan Landén (EY)

Fees paid to the chairman were SEK 625 (580) thousand. Fees paid to directors elected by the AGM amounted to SEK 300 (280) thousand. Fees are not paid to directors employed by the Government Offices. Nor are fees paid to employee representatives.

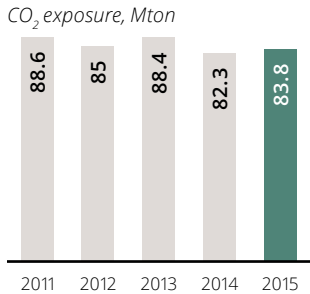
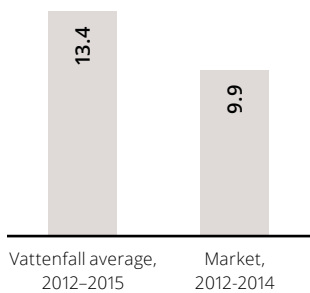
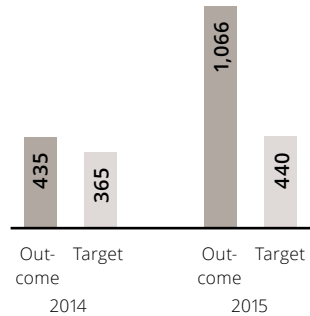
State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	164,510	165,945
Operating profit	-22,967	-2,195
Financial income	2,762	2,590
Profit/loss before tax	-28,192	-8,240
Net profit	-19,766	-8,284
- of which attributable to minority interest	-3,094	-106
Balance sheet, SEKm		
Total assets	462,317	497,209
Non-current assets	343,291	368,062
Equity	115,956	128,462
- of which, minority interests	11,972	13,202
Net debt	64,201	79,473
Operating capital	264,591	294,278
Key indicators		
Operating margin, %	-14.0	-1.3
Return on equity (average), %	-16.8	-6.9
Return on operating capital (average), %	-8.2	-0.7
Net debt/equity ratio, multiple	0.6	0.6
Equity/assets ratio, %	25.1	25.8
Gross investments, SEKm	28,726	29,032
Appropriation, SEKm	0	0
Dividend, SEKm	0	0
Number of employees	28,567	30,181
Employees, gender distribution (women/men), %	22/78	23/77
Management group, gender distribution (women/men), %	30/70	22/78
Board, gender distribution (women/men), %	44/56 ²	44/56

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	Yes

2) Elected for 2016/2017.

Vattenfall's progress towards EU 2020 targets

When Vattenfall's mandate was clarified in 2010, the Committee on Industry and Trade¹ issued a statement on the importance of ongoing information from the Government to the Riksdag concerning Vattenfall's development and operations in relation to the EU 2020 targets. In 2015, the National Audit Office determined that the Government's reporting had not adequately addressed the company's strategies, development and contributions to the EU 2020 targets. In response, reporting will occur annually in the annual report.

	Targets	Strategy <i>A leader in sustainable production</i>	Development in 2015												
CO₂ emissions	The vision is to be climate neutral by 2050 and in the Nordic region by 2030. Strategic target of 21 million tonnes in absolute emissions by 2020. ²	Sale of the brown coal operations in Germany and efficiency improvements are prerequisites for attaining the 2020 target.	Vattenfall's CO ₂ exposure increased in 2015 due to the commissioning of the Moorburg power plant.  <table border="1"> <caption>CO₂ exposure, Mton</caption> <thead> <tr> <th>Year</th> <th>CO₂ exposure (Mton)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>88.6</td> </tr> <tr> <td>2012</td> <td>85</td> </tr> <tr> <td>2013</td> <td>88.4</td> </tr> <tr> <td>2014</td> <td>82.3</td> </tr> <tr> <td>2015</td> <td>83.8</td> </tr> </tbody> </table>	Year	CO ₂ exposure (Mton)	2011	88.6	2012	85	2013	88.4	2014	82.3	2015	83.8
Year	CO ₂ exposure (Mton)														
2011	88.6														
2012	85														
2013	88.4														
2014	82.3														
2015	83.8														
Renewable energy sources	Vattenfall's target is to become a leading developer and operator of wind power in north-western Europe. The target is to reach at least 2,300 MW of new capacity by 2016–2020. ²	<ul style="list-style-type: none"> • Increase the number of ongoing projects. • Reduce average electricity production costs (LEC). • Reduce the capital requirement through financial partnership. • Build new business focused on solar cell technology and battery storage for integration of renewable electricity production. 	A total of 445 MW of new, renewable capacity was installed in 2015.  <table border="1"> <caption>Average growth in renewable capacity, %</caption> <thead> <tr> <th>Category</th> <th>Average growth (%)</th> </tr> </thead> <tbody> <tr> <td>Vattenfall average, 2012–2015</td> <td>13.4</td> </tr> <tr> <td>Market, 2012–2014</td> <td>9.9</td> </tr> </tbody> </table>	Category	Average growth (%)	Vattenfall average, 2012–2015	13.4	Market, 2012–2014	9.9						
Category	Average growth (%)														
Vattenfall average, 2012–2015	13.4														
Market, 2012–2014	9.9														
Increase energy efficiency	1,000 GWh savings by 2020 compared with 2015. ²	<ul style="list-style-type: none"> • Expand district heating. • Energy mapping • Replacement/upgrading to more energy efficient components. 	1,066 GWh 2015, mainly due to replacement of turbines and generators and expansion of the district heating networks in Berlin and elsewhere in Germany.  <table border="1"> <caption>Energy efficiency improvement, GWh primary energy</caption> <thead> <tr> <th>Year</th> <th>Outcome</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>435</td> <td>365</td> </tr> <tr> <td>2015</td> <td>1,066</td> <td>440</td> </tr> </tbody> </table>	Year	Outcome	Target	2014	435	365	2015	1,066	440			
Year	Outcome	Target													
2014	435	365													
2015	1,066	440													

Source: Vattenfall year-end report 2015, Vattenfall

1) Report 2009/10:NU23.

2) New definition compared with previous years.

VisitSweden

V.S. VisitSweden AB markets Sweden abroad as a brand and as a tourist destination. VisitSweden is owned equally by the Swedish state and Svensk Turism AB. Through its operations, VisitSweden promotes greater international knowledge about and demand for Sweden as a travel destination. The tourism industry is an important employer that generates demand for labour all over the country.

Significant events in 2015

- The Riksdag passed an additional appropriation of SEK 30 million for marketing Sweden abroad.
- The additional appropriation will be used for purposes including marketing sustainable nature and ecotourism in rural Sweden and investments in new growth markets.
- The number of overnight stays from abroad increased by 10,5 per cent in 2015.

Targets and tracking

Financial targets

- No financial targets have been established by the AGM.

Sustainability targets

- Social sustainability target: The company should draft a code of conduct during 2015.
- Environmental sustainability target: VisitSweden's carbon emissions in 2015 should not exceed 5,6 tonnes per employee/year (same level as 2014).
- Financial sustainability target: A balanced budget with profit in line with the latest projection approved by the board.

Outcomes

- Social sustainability target: The company has drafted a code of conduct intended to help the organisation and its employees act in an exemplary, ethical and responsible manner, based to a great extent on the company's values.
- Environmental sustainability target: carbon emissions were 5,3 tonnes/employee.
- Financial sustainability target: Net profit for the year was SEK 7,6 million, which aligns with the latest adopted projection.

Public policy targets

VisitSweden has a specifically adopted public policy assignment and operations within the assignment are funded through appropriations. Targets have not yet been developed according to the public policy targets process.



Chair: Elisabeth Gauffin



CEO: Thomas Brühl

Directors and auditors elected for 2016/2017

Chair: Elisabeth Gauffin **Board:** Kristina Ekengren, Anders Eslander, Mats Forslund, Elisabeth Haglund, Jari Virtanen and Eva Östling. Lotta Boman was elected at the 2016 AGM. Peter Clason, Elisabet Jansson-Strömberg, Magnus Nilsson, Patric Sjöberg stepped down **Lead auditors:** Ann-Christine Häggglund (PwC) and Victor Brusewitz (PwC)

Fees paid to the chairman were SEK 110 (110) thousand. Fees paid to directors elected by the AGM amounted to SEK 55 (55) thousand and to elected alternates 24 (24) thousand. Fees are not paid to directors employed by the Government Offices.

State ownership (50%)	2015	2014
Income statement, SEKm		
Net sales	254	245
Operating profit	9	1
Financial income	0	0
Profit/loss before tax	9	1
Net profit	8	1
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	73	83
Non-current assets	2	5
Equity	34	26
– of which, minority interests	0	0
Net debt	-38	-28
Operating capital	-4	-2
Key Data		
Operating margin, %	3.4	0.4
Return on equity (average), %	27.9	2.8
Return on operating capital (average), %	-305.3	9.6
Net debt/equity ratio, multiple	-1.1	-1.1
Equity/assets ratio, %	46.5	30.9
Gross investments, SEKm	0	3
Appropriation, SEKm	140	120
Dividend, SEKm	0	0
Average no. of employees	75	81
Employees, gender distribution (women/men), %	67/33	70/30
Management group, gender distribution (women/men), %	62/38	56/44
Board, gender distribution (women/men), %	62/38 ¹⁾	40/60

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

1) Elected for 2016/2017.

Voksenåsen AS is a course and conference centre in Oslo and was Norway's national gift to Sweden. Through its programme operations, Voksenåsen is intended to foster Swedish/Norwegian cooperation and reflect Sweden and Norway's international commitments.

Voksenåsen is meant to be a natural meeting place and frequently used forum of debate on culture and society in Sweden and Norway. Accordingly, Voksenåsen should host a high proportion of events in partnership with government agencies and organisations in Norway and Sweden and offer a varied selection of programmes. The conference centre should perform well in competition with comparable facilities in the Oslo area and achieve good profitability while adhering to Voksenåsen's fundamental purpose.

Programme operations are varied and include themes relevant to both countries. Voksenåsen faces major commercial challenges in the conference industry, while demand is rising in the tourism industry.

The results of the commercial activities were generally good when compared with the centre's closest competitors in the market.

Significant events in 2015

- Extensive programme operations.
- Increased overnight stays and visits.

Targets and tracking

Financial targets

No financial targets have been established by the owner.

Sustainability targets

- Voksenåsen shall continue to be a leading Nordic course and conference centre, including from the international perspective.
- The unique nature of Voksenåsen makes the institution particularly well suited as an arena for development, innovation, conflict resolution and other processes in the areas of culture, politics, business and social responsibility.

Outcomes

- The results of the commercial activities were generally good when compared with the centre's closest competitors in the market.
- Programme operations are varied, with an international flavour, and include themes relevant to both countries.

Public policy targets

Voksenåsen has a specifically adopted public policy assignment. Operations that are financed by state budget appropriations within the framework of the public policy assignment are tracked.

Voksenåsen Oslo



Chair: Maria Larsson



CEO: Karl Einar Ellingsen

Directors and auditors elected for 2016/2017

Chair: Maria Larsson was elected at the 2016 AGM. Eva Eriksson stepped down **Board:** Jan Andreasson, Azka Baig, Åsa Bergenheim, Thomas Fürth, Jörn Holme, Sverre Jervell and Ellen Marie Saethre-McGuirk. Helene Pouseette Nilsson was elected at the 2016 AGM. Christina Mattsson stepped down **Auditor:** State authorised public accountant Trine Angell-Hansen
Fees paid to the chairman were SEK 44 (44) thousand. Fees paid to directors elected by the AGM amounted to SEK 10 (10) thousand.

State ownership (100%)	2015	2014
Income statement, SEKm		
Net sales	47	43
Operating profit	-1	-2
Financial income	0	0
Profit/loss before tax	-1	-2
Net profit	0	0
– of which attributable to minority interest	0	0
Balance sheet, SEKm		
Total assets	20	18
Non-current assets	13	15
Equity	8	8
– of which, minority interests	0	0
Net debt	3	2
Operating capital	11	10
Key Data		
Operating margin, %	-1.3	-3.5
Return on equity (average), %	0.0	0.0
Return on operating capital (average), %	-5.8	-12.9
Net debt/equity ratio, multiple	0.4	0.3
Equity/assets ratio, %	38.6	43.5
Gross investments, SEKm	2	3
Appropriation, SEKm	14	27
Dividend, SEKm	0	0
Average no. of employees	50	48
Employees, gender distribution (women/men), %	46/54	45/55
Management group, gender distribution (women/men), %	43/57	43/57
Board, gender distribution (women/men), %	56/44 ¹	56/44

Reported in compliance with GRI guidelines	Yes
Externally assured GRI report	Yes
Reporting in compliance with IFRS	No

¹) Elected for 2016/2017.

Other companies and operations

The European company EUROFIMA and the two foundations, Norrlandsfonden and Industrifonden, are managed in accordance with the state's ownership policy. The investment organisation for state-owned enterprises took over management of the state's holdings in these operations effective 1 January 2015.

EUROFIMA

EUROFIMA provides financing of rail rolling stock to its shareholders. The shareholders are mainly European rail companies. The company was formed in 1956 based on an international treaty among a number of European countries. The company is facing a number of challenges due to the changes that have occurred in Europe since then. The company is taking measures to increase its relevance in the future. The Swedish state owns 2 per cent of the share capital. The largest shareholders are Deutsche Bahn (22 per cent), SNCF (22 per cent) and Ferrovie dello Stato Italiane S.p.A. (13 per cent).

Significant events in 2015

- Extremely low global interest rates present a challenge to profitability.
- Continued focus on balancing the mandate with responsible risk management.
- The proportion of non-investment-grade loans is still declining.

Norrlandsfonden

The Norrlandsfonden foundation was formed in 1961. Fund capital is contributed 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, Västernorrland, Jämtland, Västerbotten and Norrbotten. Over the long term, the foundation's capital base must be preserved nominally intact.

Norrlandsfonden offers loans, convertible debentures and various types of guarantees to enterprises in northern Sweden. Particular attention must be devoted to Norrbotten County and the inland municipalities. Norrlandsfonden is also a partner in several venture capital and incubator firms, such as Partnerinvest Övre Norrland, Norr Såd and Arctic Business Incubator.

The foundation's capital base amounts to just over SEK 1 billion. Norrlandsfonden has 15 employees, of whom eight are women and seven are men. At year-end 2015, Norrlandsfonden had a total commitment of SEK 906 million to 411 customers. Sixty-eight new customers were added in 2015.

Industrifonden

The Industrifonden foundation was established by the state in 1979. Its purpose is to promote industrial growth and renewal in Sweden by financing small and medium-sized enterprises on commercial terms. The capital base must be kept intact in real terms. All surpluses are used for new investments.

Industrifonden invests venture capital in companies with a Swedish connection. The foundation is an active minority-share investor that seeks a holding of 15–50 per cent and cooperates with entrepreneurs and other investors. As a rule, the investment horizon is 5–10 years. Industrifonden's successful investments include Arcam and CellaVision.

Industrifonden has 28 employees, of whom 10 are women and 18 are men. On 30 June 2015, the capital base was approximately SEK 4 billion, of which about half is invested in some 80 companies. Over the 2014/15 financial year, SEK 450 million was invested, including SEK 95 million in four new companies and 355 million in follow-on investments in existing portfolio companies.

Dissolved companies

Apotekens Service

Apotekens Service AB was formed in 2008 with the principal task of assuming responsibility for the infrastructure that all pharmacies need access to in the form of registers and databases. The company had been owned directly by the state since 26 March 2010. In 2013, the Government submitted a bill proposing a new authority for health and care infrastructure (Bill 2012/13:128) to the Riksdag. In this bill, the Government made the assessment that a new agency should be formed and that the state should retain the authority to perform the tasks that previously comprised the operations of Apotekens Service Aktiebolag. The proposal entailed Apotekens Service Aktiebolag being voluntarily liquidated. The Riksdag approved the Government's proposal (Report 2012/13: SoU26, Riksdag communication 2012/13:279). The eHealth Agency commenced operations on 1 January 2014. An extraordinary general meeting in Apotekens Service Aktiebolag on 13 December 2013 resolved to enter the company into voluntary dissolution. Apotekens Service Aktiebolag was placed under the administration of a liquidator tasked with implementing the voluntary dissolution. The voluntary dissolution was completed on 23 December 2014.

Ersättningsmark i Sverige AB

On 23 June 2010, the Riksdag resolved, in accordance with the Government's proposal, that Sveaskog should transfer 100,000 hectares of productive forest land from Sveaskog to the state, to subsequently be used as substitute land in connection with state appropriations of other properties (Bill 2009/10:169, Report 2009/10:NU22, Riksdag communication 2009/10:384). The transfer was to take place through the distribution of properties or of shares in a subsidiary owned by Sveaskog AB. In April 2011, the annual general meeting in Sveaskog AB resolved to approve the board's proposal for the distribution of shares in the company Ersättningsmark i Sverige AB. The company owned 100,000 hectares of productive forest land at a book value of SEK 59 million and received a shareholders' contribution of SEK 100 million from Sveaskog AB. The distribution was executed on 29 April 2011. The Swedish Environmental Protection Agency was responsible for exchanging the productive forest land for forest land worthy of conservation. During 2012, Ersättningsmark i Sverige AB transferred the 100,000 hectares to the state (the Swedish EPA) which took possession of the properties on 31 December 2012. The company had thereby fulfilled its assignment. The Riksdag authorised the Government to wind up Ersättningsmark i Sverige AB through voluntary dissolution (Bill 2013/14:1, Report 2013/14:NU1, Riksdag communication 2013/14:103). On 10 April 2014, the annual general meeting resolved to enter the company into voluntary dissolution. As of 9 May 2014, Ersättningsmark i Sverige AB was under the administration of an liquidator tasked with implementing the voluntary dissolution, which was completed on 10 March 2015.

Companies in voluntary dissolution

Miljöstyrningsrådet

AB Svenska Miljöstyrningsrådet (the Swedish Environmental Management Council – SEMCo) was founded in 1995 to act as the Swedish principal and registration authority for the EU's Eco-Management and Audit Scheme (EMAS). The operations have subsequently been developed to also include the administration and development of the international Environmental Product Declaration system (EPD®), as well as systems for sustainable public procurement and other professional procurement (SEM-Co's procurement criteria). In June 2014, the Riksdag authorised

the Government to transfer parts of the company's operations to the state and wind up Miljöstyrningsrådet at the appropriate juncture (Bill 2013/14:99, Report 2013/14:FiU: 21, Riksdag communication 2013/14:316). At a general meeting of Miljöstyrningsrådet on 11 September 2014 a decision was taken to wind up the company. Miljöstyrningsrådet has been under the administration of an appointed liquidator tasked with implementing the voluntary dissolution since 1 October 2014. The voluntary dissolution of the company is expected to be completed during 2016.

Corporate governance is exercised primarily through the board nomination process at annual general meetings, in accordance with the State's Ownership Policy including its guidelines and by means of efficient capital structure. The companies are tracked and assessed through analyses and various types of reports from the companies.



Additional information

- 84 State ownership in modern times
- 87 Accounting principles
- 88 List of Government Bills
- 90 Sustainable remuneration principles
- 91 Companies' reporting dates
- 92 The State's Ownership Policy 2015–2016
- 96 Guidelines for external reporting
- 98 Guidelines for terms of employment for senior executives
- 99 Addresses
- 100 Definitions and acronyms



State ownership in modern times

Since 1969, management of state-owned enterprises has mainly been centralised within the Government Offices. The reasons for companies being set up or being under state ownership have changed over time. The review below briefly summarises the most important corporate events among the companies owned by the Swedish state.

1969 The Ministry of Industry is formed and the management of most state-owned enterprises is transferred to that ministry.

1970 The Statsföretag organisation is formed to coordinate the major limited liability companies in the mining, steel, forestry and petrochemical sectors, among others. Apoteksbolaget is established.

1974 PK-banken is formed through the merger of Postbanken and Sveriges Kreditbank.

1977 Svenska Varv is formed in conjunction with the state taking over Salén-Invest's shares in Götaverken. The group also includes Arendal, Cityvarvet, Finnboda Varf, Karlskronavarvet, Uddevallavarvet and Öresundsvarvet. A comprehensive restructuring process commences.

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 per cent of SSAB and Gränges owns 25 per cent.

1979 Kockums is incorporated into Svenska Varv.

1980 Combined, SSAB and Statsföretag account for 20 per cent of the country's industrial investments.

1981 The state transfers its half share in ASEA-ATOM to ASEA. The JAS industrial group is formed, with the government being a shareholder through Förenade Fabriksverken (FFV).

1982 Svenska Varv is restructured. Closures of the major shipyards continue.

1984 Nokia acquires 70 per cent of satellite and television manufacturer Luxor, which had been taken over by the state five years previously.

1985 Statsföretag changes name to Procordia. Procordia is restructured through divestments and acquisitions of companies.

1986 The state-owned Sveriges Petroleum (SP) merges with the Swedish oil consumers' association (OK) to form OK Petroleum with the Finnish state-owned enterprise Neste as part owner. The first partial privatisation of SSAB is implemented through the acquisition 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 state enterprise, is demerged. Banverket, the Swedish National Rail Administration, is made responsible for the railway network and SJ for train services.

1989 Procordia, Pharmacia and Volvo's food company Proven-dor merge to form the new Procordia group with Volvo and the Swedish state as the largest owners, each with 42.5 per cent of the votes. SSAB shares are listed on the A List of the Stockholm Stock Exchange.

1990 PK-banken acquires Nordbanken. The holding company Fortia is formed.

1991 The Riksdag resolves to wholly or partially privatise 35 companies and to liquidate Fortia. Celsius Industrier, formerly Svenska Varv, reorganises as a defence group when merged with Telub and FFV, becoming a limited liability company, and acquires Bofors.

1992 Domänverket becomes Domän AB. Statens Vattenfallsverk becomes Vattenfall AB, in conjunction with which the Swedish electricity grid and foreign connections are separated to form a new public enterprise, 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. Statens Bostadsfinansieringsaktiebolag (SBAB) is fully exposed to competition. SAS acquires 50 per cent of Linjeflyg to form a fully integrated domestic airline. Gota Bank is declared bankrupt and acquired by the state. Securum is set up to deal with the problem loans incurred by Nordbanken as a consequence of the financial crisis.

1993 The National Board of Public Buildings is dismantled and government agencies and public enterprises are permitted to operate freely in the property market. Vasakronan takes over the state's commercial properties. Volvo and the Swedish Government agree to work to divide Procordia into two parts. The state becomes the majority shareholder in Pharmacia AB, focusing on pharmaceuticals, and Volvo becomes the majority shareholder in AB Procordia, which operates in sectors including food and tobacco. The Government sells 75 per cent of the state's shares in the defence group Celsius but retains the majority of the voting rights and the shares are listed on the A List of the Stockholm Stock Exchange. Assi AB and Domän AB are merged into AssiDomän AB, which bids for NCB. Securum contributes SEK 10 billion to save Nordbanken. Televerket (the National Telecommunications Administration) is reorganised as Telia AB. The AMU group is incorporated.

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 the business sector. Posten (Swedish postal service) becomes a limited liability company. The state divests its remaining shareholdings in SSAB, OKP and parts of AssiDomän AB and Pharmacia.

1995 V&S Vin&Sprit's monopoly ends. Pharmacia and US pharmaceuticals company UpJohn merge.

1996 The state injects SEK 600 million into AmuGruppen (later Lernia) to save the company from bankruptcy.

1997 SBL Vaccin is sold to Active in Malmö. Svenska Penninglotteriet and Tipstjänst AB merge and change name to Svenska Spel AB. Merita and Nordbanken announce their intention to merge and form MeritaNordbanken.

1998 The unit for state ownership is formed at the Ministry of Enterprise, Energy and Communications and assigned administration responsibility for a majority 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 (incorporated in 1995 from the Swedish Plant Inspectorate in connection with the abolition of the inspection monopoly) and Värdepapperscentralen (Swedish Securities Register).

2000 Remaining shareholding in Celsius (25 per cent) is sold to defence group Saab. Telia is listed on the stock exchange. Vattenfall becomes one of Northern Europe's largest energy companies through the acquisition of the German energy companies VEAG and LAUBAG for SEK 14 billion. Nordea Bank merges with Uni-Danmark of Denmark and Kreditkassen of Norway, becoming a Nordic bank. The state's ownership in the bank decreases to 18.2 per cent. The Swedish State Railways state enterprise is divided into six different limited liability companies. The new SJ AB is responsible for passenger traffic. The other companies are Euro-Maint, Green Cargo, Jernhusen Trafficare and Unigrind.

2001 Sveaskog acquires AssiDomän AB. Airline group SAS, which was previously owned by three separate national parent companies, gains a single newly-formed parent company, SAS AB. The Swedish state subsequently owns 21.4 per cent of SAS.

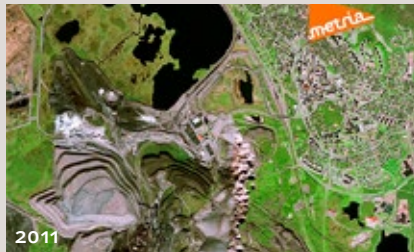
2002 Telia and the Finnish company Sonera merge to form TeliaSonera, becoming the leading telecommunications operator in the Nordic region. The state subsequently owns 46 per cent of TeliaSonera.

2003 The state's shares in Svenska Skogsplantor are transferred to Sveaskog (also a wholly state-owned enterprise). The state acquires ABB's holding of 35 per cent of Svensk Exportkredit (Swedish Export Credit Corporation, SEK) and becomes the sole owner of SEK following the acquisition.

2005 The state injects SEK 600 million into Green Cargo. The Swedish Code of Corporate Governance (the Code), which is intended to contribute to improved governance of Swedish limited liability companies, starts to be applied by the Stockholm Stock Exchange and also forms part of the State's Ownership Policy. Innovationsbron is formed with the task of investing in growth companies. The Riksdag expands SBAB's mission to include accepting deposits from the general public.

2006 The Government sells its last share in SAKAB AB, a left-over from 1992 when the principal responsibility for the handling of hazardous waste was transferred to a private company.

2007 The state decreases its holding in TeliaSonera, selling shares for SEK 18 billion. The Swedish state subsequently owns 37.3 per cent



of TeliaSonera. The Riksdag resolves to grant the Government a mandate to divest some of the 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 divestments provide income equivalent to SEK 81 billion. New capital is injected into SEK and Almi and, in connection 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, through the Swedish National Debt Office, the state assumes ownership of Carnegie Investment Bank and Max Matthiessen. The takeover is conducted in accordance with the Act on Support for Banks in Crisis to foster stability in the financial sector. The shares are divested in 2009.

2009 Svevia and Vectura Consulting are formed from activities previously included in 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 and Post Danmark is completed and a new company is formed, now called PostNord. The pharmacy monopoly is discontinued and the companies Apoteksgruppen, APL and Apotekens Service are spun off from Apoteket.

2010 Divestments of 465 pharmacies are 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 Banverket Produktion (Swedish Rail Administration's Production unit). The newly formed company Swedavia AB 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 The administration of the 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 19 billion, reducing its ownership from 19.9 per cent to 13.5 per cent. Sveaskog distributes the shares in Ersättningsmark i Sverige AB to the state. The company owns 100,000 hectares of productive forest land that will be used as replacement land for high conservation value forests. Metria, which sells analy-

ses, services and products based on geographical information, is spun off from Lantmäteriet (National Land Survey of Sweden). Arbetslivsresurs AR AB (formed in 2005 from Samhall resurs and AMS Arbetslivstjänster) is sold for SEK 145 million.

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 3.5 billion. Bilprovningen completes its partial divestment of the 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 the 100-per cent owner of that company.

2013 Almi and Innovationsbron merge with the purpose of creating a joint organisation for financing in the early stages of company formation. The 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 transferred to the Ministry of Finance. The state liquidates its entire remaining shareholding in Nordea Bank (13.4 per cent) by selling shares on two occasions during the year for a total of SEK 41 billion. The state sells Vectura Consulting to engineering consultancy Sweco for slightly less than SEK 1 billion.

2014 Having improved its profitability and strengthened its financial position through a preferential rights issue on the capital market, SAS cancels the loan commitments provided through a credit facility from the state and others. 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 under voluntary dissolution. In May 2014, an Extraordinary General Meeting of Bostadsgaranti resolved to divest the subsidiary Försäkringsaktiebolaget Bostadsgaranti. The divestment represents part of the voluntary dissolution of Bostadsgaranti as a whole. The Riksdag authorised the Government to divest assets and liabilities in ESS to a consortium for European research infrastructures and to liquidate the company.

2015 The 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.

Accounting principles

Companies included in the consolidated financial statements are those limited companies in which the state's shareholding is managed by the Government Offices plus the organisation Svenska Skeppshypotekskassan. The consolidated financial statements are a summary of the financial information issued by the companies themselves. The consolidated financial statements do not include limited companies managed by authorities other than the Government Offices or by state foundations. Companies in which the state has an ownership share of less than 20 per cent or are in the process of being liquidated are also not included in the consolidated financial statements. Subsidiaries are companies in which the state holds a stake equal to 50 per cent or more. Associated companies, that is, those in which the state holds less than 50 per cent, but more than 20 per cent, 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 company. These consolidated financial statements cannot be compared with ordinary consolidated financial statements. This is because the state-owned enterprises do not constitute a group and do not therefore produce consolidated statements in compliance with a formal regulatory framework. Accordingly, the compilation is intended to provide, in the best possible way, a clear and cohesive picture of the administration of the state-owned enterprises in financial terms. To facilitate this without applying consolidation methods according to current regulatory frameworks, a description is provided below of the basis for the summary.

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 Swedish Government Offices are responsible, have been made in the data reported for the consolidated financial statements (see below). The business descriptions presenting the various companies are primarily based on the companies' own information. Due to varying calculation methods, the key data reported in the consolidated financial statements may differ from the key data presented by the companies themselves (see definitions below).

In 2015, the state managed 50 wholly and partially owned companies and two foundations.

Wholly owned companies: 41. These include Miljömärkning Sverige, Svenska Skeppshypotekskassan and Voksenåsen.

Miljöstyrningsrådet, Apotekens Service and Ersättningsmark have been wound up and are thus not included.

Partially owned companies: 9. These include ESS, liquidated 18 March 2016, Bostadsgaranti, Dom Shvetsii and EUROFIMA. EUROFIMA was not previously included because the ownership stake is only 2 per cent.

Foundations: 2. Norrlandsfonden and Industrifonden.

The following is applicable to the consolidated financial statements.

- The companies 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 companies having reported in accordance with the principles adopted in their own case. To facilitate the consolidation in practical terms, a number of companies, including financial companies reporting in accordance with the Annual Accounts for Credit Institutions and Securities Act (1995:1559), adjust their reporting to the Government Offices' reporting format. During 2014, some companies transitioned to applying BFNAR 2012:1 Annual and consolidated accounts (K3).
- According to the Government guidelines for external financial reporting of state-owned enterprises, financial statements should be prepared on the basis of the requirements imposed on publicly traded companies. As of 2005, publicly traded companies in the EU are required to prepare their consolidated financial statements in accordance with IFRS as adopted by the EU.
- Associated companies have been included in accordance with the equity method. This means that profit or loss after tax in associated companies corresponding to the share owned by the state has been included in the consolidated income statement on one line in operating profit or loss. Similarly, the state's ownership share of the associated company's equity has been included in the consolidated balance sheet.
- Subsidiaries in which there is a minority interest have been adjusted in the income statement and balance sheet. This adjustment entails that the minority owner's share of the subsidiary's profit or loss is shown as a deduction in connection with net profit or loss from shares in the associated companies. The minority owner's share of the subsidiary's equity is recognised as a separate item in equity in the consolidated balance sheet.
- Transactions between the companies included in the table have not been eliminated. This is not consistent with customary consolidation methods for intragroup transactions. The reason for this, as explained initially, is that the companies do not constitute a corporate group. Accordingly, the basis required to enable such elimination is not available in the reporting companies either.
- Certain key data have not been calculated for the financial companies. The main reason for this is that the working capital of the financial companies is of a different character compared with most other companies.

Please refer to the annual report issued by the respective company for more information about the accounting principles applied in a particular company.

List of Government Bills

COMPANY/GOVERNMENT BILL	COMPANY/GOVERNMENT BILL
Akademiska Hus (Bill 1991/92:44, Rep. 1991/92:FiU8, Riksd. comm. 1991/92:107) (Bill 1992/93:37, Rep. 1992/93:FiU8, Riksd. comm. 1992/93:123) (Bill 1997/98:137, Rep. 1997/98:FiU25, Riksd. comm. 1997/98:252) (Bill 2010/11:1 expenditure area 24, Rep. 2010/11:FiU2, Riksd. comm. 2010/11:139, 140) (Bill 2013/14:1 expenditure area 24, Rep. 2013/14:NU1, Riksd. comm. 2013/14:103)	Göta kanalbolag (Bill 1977/78:119, Rep. 1977/78:TU22, Riksd. comm. 1977/78:291) (Bill 1991/92:134, Rep. 1991/92:NU33, Riksd. comm. 1991/92:351) (Bill 1992/93:51, Rep. 1992/93:NU15, Riksd. comm. 1992/93:97) (Bill 1993/94:100, Rep. 1993/94:NU16, Riksd. comm. 1993/94:224) (Bill 2015/16:1, Rep. 2015/16:NU1, Riksd. comm. 2015/16:89)
Almi Företagspartner (Bill 1993/94:40, Rep. 1993/94:NU11, Riksd. comm. 1993/94:80) (Bill 2008/09:73, Rep. 2008/09:FiU17, Riksd. comm. 2008/09:47) (Bill 2009/10:148, Rep. 2009/10:NU25, Riksd. comm. 2009/10:361) (Bill 2011/12:99, Rep. 2011/12:FiU21, Riksd. comm. 2011/12:282) (Bill 2012/13:1, Rep. 2012/13:NU1, Riksd. comm. 2012/13:104)	Infranord (Bill 2009/10:10, Rep. 2009/10:TU5, Riksd. comm. 2009/10:59)
APL, Apoteket, Apoteksgruppen (Bill 1970/74, Rep. 1970:2LU, Riksd. comm. 1970:234) (Bill 1984/85:170, Rep. 1984/85:SoU29, Riksd. comm. 1984/85:357) (Bill 1995/96:141, Rep. 1995/96:NU26, Riksd. comm. 1995/96:302) (Bill 1996/97:27, Rep. 1996/97:SoU5, Riksd. comm. 1996/97:58) (Bill 2001/02:63, Rep. 2001/02:SoU10, Riksd. comm. 2001/02:194) (Bill 2004/05:70, Rep. 2004/05:SoU13, Riksd. comm. 2004/05:217) (Bill 2005/06:70, Rep. 2005/06:SoU15, Riksd. comm. 2005/06:198) (Bill 2006/07:78, Rep. 2006/07:SoU12, 2006/07:153) (Bill 2007/08:87, Rep. 2007/08:SoU17, 2007/08:182) (Bill 2007/08:142, Rep. 2007/08:SoU20, 2007/08:255) (Bill 2008/09:145, Rep. 2008/09:SoU21, Riksd. comm. 2008/09:226) (Bill 2008/09:190, Rep. 2008/09:SoU25, Riksd. comm. 2008/09:288) (Bill 2009/10:96, Rep. 2009/10: SoU10, Riksd. comm. 2009/10:222) (Bill 2009/10:138, Rep. 2009/10:SoU23, Riksd. comm. 2009/10:288) (Bill 2012/13:128, Rep. 2012/13:SoU26, Riksd. comm. 2012/13:279)	Inlandsinnovation (Bill 2010/11:2, Rep. 2010/11:FiU11, Riksd. comm. 2010/11:75, 140) (Comm. 2010/11:74, Rep. 2010/11:NU16, Riksd. comm. 2010/11:252) (Bill 2013/14:99, Rep. 2013/14:FiU21, Riksd. comm. 2013/14:316)
Arlandabanan Infrastructure (Bill 1993/94:39, Rep. 1993/94:TU6, Riksd. comm. 1993/94:74) (Bill 1993/94:213, Rep. 1993/94:TU36, Riksd. comm. 1993/94:436) (Bill 2005/06:1, Rep. 2005/06:TU1, Riksd. comm. 2005/06:81) (Bill 2006/07:1, Rep. 2006/07:TU1, Riksd. comm. 2006/07:35) (Bill 2010/11:1, Rep. 2010/11:TU1, Riksd. comm. 2010/11:138)	Jernhusen (Bill 1999/00:78, Rep. 1999/2000:TU11, Riksd. comm. 1999/2000:238)
Bilprovningen (Bill 1963:91, SU 1963:83, Rep. 3LU 1963:22, Riksd. comm. 1963:198) (Bill 1991/92:69, Rep. 1991/92:NU10, Riksd. comm. 1991/92:92) (Bill 1993/94:167, Rep. 1993/94:TU35, Riksd. comm. 1993/94:433) (Bill 1994/95:69, Rep. 1994/95:TU8, Riksd. comm. 1994/95:137) (Bill 1996/97:1 expenditure area 22, Rep. 1996/97:TU1, Riksd. comm. 1996/97:115) (Bill 2009/10:32, Rep. 2009/10:TU8, Riksd. comm. 2009/10:161) (Bill 2009/10:54, Rep. 2009/10:NU10, Riksd. comm. 2009/10:162)	Lernia (Bill 1992/93:152, Rep. 1992/93:AU6, Riksd. comm. 1992/93:175) (Bill 1993/94:126, Rep. 1993/94:Ubu10, Riksd. comm. 1993/94:341) (Bill 1995/96:145, Rep. 1995/96:Ubu8, Riksd. comm. 1995/96:224) (Bill 1996/97:55, Rep. 1996/97:AU6, Riksd. comm. 1996/97:108) (Comm. 1996/97:95, Rep. 1996/97:AU10, Riksd. comm. 1996/97:188) (Bill 2012/13:1, Rep. 2012/13:NU1, Riksd. comm. 2012/13:103)
Bostadsgaranti (Bill 1983/84:41, Rep. 1983/84:BoU8, Riksd. comm. 1983/84:64) (Bill 2012/13:1, Rep. 2012/13:NU1, Riksd. comm. 2012/13:103) (Bill 2013/14:125, Rep. 2013/14:CU25, Riksd. comm. 2013/14:212)	LKAB (Bill 1883:18) (Bill 1882:14) (Bill 1907:107) (Bill 1927:241) (Bill 1934:270) (Bill 1977/78:96, Rep. 1977/78:NU50, Riksd. comm. 1977/78:225) (Bill 1978/79:87, Rep. 1978/79:NU30, Riksd. comm. 1978/79:240) (Bill 1979/80:79, Rep. 1979/80:NU72, Riksd. comm. 1979/80:380) (Bill 1981/82:32, Rep. 1981/82:TU7, Riksd. comm. 1981/82:116) (Bill 1981/82:56, Rep. 1981/82:NU13, Riksd. comm. 1981/82:82) (Bill 1980/81:128, Rep. 1980/81:NU48, Riksd. comm. 1980/81:301) (Bill 1982/83:120, Rep. 1982/83:NU38, Riksd. comm. 1982/83:306) (Bill 1991/92:69, Rep. 1991/92:NU10, Riksd. comm. 1991/92:92)
Dom Shvetsii (Bill 1994/95:78, Rep. 1994/95:FiU4, Riksd. comm. 1994/95:75)	Metria (Bill 2010/11:53, Rep. 2010/11:CU10, Riksd. comm. 2010/11:188)
Dramaten (Bill 1992/93:100, Rep. 1992/93:KrU20, Riksd. comm. 1992/93:315) (Bill 1996/97:3, Rep. 1996/97:KrU1, Riksd. comm. 1996/97:129) (Bill 2009/10:3, Rep. 2009/10:KrU5, Riksd. comm. 2009/10:145)	Miljömärkning Sverige (Bill 1997/98:1, Rep. 1997/98:NU1, Riksd. comm. 1997/98:131) (Bill 2005/06:105, Rep. 2005/06:LU33, Riksd. comm. 2005/06:377) (Bill 2011/12:99, Rep. 2011/12:FiU21)
ESS (Bill 2008/09:50, Rep. 2008/09:Ubu4, Riksd. comm. 2008/09:160) (Bill 2009/10:1 expenditure area 16, Rep. 2009/10:Ubu1, Riksd. comm. 2009/10:126) (Bill 2012/13:190, Rep. 2012/13:Ubu7, Riksd. comm. 2012/13:54) (Bill 2014/15:1, Rep. 2014/15:Ubu1, Riksd. comm. 2014/15:90)	Miljöstyrelsen (Bill 1994/95:101, Rep. 1994/95:JoU9, Riksd. comm. 1994/95:86) (Bill 2003/04:1 expenditure area 20, Rep. 2003/04:MJU1, Riksd. comm. 2003/04:103) (Bill 2013/14:99, Rep. 2013/14:FiU21, Riksd. comm. 2013/14:316)
EUROFIMA (Bill 1955:211) (Bill 1992/93:176, Rep. 1992/93 TU36)	Operan (Bill 1992/93:100, Rep. 1992/93:KrU20, Riksd. comm. 1992/93:315) (Bill 1996/97:3, Rep. 1996/97:KrU1, Riksd. comm. 1996/97:129) (Bill 2009/10:3, Rep. 2009/10:KrU5, Riksd. comm. 2009/10:145)
Fouriertransform (Bill 2008/09:95, Rep. 2008/09:FiU19, Riksd. comm. 2008/09:144) (Bill 2012/13:99, Rep. 2012/13:FiU21, Riksd. comm. 2012/13:287) (Bill 2013/14:99, Rep. 2013/14:FiU21, Riksd. comm. 2013/14:316)	PostNord (Bill 1992/93:132, Rep. 1992/93:TU11, Riksd. comm. 1992/93:152) (Bill 1993/94:38, Rep. 1993/94:TU9, Riksd. comm. 1993/94:119) (Bill 1995/96:218, Rep. 1996/97:TU6, Riksd. comm. 1996/97:34) (Bill 1997/98:127, Rep. 1997/98:TU13, Riksd. comm. 1997/98:304) (Bill 1998/99:95, Rep. 1998/99:TU11, Riksd. comm. 1998/99:237) (Bill 2007/08:143, Rep. 2007/08:NU13, Riksd. comm. 2007/08:253) (Bill 2009/10:216, Rep. 2009/10:TU19, Riksd. comm. 2009/10:378) (Rep. 2010/11:NU7, Riksd. comm. 2010/11:190)
Green Cargo (Bill 1999/2000:78, Rep. 1999/2000:TU11, Riksd. comm. 1999/00:238) (Bill 2003/04:127, Rep. 2003/04:NU15, Riksd. comm. 2003/04:286)	RISE Research Institutes of Sweden (Bill 1996/97:150, Rep. 1996/97:FiU20, Riksd. comm. 1996/97:284) (Bill 2006/07:1, Rep. 2006/07:NU1, Riksd. comm. 2006/07:62) (Bill 2008/09:50, Rep. 2008/09:Ubu4, Riksd. comm. 2008/09:160) (Bill 2012/13:30, Rep. 2012/13:Ubu3, Riksd. comm. 2012/13:152) (Bill 2012/13:99, Rep. 2012/13:FiU21, Riksd. comm. 2012/13:287)
	Samhall (Bill 1977/78:30, Rep. 1977/78:AU16, Riksd. comm. 1977/78:74) (Bill 1978:79:25, app. 9, 1 & 2, Rep. 1978/79:AU17, Riksd. comm. 1978/79:118) (Bill 1978/79:139, Rep. 1978/79:AU29, Riksd. comm. 1978/79:293) (Bill 1982/83:149, Rep. 1982/83:AU25, Riksd. comm. 1982/83:153) (Bill 1991/92:91, Rep. 1991/91:AU16, Riksd. comm. 1991/92:249)

COMPANY/GOVERNMENT BILL
SAS (Bill 1996/97:126, Rep. 1996/97:TU9, Riksd. comm. 1996/97:232) (Bill 2000/01:124, Rep. 2000/01:TU17, Riksd. comm. 2000/01:253) (Bill 2008/09:124, Rep. 2008/09:FIU40, Riksd. comm. 2008/09:192) (Bill 2009/10:121, Rep. 2009/10:FIU35, Riksd. comm. 2009/10:220) (Bill 2012/13:46, Rep. 2012/13:NU10, Riksd. comm. 2012/13:102)
SBAB (Bill 1993/94:76, Rep. 1993/94:BoU06, Riksd. comm. 1993/94:115) (Bill 1993/94:228, Rep. 1993/94:BoU20, Riksd. comm. 1993/94:374) (Bill 1994/95:219, Rep. 1994/95:BoU20, Riksd. comm. 1994/95:417) (Bill 2001/02:1 app. 6, expenditure area 2, Rep. 2001/02:FIU2, Riksd. comm. 2001/02:129) (Bill 2005/06:1, Rep. 2005/06:FIU2, Riksd. comm. 2005/06:126-128) (Bill 2006/07:57, Rep. 2006/07:NU16, Riksd. comm. 2006/07:217). (Bill 2008/09:104, Rep. 2008/09:FIU39, Riksd. comm. 2008/09:217) (Rec. 2010/11:N1, Rep. 2010/11:NU7, Riksd. comm. 2010/11:190)
SEK (Bill 1962:125, Rep. 1962:SU110, Rep. 1962:BaU22, Riksd. comm. 1962:272 & 275) (Bill 1981/82:181, Rep. 1981/82:NU52, Riksd. comm. 1981/82:427) (Bill 1995/96:141, Rep. 1995/96:NU26, Riksd. comm. 1995/96:302) (Bill 2002/03:142, 2002/03:NU14, Riksd. comm. 2002/03:244) (Bill 2008/09:73, Rep. 2008/09:FiU1, Riksd. comm. 2008/09:47) (Bill 2008/09:86, Rep. 2008/09:NU12, Riksd. comm. 2008/09:125) (Bill 2015/16:1 expenditure area 24, Rep. 2015/16:NU1, Riksd. comm. 2015/16:89)
SJ (Bill 1999/2000:78, Rep. 1999/2000:TU11, Riksd. comm. 1999/2000:238) (Bill 2002/03:86, Rep. 2002/03:NU13, Riksd. comm. 2002/03:343) (Bill 2005/06:160, Rep. 2005/06:TU5, Riksd. comm. 2005/06:308) (Comm. 2001/02:141, Rep. 2001/02:TU14, Riksd. comm. 2001/02:281) (Bill 2008/09:176, Rep. 2008/09:TU18, Riksd. comm. 2008/09:293)
SOS Alarm (Bill 1972:129, Rep. 1972:TU20, Riksd. comm. 1972:329) (Bill 1990/91:87, Rep. 1990/91:TU28, Riksd. comm. 1990/91:369) (Bill 1992/93:132, Rep. 1992/93:TU11, Riksd. comm. 1992/93:152) (Bill 1992/93:200, Rep. 1992/93:TU30, Riksd. comm. 1992/93:943) (Bill 1993/94:150, Rep. 1993/94:TU38, Riksd. comm. 1993/94:432)
Specialfastigheter (Bill 1991/92:44, Rep. 1991/92:FiU8, Riksd. comm. 1991/92:107) (Bill 1992/93:37, Rep. 1992/93:FIU8, Riksd. comm. 1992/93:123) (Bill 1997/98:137, Rep. 1997/98:FIU25, Riksd. comm. 1997/98:252)
SSC (Svenska rymdaktiebolaget) (Bill 1972:48, Rep. 1972:NU37, Riksd. comm. 1972:216) (Bill 1978/79:142, Rep. 1978/79:NU36, Riksd. comm. 1978/79:292) (Bill 1985/86:127, Rep. 1985/86:NU21, Riksd. comm. 1985/86:305)
Statens Bostadsomvandling (Bill 1997/98:119, Rep. 1997/98:BoU10, Riksd. comm. 1997/98:306) (Bill 1997/98:150, Rep. 1997/98:FIU27, Riksd. comm. 1997/98:317) (Bill 2001/02:4, Rep. 2001/02:NU4, Riksd. comm. 2001/02:118) (Bill 2001/02:58, Rep. 2001/02:BoU4, Riksd. comm. 2001/02:160) (Bill 2001/02:100, Rep. 2001/02:FiU21, Riksd. comm. 2001/02:326) (Bill 2003/04:1, Rep. 2003/04:FiU11, Riksd. comm. 2003/04:49)
Sveaskog (Bill 1998/99:1 expenditure area 24, Rep. 1998/99:NU1, Riksd. comm. 1998/99:108) (Bill 1999/2000:1 expenditure area 24, Rep. 1999/2000:NU1, Riksd. comm. 1999/2000:111) (Bill 2001/02:39, Rep. 2001/02:NU7, Riksd. comm. 2001/02:108) (Bill 2002/03:24, Rep. 2002/03:NU4, Riksd. comm. 2002/03:107) (Bill 2004/05:1 expenditure area 24, Rep. 2004/05:NU1, Riksd. comm. 2004/05:117) (Bill 2009/10:169, Rep. 2009/10:NU22, Riksd. comm. 2009/10:384)
Svedab (Bill 1990/91:158, Rep. 1990/91:TU31, Riksd. comm. 1990/91:379) (Bill 1992/93:100 app. 7, Rep. 1994/95:TU2, Riksd. comm. 1994/95:50) (Bill 1996/97:161, Rep. 1997/98:TU6, Riksd. comm. 1997/98:32) (Bill 1999/2000:66, Rep. 1999/2000:TU10, Riksd. comm. 1999/2000:237) (Bill 2001/02:20, Rep. 2001/02:TU2, Riksd. comm. 2001/02:126) (Bill 2006/07:1, Rep. 2006/07:TU1, Riksd. comm. 2006/07:35) (Bill 2009/10:1, Rep. 2009/10:TU1, Riksd. comm. 2009/10:117) (Bill 2010/11:1, Rep. 2010/11:TU1, Riksd. comm. 2010/11:138).
Svenska Spel (Bill 1995/96:169, Rep. 1995/96:FiU14, Riksd. comm. 1995/96:248) (Bill 2008/09:126, Rep. 2008/09:KrU8, Riksd. comm. 2008/09:243)
Svevia (Bill 2008/09:23, Rep. 2008/09:TU4, Riksd. comm. 2008/09:76)

COMPANY/GOVERNMENT BILL
Swedavia (Bill 2009/10:16, Rep. 2009/10:TU7, Riksd. comm. 2009/10:114)
Swedesurvey (Bill 1992/93:100 app. 15, Rep. 1992/93:BoU14, Riksd. comm. 1992/93:217)
Swedfund (Bill 1977/78:135, Rep. 1978/79:UU1, Riksd. comm. 1978/79:9) (Bill 1991/92:100 app. 4, Rep. 1991/92:UU15, Riksd. comm. 1991/92:210) (Bill 2008/09:52, Rep. 2008/09:UU9, Riksd. comm. 2008/09:74)
Systembolaget (Bill 1976/77:108, Rep. 1976/77:SkU 40, Riksd. comm. 1976/77:231) (Bill 1993/94:136, Rep. 1993/94:SoU22, Riksd. comm. 1993/94:249) (Bill 1994/95:89, Rep. 1994/95:SoU9, Riksd. comm. 1994/95:106) (Bill 1998/99:134, Rep. 1999/00:SoU4, Riksd. comm. 1999/00:42) (Bill 2000/01:97, Rep. 2000/01:SoU19, Riksd. comm. 2000/01:260) (Bill 2002/03:87, Rep. 2002/03:SoU16, Riksd. comm. 2002/03:152) (Bill 2003/04:161, Rep. 2004/05:SoU6, Riksd. comm. 2004/05:38) (Bill 2005/06:30, Rep. 2005/06:SoU12, Riksd. comm. 2005/06:157) (Bill 2007/08:119, Rep. 2007/08:SoU19, Riksd. comm. 2007/08:209) (Bill 2009/10:125, Rep. 2010/11:SoU4, Riksd. comm. 2010/11:36)
Telia Company (Bill 1992/93:200, Rep. 1992/93:TU30, Riksd. comm. 1992/93:443) (Bill 1997/98:121, Rep. 1997/98:NU14, Riksd. comm. 1997/98:308) (Bill 1998/99:99, Rep. 1998/99:NU14, Riksd. comm. 1998/99:260) (Bill 2006/07:57, Rep. 2006/07:NU16, Riksd. comm. 2006/07:217) (Bill 1999/2000:84, Rep. 1999/2000:NU18, Riksd. comm. 1999/2000:204) (Rep. 2000/01:NU11, Riksd. comm. 2000/01:272) (Rep. 2010/11:NU7, Riksd. comm. 2010/11:190)
Teracom Boxer Group (Bill 1991/92:140, Rep. 1991/92:KrU28, Riksd. comm. 1991/92:329) (Bill 1996/97:67, Rep. 1996/97:KU17, Riksd. comm. 1996/97:178) (Bill 1998/99:1, expenditure area 17, Rep. 1998/99:KrU1, Riksd. comm. 1998/99:55) (Bill 2000/01:1, expenditure area) 17, Rep. 2000/01:KrU1, Riksd. comm. 2000/01:59) (Bill 2001/02:76, Rep. 2001/02:KrU7, Riksd. comm. 2001/02:149) (Bill 2002/03: 110, Rep. 2002/03:TU6, Riksd. comm. 2002/03:228) (Bill 2002/03:64, Rep. 2002/03:KrU4, Riksd. comm. 2002/03:195) (Bill 2002/03:72, Rep. 2002/03:KU33, Riksd. comm. 2002/03:196) (Bill 2003/04:118, Rep. 2003/04:KU24, Riksd. comm. 2003/04:231) (Bill 2005/06:1, expenditure area 24, Rep. 2005/06:NU1, Riksd. comm. 2005/06:121) (Bill 2010/11:1, expenditure area 24, Rep. 2010/11:NU1, Riksd. comm. 2010/11:132)
Vasallen (Bill 1996/97:4, Rep. 1996/97:FöU1, Riksd. comm. 1996/97:36) (Bill 1996/97:150, Rep. 1996/97:FiU20, Riksd. comm. 1996/97:284) (Bill 1999/2000:30, Rep. 1999/2000:FöU2, Riksd. comm. 1999/2000:168) (Bill 2000/01:100, Rep. 2000/01:FIU20, Riksd. comm. 2000/01:288) (Bill 2002/03:100, Rep. 2002/03:FIU21, Riksd. comm. 2002/03:235) (Bill 2004/05:5, Rep. 2004/05:FöU4, Riksd. comm. 2004/05:143) (Bill 2008/09:172, 2008/09:FIU41, Riksd. comm. 2008/09:263)
VisitSweden (Bill 1994/95:100 app. 13 and Bill 1994/95:177, Rep. 1994/95:KrU28) Riksd. comm. 1994/95:395) (Bill 2004/05:56, Rep. 2004/05:NU13, Riksd. comm. 2004/05:295)
Vattenfall (Bill 1990/91:87, Rep. 1990/91:NU38, Riksd. comm. 1990/91:318) (Bill 1991/92:49, Rep. 1991/92:NU10, Riksd. comm. 1991/92:92) (Bill 1996/97:84, Rep. 1996/97:NU12, Riksd. comm. 1996/97:272) (Bill 2009/10:179, Rep. 2009/10:NU23, Riksd. comm. 2009/10:325)
Voksenåsen (Bill 1960:88, Rep. 1960:SU78, Riksd. comm. 1960:205) (Bill 1976/77:25, Rep. 1976/77: KrU27, Riksd. comm. 1976/77:72) (Bill 1997/98:1, Rep. 1997/98: KrU1, Riksd. comm. 1997/98:97)

Sustainable remuneration principles

Since remuneration to senior executives in trade and industry is a significant matter of confidence, state-owned enterprises should pay managers carefully considered salaries and pensions.

A matter of confidence

Today, the demand for sound remuneration systems has become one of the most important issues of corporate governance, both in Sweden and abroad. Executive pay is criticised for lack of transparency, being approved in the wrong way, being too high, and causing a sense of unfairness within companies and in society. Reasonable and well-considered remuneration for senior executives play an important role in the corporate governance of the state-owned enterprises. The conduct of the state-owned enterprises and their representatives is subject to demanding external expectations, and it is important that the state is a clear, professional and responsible owner.

Guidelines for terms of employment

On 20 April 2009, the Government adopted guidelines on terms of employment for senior executives in state-owned enterprises (see the guidelines in full on p. 98). In these guidelines, the option of paying variable salaries to senior executives was eliminated. In companies where the state is directly or indirectly one of several owners, the Government should, in dialogue with the other owners, promote the application of its guidelines as far as possible. The boards of the state-owned enterprises are responsible for compliance with the Government's guidelines on terms of employment for senior executives. According to the remuneration principles in the guidelines, total remuneration to senior executives 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. Remuneration should not be wage-leading in relation to comparable companies, but should be characterised by moderation. The guidelines further state that this should also serve as a standard for total remunerations to other employees.

Performance review

The Government Offices continuously track remuneration levels in the state-owned enterprises. The Government Offices have commissioned a consulting company to examine compliance with the Government's guidelines on terms of employment for senior executives. This survey was based on the companies' own data on terms of employment and remuneration of senior executives. The study examines how the companies adhere to the guidelines and compares compensation levels in the companies with market data from private companies that provide relevant benchmarks in terms of size and sector. About 65 representative peer companies have been identified and are included in the survey. The starting point for the sur-

Certain positive trend in compliance

The 2015 follow-up on the "Guidelines for terms of employment for senior executives" reveals that:

- No CEO of a state-owned enterprise receives variable remuneration,
- The number of people entitled to retire before the age of 62 has declined,
- The proportion of CEOs with defined benefit pension plans is largely unchanged, and
- The number of companies and individuals with variable remuneration has declined to zero for the "other senior executives" group.

vey was whether or not total remuneration to the CEO and other senior executives has been "competitive but not wage-leading", as expressed in the Government's guidelines. Total remuneration refers to all fixed and variable remuneration paid to the employee.

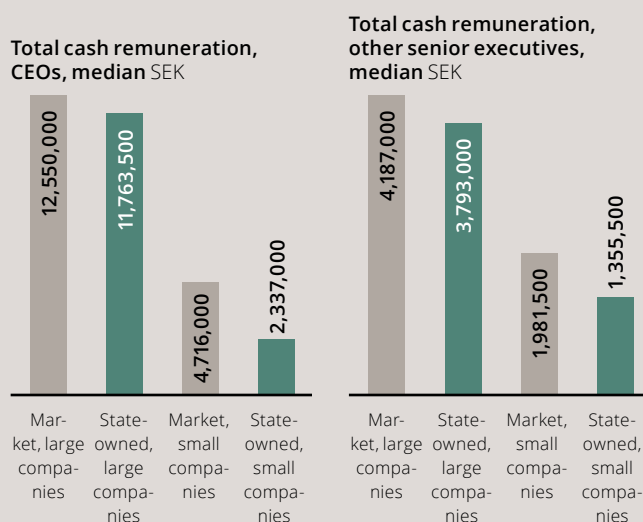
The percentage of CEOs with defined benefit pension plans is declining

The percentage of CEOs with defined benefit pension plans has declined. In 2015, one fifth (20 per cent) of all CEOs and just below half (47 per cent) of other senior executives had defined benefit pension plans. For senior executives, this is based mainly on applicable collective agreements and does not therefore conflict with the guidelines. Other cases involve legacy agreements that have yet to be renegotiated.

According to the Government guidelines, upon termination by the company, the period of notice shall not to exceed six months and severance pay shall not be paid for more than 18 months. Consequently, the combined period of notice and severance pay shall not exceed 24 months. All senior executives have a combined period of notice and severance pay of 24 months or less. According to the Government guidelines, retirement age in the companies shall not be lower than 62 and should be at least 65. Three senior executives in two companies have a retirement age of less than 62.

CEO salaries below market trend

Over the period of 2014–2015, CEO salaries in state-owned enterprises increased on average by 4.6 per cent, which is below the market increase of 5.4 per cent. Note that this does not take into account total remuneration, which may include benefits, pensions and long-term incentive schemes. In terms of levels, total cash remuneration paid to the majority of all CEOs in major state-owned enterprises is close to the median for the market, but in the smaller state-owned enterprises is below the median for the market. This is also reflected in total cash remuneration paid to other senior executives.



Companies' reporting dates

Company	Annual general meeting	Interim report Jan-Mar	Interim report Jan-Jun	Interim report Jan-Sep	Year-end report Jan-Dec
Akademiska Hus	28 Apr 2016	28 Apr 2016	15 Jul 2016	27 Oct 2016	Feb 2017
Almi Företagspartner	20 Apr 2016	29 Apr 2016	15 Aug 2016	31 Oct 2016	15 Feb 2017
APL, Apotek Produktion & Laboratorier	21 Apr 2016		15 Aug 2016		15 Feb 2017
Apoteket	18 Apr 2016	22 Apr 2016	20 Jul 2016	26 Oct 2016	3 Feb 2017
Apoteksgruppen	29 Apr 2016	29 Apr 2016	12 Aug 2016	26 Oct 2016	15 Feb 2017
Arlandabanan Infrastructure	22 Apr 2016		15 Aug 2016		
Bilprovningen	28 Apr 2016	28 Apr 2016	15 Aug 2016	28 Oct 2016	15 Feb 2017
Bostadsgaranti	30 Mar 2016				
Dramaten	26 Apr 2016		30 Aug 2016		23 Mar 2017
ESS, European Spallation Source	18 Mar 2016				
Fouriertransform	19 Apr 2016	29 Apr 2016	21 Jul 2016	26 Oct 2016	15 Feb 2017
Green Cargo	25 Apr 2016	26 Apr 2016	10 Aug 2016	26 Oct 2016	9 Feb 2017
Göta kanalbolag	25 Apr 2016				
Infranord	28 Apr 2016	28 Apr 2016	1 Aug 2016	27 Oct 2016	13 Feb 2017
Inlandsinnovation	29 Apr 2016	29 Apr 2016	18 Jul 2016	31 Oct 2016	15 Feb 2017
Jernhusen	26 Apr 2016	27 Apr 2017	13 Jul 2016	21 Oct 2016	2 Feb 2017
Lernia	22 Apr 2016	22 Apr 2016	18 Jul 2016	27 Oct 2016	13 Feb 2017
LKAB	28 Apr 2016	28 Apr 2016	12 Aug 2016	26 Oct 2016	15 Feb 2017
Metria	26 Apr 2016	27 Apr 2017	12 Aug 2016	28 Oct 2016	
Miljömärkning Sverige	27 Apr 2017				
Operan	20 Apr 2016		5 Sep 2016		28 Apr 2017
Orio	29 Apr 2016	2 May 2016	12 Aug 2016	28 Oct 2016	2 Feb 2017
PostNord	28 Apr 2016	29 Apr 2016	12 Aug 2016	27 Oct 2016	9 Feb 2017
RISE Research Institutes of Sweden	21 Apr 2016	30 Apr 2016	15 Aug 2016	30 Oct 2016	15 Feb 2017
Samhall	26 Apr 2016	27 Apr 2017	15 Aug 2016	28 Oct 2016	31 Jan 2017
SAS	8 Mar 2016	8 Mar 2016	10 Jun 2016	8 Sep 2016	13 Dec 2016
SBAB	28 Apr 2016	29 Apr 2016	19 Jul 2016	28 Oct 2016	8 Feb 2017
SEK	26 Apr 2016	26 Apr 2016	21 Jul 2016	21 Oct 2016	3 Feb 2017
SJ	21 Apr 2016	21 Apr 2016	20 Jul 2016	26 Oct 2016	Feb 2017
SOS Alarm	25 Apr 2016	29 Apr 2016	15 Aug 2016	31 Oct 2016	15 Feb 2017
Specialfastigheter	21 Apr 2016	21 Apr 2016	12 Jul 2016	19 Oct 2016	Feb 2017
SSC, Svenska rymdaktiebolaget	22 Apr 2016	30 Apr 2016	15 Aug 2016	28 Oct 2016	15 Feb 2017
Statens Bostadsomvandling	21 Apr 2016	30 Apr 2016	15 Aug 2016	30 Oct 2016	13 Feb 2017
Sveaskog	26 Apr 2016	26 Apr 2016	15 Jul 2016	26 Oct 2016	21 Jan 2017
Svedab	22 Apr 2016	29 Apr 2016	15 Aug 2016	31 Oct 2016	15 Feb 2017
Swedavia	28 Apr 2016	28 Apr 2016	15 Jul 2016	26 Oct 2016	13 Feb 2017
Swedesurvey	15 Apr 2016	30 Apr 2016	15 Aug 2016	30 Oct 2016	15 Feb 2017
Swedfund International	27 Apr 2016	28 Apr 2016	15 Aug 2016	31 Oct 2016	15 Feb 2017
Svenska Skeppshypotek					
Svenska Spel	27 Apr 2016	27 Apr 2016	21 Jul 2016	26 Oct 2016	31 Jan 2017
Svevia	29 Apr 2016	29 Apr 2016	15 Aug 2016	27 Oct 2016	Feb 2017
Systembolaget	21 Apr 2016	26 Apr 2016	15 Aug 2016	28 Oct 2016	15 Feb 2017
Telia Company	12 Apr 2016	20 Apr 2016	20 Jul 2016	21 Oct 2016	27 Jan 2017
Teracom Boxer Group	26 Apr 2016	26 Apr 2016	15 Aug 2016	26 Oct 2016	27 Mar 2017
Vasallen	26 Apr 2016	27 Apr 2016	25 Aug 2016	28 Oct 2016	15 Feb 2017
Vattenfall	27 Apr 2016	28 Apr 2016	21 Jul 2016	27 Oct 2016	2 Feb 2017
VisitSweden	27 Apr 2016			22 Nov 2016	31 Mar 2017
Voksenåsen	27 May 2016	20 Apr 2016	20 Aug 2016	20 Oct 2016	1 Mar 2017

The State's Ownership Policy 2015–2016

State-owned enterprises are ultimately owned by the people of Sweden. On assignment from the Riksdag, the Government is required to actively manage the state's holdings in companies in order to ensure the best possible value performance and – where applicable – to ensure that specifically adopted public policy assignments are duly performed. The Government considers it to be of the utmost importance that state-owned enterprises are proactively and professionally managed with value generation as an overriding objective. This implies that state-owned enterprises should take a long-term approach and be efficient and profitable while being given the capacity to develop. State-owned enterprises should serve as role models in the area of sustainable business and, in other respects, conduct themselves in a manner that generates public confidence. The state's ownership policy constitutes a key document in clarifying the manner in which the Government considers that this should be accomplished.

In its ownership policy, the Government presents its mandates and objectives, applicable frameworks and positions on key fundamental issues relating to the governance of state-owned enterprises. The state's ownership policy includes the Government's guidelines for external reporting and guidelines for terms of employment for senior executives. The policy also requires the Swedish Code of Corporate Governance to be applied.

The state's ownership policy is applied in majority-owned state-owned enterprises. In respect of other companies in which the state is a part owner, the state engages in a dialogue with the other owners in an effort to ensure that the ownership policy is applied. Correspondingly, companies administered by public authorities other than the Government Offices are required to apply the state's ownership policy.

1. Framework for state ownership

1.1 The Government's management mandate

The Government is required to actively manage the state's assets in the form of shares in state-owned enterprises in a manner that maximises long-term value generation and, where appropriate, ensures that specifically adopted public policy assignments are performed efficiently. According to Chapter 9, Section 8, of the Instrument of Government (IG), state assets are at the disposal of and to be managed by the Government, subject to certain exceptions. According to Chapter 9, Section 9 of IG, the Riksdag decides on the principles for managing and controlling state assets. The provisions on acquisition and transfer of property, including shares and participation rights in companies, are contained in the Budget Act (2011:203). According to Chapter 8, Section 3, of the Budget Act, the Government is not permitted to acquire shares or participation rights or in any other way increase the state's share of the voting power or ownership in a company without a mandate from the Riksdag. Nor is the Government permitted to provide capital to a company without a mandate from the Riksdag. According to Chapter 8, Section 4, second paragraph of the Budget Act, the Government shall not, by sale or other means, reduce the state's share of ownership in companies in which the state holds half or more than half of the votes for all shares without first obtaining a mandate from the Riksdag. In addition to these provisions, a mandate from the Riksdag is required for important changes in the object of the operations of companies. This constitutes the framework for the Government's mandate for the management of state-owned enterprises. A Riksdag decision is not required for the distribution of dividends, for example, since these form part of the ongoing administration. By vir-

tue of Chapter 7, Section 5 of IG, the prime minister may assign to a minister other than the particular head of ministry responsibility for issues concerning corporate ownership of state-owned enterprises requiring a unified ownership policy.

1.2 Legislation

Subject to the exceptions stated below, state-owned enterprises are governed by the same laws as those applying to privately owned companies including the Companies Act, the Annual Accounts Act, the Competition Act, the Bookkeeping Act and insider-related legislation. There are no special provisions for state-owned enterprises except that the National Audit Office is entitled to appoint auditors for the companies over which the state has a controlling influence and in companies whose operations are subject to statutory regulation. The articles of association stipulate the object of a particular company's operations, which is based on the mandate decided by the Riksdag.

Similar to privately owned companies that operate in a particular sector, the state-owned enterprises may also be subject to sector-specific legislation, such as the Postal Services Act (2010:1045) and the Electronic Communications Act (2003:389). The work within the Government Offices is divided so that the responsibility for such regulations is assigned to units other than the Ministry of Enterprise and Innovation's units, the Division for State-owned Enterprises and the Division for Corporate Governance and Analysis.

1.3 EU regulations on state aid

EU regulations concerning state aid apply to all subsidies granted by the state to both state-owned enterprises and privately owned companies. The purpose of the rules is to ensure that no member state can distort competition through subsidies that strengthen the competitiveness of domestic industry at the expense of companies in another member state. According to the EU's regulations, the MEIP (Market Economy Investor Principle) or MEO (Market Economy Operator) applies, among other things, to capital infusions in state-owned enterprises. The MEIP is usually met if capital infusions are provided subject to terms and conditions that would have been accepted by a private investor.

1.4 Reporting of public funds

Companies that achieve a certain level of annual net sales and that receive public funds or other public benefits are subject to special rules concerning the reporting of financial links. The rules are contained in the Transparency Directive¹ and have been incorporated into the Swedish legislation in the Insight into Certain Financial Links and Related Matters Act (2005:590). The rules have been set up to facilitate the EU Commission's application of the competition rules of the TFEU on cross-subsidisation, among other things. The funds contributed and the manner in which they are used are to be subject to open reporting. The operations of monopoly companies and other companies with similar special status are also subject to a requirement for separate reporting in cases where such companies also conduct operations that are exposed to competition.

1.5 Conflict resolution in competition-limiting public sales operations

State-owned enterprises in which the state has a direct or indirect controlling interest are subject to a regulation in the Competition Act (2008:579). In response to an action initiated by the Swedish Competition Authority, the Stockholm City Court may prohibit any such company from applying a particular procedure in a commercial or financial operation if it distorts the conditions required for effective competition or development of such competition. The same applies to companies owned by county councils and municipalities. However, this regulation extends beyond the legislation that applies to other companies under the Competition Act.

1.6 Public access to information and confidentiality

Since state-owned enterprises are managed by the Government Offices, which is a state agency, a document that is stored and considered, according to special rules, as received or prepared by the Government Offices, may be a public document. Under certain circumstances, the information in a public document may be regarded as confidential. The information may remain confidential, for instance, if it is presumed that disclosure of the information would harm the public or the company. This may be the case concerning sensitive business information. This means that anyone wishing to view a document may request access to the information; however, under the Public Access to Information and Secrecy Act (2009:400), the Government Offices

1) Commission Directive 80/723/EEC of 25 June 1980 on the transparency of financial relations between Member States and public undertakings and in the financial dealings of certain undertakings, last amended through Directive 2000/52/EC.

must assess the potential damage before releasing any information. The information can usually be released if this is possible without causing damage to the state or the companies to which the information relates.

1.7 International cooperation and guidelines

Sweden has been an active participant in the development of the OECD Guidelines on Corporate Governance of State-Owned Enterprises. The guidelines, which are non-binding, were drafted in 2005 and provide effective support for developing governance of state-owned enterprises in various countries. The Swedish Government's principles of corporate governance largely comply with these guidelines. The guidelines can be found at www.oecd.org.

2. Corporate governance and the relationship between owner, board and management

2.1 The application of the Swedish Code of Corporate Governance

The Swedish Code of Corporate Governance (the Code) is to be applied in state-owned enterprises in which the state has a controlling interest. In respect of other companies, the state engages in a dialogue with the other owners to promote application of the Code. The overall purpose of the Code is to contribute to improved governance of Swedish limited companies and it addresses the decision-making system through which the shareholders directly or indirectly control the company. Its rules focus on the organisation and operational processes of the particular company and the interplay between these areas. The Code should always be applied in accordance with the principle of "comply or explain". On certain issues, the Government has found reason to justify deviations from the Code, in accordance with the Code's principle of "comply or explain". The Government's justification of these deviations is presented below.

2.2. Annual general meeting

The annual general meeting is the company's highest decision-making body and the forum in which the shareholders formally exercise their influence.

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 the annual general meetings of companies in which the state owns at least 50 per cent of the shares, provided that the company or an operating subsidiary has more than 50 employees. It is the responsibility of the board to ensure that the official notice of the time and location of the annual general meeting is sent to the central office of the Riksdag in conjunction with the issuance to shareholders of the official notice to attend the meeting. Members of the Riksdag who wish to attend the annual general meeting must pre-register their intent with the company and this pre-registration should be received by the company not later than one week prior to the annual general meeting.

The general public should be invited to attend the annual general meetings of state-owned enterprises. Advance notice of attendance must be received at least one week prior to the meeting. State-owned enterprises should organise some form of arrangement in conjunction with their annual general meetings enabling the public to put questions to the companies' management.

The annual general meetings of state-owned enterprises must take place before 30 April and any dividend must be distributed not later than two weeks after the general meeting.

2.2.1 Appointment of auditors

The auditors' assignment of independently examining the management of the company by boards of directors and CEOs, as well as the annual accounts and accounting records, is a core concern of the state as owner. The responsibility for appointing auditors is always that of the owner and auditors are elected at the annual general meeting. As of 2011, auditors are appointed for a term of one year. However, this does not apply to auditors appointed by the National Audit Office, whose assignment is mandated by the Auditing of State Activities etc., Act (2002:1022). The National Audit Office is entitled to appoint one or more auditors in companies over which the state has a controlling influence. The Government Offices' staff monitor the process for the procurement of auditing services, which is conducted by the company, from setting procurement criteria to selection and evaluation. Should the reappointment of the auditors be considered, the auditors' work is always evaluated by the owner.

2.3 Articles of association

The owner establishes the object of the company's operations and certain stated frameworks through the articles of association. In state-owned enterprises, the objectives of the operations are based on the assignment resolved by the Riksdag. The Government Offices provide a template for the articles of association of state-owned enterprises. This template is based on rules contained in the Swedish Companies Act for listed companies, the Code and the state's ownership policy.

2.4 Owner instructions

In state-owned enterprises, owner instructions are essentially only applied

when the company has specifically adopted public policy assignments, receives government subsidies, is in the process of restructuring or re-regulation, or in the event of deregulations or other material changes. The content of owner instructions should be relevant, specific and clear and be formally adopted by resolution of the annual general meeting. Where an assignment is conveyed through owner instructions, these shall clearly state how the assignment is financed, reported and tracked.

2.5 Public policy targets for companies with specifically adopted public policy assignments

Certain state-owned enterprises have specifically adopted public policy assignments. When the Riksdag commissions a company to conduct operations serving to generate effects other than a financial return for the owner, this constitutes a specifically adopted public policy assignment. In certain cases, operations within the framework of a specifically adopted public policy assignment are financed partly through appropriations in the state budget. To assess and track how the specifically adopted public policy assignments are performed, public policy targets are set where relevant. The purpose of setting public policy targets for the companies is to

- Ensure that the specifically adopted public policy assignments are duly performed,
- Elucidate the cost of performing the specifically adopted public policy assignments
- Enable tracking and reporting to the Riksdag and other stakeholders, and
- Elucidate the conditions for the financial targets.

The points of departure on which the public policy targets are determined include the purpose of the company's operations, that is, what the desirable effects of the company's operations are.

Since a company's opportunities to perform a specifically adopted public policy assignment and to generate returns are interdependent, public policy targets and financial targets are normally prepared as an integrated project. With an integrated project, the level of ambition regarding the public policy targets can be balanced against the cost in terms of the effects on risk and return implied by a certain level in the public policy targets.

Public policy targets are resolved by the general meeting through an owner instruction to the company. Tracking is accomplished by means of a dialogue between representatives of the owner and the chairman of the board, whereby the outcome in relation to the public policy targets and the board of directors' view of these are discussed, as are any measures planned for achieving the targets. This process is coordinated with the tracking of financial targets.

2.6 Financial targets in state-owned enterprises

The owner's purpose in setting financial targets is to

- Safeguard the creation of value, with the board and management working towards long-term, ambitious and realistic goals,
- Achieve capital efficiency by clarifying the cost of equity,
- Keep the companies' financial risk at a reasonable level,
- Ensure dividend yield for the owner through sustainable and predictable dividends that take the company's future capital requirements and financial position into account, and
- In a structured way to measure, track and evaluate profitability, efficiency and risk level.

The financial targets are defined primarily according to the following categories:

- Profitability targets (e.g. return on operating capital, return on equity or operating margin)
- Capital structure target (e.g. debt/equity ratio or equity/assets ratio)
- Dividend target (e.g. share of net profit)

An important basis for establishing financial targets is the owner's cost of equity as this figure ultimately determines whether the state, in its capacity as owner, receives reasonable compensation at market level for the risk-taking involved in company ownership. The cost of equity serves as a floor for the profitability target, since a return that is systematically below the cost of capital entails the destruction of value for the state as 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 different levels of debt. The cost of equity also indirectly affects the dividend, since this cost is a key component in evaluating a company's future investments. In turn, these investments and their contribution to value creation are of vital importance to determining the proportion of the generated profits that should be reinvested and thus for the size of the dividend that can be distributed.

Other key data used in determining targets include analyses of risks and opportunities within the seven areas of sustainable business defined in paragraph 3.1, analyses of the market in which the company operates, comparisons with other companies and analyses of the company's business plan

and history. Finally, stress tests are conducted to assess the targets' sensitivity in terms of various external and internal factors.

The financial targets are approved by the annual general meeting and must be documented directly in the minutes. The financial targets adopted apply until new/changed targets are adopted at an annual general meeting. Monitoring is performed by means of a dialogue between representatives of the owner and the chairman of the board, whereby the outcome in relation to the financial targets and the board of directors' view of this are discussed, as are possible actions that may be planned to achieve the targets in a forward-looking perspective. Should external conditions, such as the interest rate scenario and profitability at a sector level, change significantly and in a lasting manner, the need to revise the targets may be discussed.

2.7 Guidelines

2.7.1 External reporting

Key words for the governance of state-owned enterprises are transparency, active ownership and good order and organisation. State-owned enterprises are ultimately owned by the Swedish people collectively, which calls for transparent and professional communication of information. In addition to accounting legislation and generally accepted accounting principles, each state-owned enterprise must present – as applicable – an annual report, interim reports and a year-end report, in accordance with the rules that apply to public listed companies.

The Government adopted the current guidelines for external reporting by state-owned enterprises on 29 November 2007. This reporting is to provide a comprehensive description of the state-owned enterprises' operations as well as basic data for ongoing tracking and evaluation of the companies' operations and established goals. The guidelines include disclosures of information relating to sustainability; see section 3 below. The Government has highly ambitious targets in respect of external reporting.

These guidelines impose clear requirements on reporting and accounting of the company's work on sustainable business. The Government views the requirement for sustainability reporting as a tool for good transparency. In accordance with the guidelines, state-owned enterprises are subject to extended reporting requirements regarding sustainability and must, among other things, apply the GRI's international guidelines in the publication of their sustainability reports.

2.7.2 Remuneration of senior executives

The current Government guidelines on terms of employment for senior executives in state-owned enterprises were adopted on 20 April 2009. Reasonable remuneration is important for maintaining confidence in the business sector as a whole and, from the viewpoint of the Government, constitutes a key component of corporate governance. The boards are responsible for determining remuneration for the CEO. It is important that the boards deal with issues concerning remuneration of senior executives in a deliberate, responsible and transparent manner and that the boards assure themselves that the total remuneration is reasonable and well-considered. It should also be competitive, capped and appropriate, while contributing to high ethical standards and a good corporate culture. Remuneration should not be wage-leading in relation to comparable companies, but should be characterised by moderation. The remuneration principles in the guidelines are also to serve as guidance for other employees.

2.8 About the board of directors

2.8.1 Responsibilities of the board of directors

The board is responsible for ensuring that the companies in which the state has a participating interest are managed in an exemplary manner within the framework provided by legislation, the company's articles of association, any additional owner instructions and the state's ownership policy. Work aimed at ensuring public confidence in the operations includes establishing relevant policy documents for the operations, such as a code of conduct with such aims as assuring the economical use of all resources in the business and that the special status often enjoyed by state-owned enterprises is not abused, as well as annual assessments of applicable policy documents and associated tracking and compliance processes.

2.8.2 Board nomination process

The Government's aim is for the boards to contain a high level of expertise that is well matched to the operations, situation and future challenges of their particular companies. Directors are expected to be persons of high integrity that match the demands for good judgement that may be expected of representatives of the state.

For state-owned enterprises that are not publicly listed, the following principles replace the Code rules pertaining to the preparation of decisions and the nomination of directors and auditors.

These companies are required to apply unified and common principles designed to ensure the achievement of a structured board nomination process. The purpose is to ensure the efficient provision of expertise to the companies' boards. In publicly listed companies in which the state has a significant participating interest, the Government appoints one member of

each nomination committee. The nomination committee is primarily a preparatory body serving the annual general meeting in nomination issues.

The board nominating process is coordinated by the Ministry of Enterprise and Innovation at the Government Offices. For each company, the required expertise is analysed on the basis of the company's operations, situation and future challenges, and of the board's composition and the implemented evaluation of the board. Any recruitment requirement is then determined, and the recruitment process initiated.

2.8.3 Board composition

The starting point for any nomination of a director must be the requirement of expertise relevant to the board. It is important that the board's composition be such that the board always possesses the industry knowledge or other expertise directly relevant to the company, even when the company is undergoing development and its business environment is changing. Since sustainable business is an important issue for the state as owner, it is essential that the board has the capacity to work strategically in this area. To be considered for a board position, the candidate must possess a high level of expertise relevant to current business operations, business development, industry affiliation, financial issues or other relevant areas. Additional requirements include outstanding integrity and an ability to see to the company's best interests. Every director must be able to independently assess the company's operations.

To ensure that boards of directors are efficient, the number of directors should be between six and eight. The Government's intention is to have only regular directors on the boards of directors and no alternates. When necessary, a vice chairman may be elected by the annual general meeting. The composition of every board must also be such that balance is achieved in respect of background, area of expertise, experience and gender. Aspects of diversity, including ethnic and cultural background, are also to be considered in the composition of the boards. The Government is endeavouring to achieve gender balance, aimed at representation of both women and men of at least 40 per cent.

Directors are selected from a broad recruitment base with a view to making use of the expertise of women and men, as well as individuals with different backgrounds and experiences. Discrimination based on gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual preference or age is not permissible. When the process has been completed, nominations are made public pursuant to the Code. Throughout the nomination process, quality is assured by a cohesive and systematic approach.

2.8.4 Directors' independence

As regards the independence of directors, it is a fundamental requirement, according to 2.8.3 above, that a director possesses a high level of integrity. A director is not permitted to be so dependent on the company or its management that such independence may be questioned. One deviation from the Code in terms of the independence of company directors is that directors' independence in relation to the state as a major shareholder and in relation to the company and its management need not be reported. The Code is mainly aimed at companies with diverse ownership. In this regard, the requirements of the Code are mainly intended to protect minority shareholders. For wholly state-owned enterprises and partially state-owned enterprises with few shareholders, there is therefore no reason to report this form of independence. In publicly listed companies in which the state has a participating interest, the independence of elected directors in relation to the state shareholder as well as the company is reported.

2.8.5 Chairman of the board

The chairman of the board is elected by the annual general meeting. The special role of the chairman is dealt with in the Code and the Companies Act. The special tasks that the chairman of the board has to perform when working on the board are stipulated in the formal board procedures. One such special task is coordination responsibility. Whenever the company is faced with particularly important decisions, the board of directors shall, through its chairman, coordinate in writing its view with that of the representatives of the owner. It is incumbent upon the board to decide the cases in which such alignment via the chairman is required ahead of a particular board decision.

2.8.6 Board procedures

It is the responsibility of every board to assess the need to appoint special committees. Should a committee be appointed, its activities are to be guided by the principles of the Code. Other aspects of board procedures are also to be guided by the principles of the Code. In state-owned enterprises, the right to sign on behalf of the company should, however, be exercised exclusively by two or more persons jointly, of whom at least one person is to be a director or the CEO.

2.8.7 CEO

One of the principal tasks of the board is to appoint, evaluate and, when necessary, dismiss the CEO. According to the Code, the CEO may serve as a

director but not as chairman of the board. Because the Government regards it important that the roles of the board and the CEO are distinguished, the CEO must not also serve as a director.

2.8.8 Evaluation of the boards

Board performance must be evaluated annually. According to the Code, it is the task of the chairman of the board to ensure that the evaluation is carried out and that the nomination committee is informed of the results of the evaluation.

In wholly state-owned enterprises, the results of the evaluation are reported to the Government Offices. The Government Offices' involvement in the board nomination process also includes separate and ongoing evaluation of the boards of all state-owned enterprises.

2.8.9 Directors' fees

Directors are compensated for their effort and for the responsibility that the board assignment entails. Fees paid to the board chairman, any vice chairman and other directors must be resolved by the annual general meeting. Fees paid to directors who serve on specially appointed board committees must also be resolved by the annual general meeting. For fees to be payable for service on a committee, the work involved must be of a significant extent. Fees paid for committee work may be adjusted in periods of high workload for a limited period. As a rule, employees of the Government Offices who are directors of state-owned enterprises are not paid directors' or committee fees by those companies. In exceptional cases, however, a fee may be paid to an employee of the Government Offices following a decision by the annual general meeting.

If the fee for board or committee service is billed by a director within the framework of business activity conducted as part of a sole proprietorship with a corporate (F) tax card or through the director's own limited company, it should be stated in conjunction with the general meeting considering fees that statutory employer's social security contributions must be paid to the director's sole proprietorship or limited company in addition to the approved fee. Any agreement with a director's sole proprietorship with a corporate (F) tax card or limited company regarding billing of board or committee fees shall be cost-neutral for the company paying those fees.

Situations are to be avoided whereby directors or their alternates are engaged as consultants to the company and thereby receive consultancy fees in addition to directors' fees. If this nevertheless occurs, the assignment must be determined by the board in every individual case, be clearly discernible from ordinary work on the board, apply for a limited time and be governed by an agreement between the company and the director. Principles for consultancy fees are to be subject to the annual general meeting's approval of the board's proposed guidelines for remuneration of senior executives.

In preparation for the annual general meeting's decision on directors' fees, an analysis must be performed whereby the level of fees is compared with the fees paid by other comparable companies. The fees must be competitive, but not market-leading. There is nothing to prevent the general meeting from approving remuneration to employee representatives, but the principle in state-owned enterprises is that such compensation is not paid.

3. Sustainable business

3.1 Purpose and definition

To promote long-term sustainable value growth in state-owned enterprises, sustainable business is integrated into corporate governance. State-owned enterprises should act as role models within the area of sustainable business and should otherwise behave in a manner that instils public confidence. The Government's work on sustainable business is based on the Brundtland Commission's original definition of sustainable development from 1987: *Sustainable development is development which meets the needs of current generations without compromising the ability of future generations to meet their own needs.* Sustainable business includes the areas of environment, human rights, working conditions, anti-corruption and business ethics as well as gender equality and diversity. Companies' acceptance of responsibility in the field of sustainable business contributes to their competitiveness. The integration of sustainability issues into operations is thus a self-evident component of a long-term business strategy and development. Tracking of the companies' work on sustainable business is integrated with other owner issues through dialogue between representatives of the owner and the company.

3.2 Act as role models

3.2.1 Introduction

State-owned enterprises shall act as role models with regard to sustainable business, meaning, in particular, that they shall

- Work strategically, integrating these issues into their business strategies and establishing strategic sustainability targets;
- Act transparently in matters involving material risks and opportunities and pursue an active dialogue with the company's stakeholders in society;
- Cooperate with other companies and relevant organisations; and

- Comply with international guidelines in the area.

The points above are elaborated further under 3.2.2–3.2.5.

The Government considers environmental and climate management important and acts to ensure that the generation target and environmental quality targets approved by the Riksdag are achieved. State-owned enterprises must act as role models within the area of environment, meaning among other things that the companies should strive to reduce their environmental and climate impact through sustainable and non-toxic use of resources.

The overarching objective of the Government's work to foster diversity is to generate value for Swedish society by deriving benefit from competence and experience from all of society. No discrimination is permitted based on gender, transgender identity or expression, ethnic affiliation, religion or other belief, disability, sexual preference or age in relation to employees, business partners, customers, suppliers, or others with whom the companies come into contact. State-owned enterprises shall take aspects of diversity into account in their operations and personnel policies.

State-owned enterprises should be role models in gender equality. The Government regards it as an ongoing and urgent priority to derive benefit from the expertise and experience of both women and men. This applies in particular to companies' managerial appointments. The Government places considerable importance on increasing the percentage of women in executive management positions. Just as the state in its capacity as owner promotes balanced gender representation on its boards of directors, it is essential that state-owned enterprises steer development towards more balanced gender representation in senior management. State-owned enterprises shall, even in other regards, work actively on issues of equality throughout their operations.

One way of acting as a role model within the areas of anti-corruption and business ethics is to comply with the *Code regarding gifts, rewards and other benefits in business* established by the Swedish Anti-Corruption Institute.

3.2.2 Working strategically

Based on the sectors and markets in which they operate, it is important that companies identify and manage risks and business opportunities in the area of sustainable business. State-owned enterprises should have a well-considered and broadly accepted policy and strategy, as well as established strategic targets in the area of sustainable business. The targets should be few in number, comprehensive and relevant to the company's business operations and sustainability challenges and, where applicable, relevant to the company's specifically adopted public policy assignment. The targets should also be long term, challenging and trackable, while being distinct and easy to communicate. It is the responsibility of the board to establish targets and strategies for the company's work on sustainable business.

3.2.3 Transparent conduct

By maintaining an open and constructive dialogue with key stakeholders, state-owned enterprises act transparently with regard to risks and opportunities in the area of sustainable business and how the companies are working to handle them. Furthermore, state-owned enterprises are to communicate their work on sustainable business both externally and internally. In the Government's guidelines for external reporting, adopted in 2007, clear requirements are set out for reporting and accounting for the companies' work on sustainable business.

3.2.4 Cooperation

To promote exchange of knowledge and efficiency in the area of sustainable business, state-owned enterprises are expected to work actively in the area, both in their own operations and in cooperation with business partners, customers, suppliers and other stakeholders.

3.2.5 Compliance with international guidelines

The state-owned enterprises shall work to foster compliance with international guidelines regarding environmental consideration, human rights, working conditions, anti-corruption and business ethics. The Government has identified the following international principles and policies that are essential for the state-owned enterprises to follow: the ten principles in the UN's Global Compact, the UN Guiding Principles for Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. These principles and guidelines are based on international conventions and agreements and have been formulated in collaboration among states, companies, labour organisations and other stakeholders with the purpose of providing the business sector guidance in the handling of risks and business opportunities in the area of sustainable business.

Appendix 1 Guidelines for external reporting

Appendix 2 Guidelines for terms of employment for senior executives

Guidelines for external reporting

The Government adopted the following guidelines for external reporting by state-owned enterprises on 29 November 2007. These replace the previous guidelines adopted in 2002. The guidelines have been supplemented with expanded and clearer information requirements regarding sustainability. The state-owned enterprises are subject to the same laws as privately owned companies, including the Companies Act, the Bookkeeping Act and the Annual Accounts Act. These guidelines complement the current accounting legislation and generally accepted accounting principles. The companies must present their reports in accordance with these guidelines as of the reporting period that began on 1 January 2008.

Introduction

The state is a significant company owner in Sweden. The companies represent considerable values and are ultimately owned by the Swedish people collectively, which calls for transparent and professional communication of information.

Communication of information

Key words for the Government's administration of the companies are transparency, active ownership and good order and organisation. The overarching governance objective is that these companies should create value and, where applicable, express public interests. The external reporting of the state-owned enterprises, which includes the annual report, interim reports, the corporate governance report, the statement on internal control and the sustainability report, are to be as transparent as the reporting of listed companies. This reporting is to provide a comprehensive description of the state-owned enterprises' operations as well as basic data for ongoing tracking and evaluation of the companies' operations and established goals. The Government assesses compliance with the guidelines for external reporting for state-owned enterprises and reports the outcome in the Government's annual report on state-owned enterprises to the Riksdag. A responsible and professional owner should, among other tasks, assume responsibility for issues relating to sustainable development, such as ethical issues, the environment, human rights, gender equality and diversity. All companies bear this responsibility, but the state-owned enterprises must set an example and be at the forefront of this effort. The Government is reinforcing its ambitious stance in this field and, through these guidelines, is imposing clearer demands for reporting and accounting. According to the state's ownership policy, the boards of state-owned enterprises are responsible for matters relating to ethical issues, the environment, human rights, gender equality and diversity. That the companies have a well-considered strategy for these sustainability issues is an integral part of the ownership policy. This work is to be communicated both internally and externally. Sustainability reports are a tool for driving sustainable development activities forward by working systematically with clear reporting and tracking. The boards of state-owned enterprises are responsible for ensuring that companies present sustainability reports in accordance with Global Reporting Initiative (GRI) guidelines which, together with other financial reports, form an integrated basis for assessment and tracking. The GRI guidelines are international regulatory guidelines for sustainability reports.

Application of the guidelines

State-owned enterprises are required to apply these guidelines. In those cases where the state is one of a number of joint owners, the Government intends, in consultation with the company and the other owners, to promote application of these guidelines by jointly owned companies as well.

These guidelines are based on the principle of "comply or explain," which means that a company may deviate from the guidelines if a clear explanation and justification of the deviation is provided. This design enables the guidelines to be applicable and relevant to all companies, regardless of size or industry, without having to abandon the main purpose of accounting

and reporting. The board is required to describe in the annual report how the guidelines have been applied during the preceding reporting period and to comment on any deviations.

Responsibilities

The boards of the state-owned enterprises are responsible for ensuring that the companies' accounting and reporting comply with these adopted guidelines. The companies must begin reporting in accordance with the guidelines as soon as possible and not later than the reporting period that began on 1 January 2008. In addition to current accounting legislation and generally accepted accounting principles, in applicable parts, the boards of the state-owned enterprises are responsible for ensuring that the companies present the annual report, interim reports and year-end reports in accordance with the rules of OMX Nordic Exchange Stockholm AB¹ in the listing agreement. This also means that the companies are required to present a corporate governance report and a statement on internal control in accordance with the Swedish Code of Corporate Governance.

The companies must also comply with the requirements in the Act on Insight into Financial Links and Related Matters (2005:590), the "Transparency Act". Furthermore, the boards are responsible for ensuring that the companies present a sustainability report in accordance with GRI guidelines. The regulatory framework to which the companies are subject is changed and updated continuously. The state-owned enterprises are expected to monitor developments and changes in legislation, standards and recommendations as these occur. The board must monitor developments and decide without delay on relevant measures resulting from these changes.

Principles for external reporting and responsibility for reporting

Annual report

In the *annual report*, the state-owned enterprises must, in accordance with the Annual Accounts Act (1995:1554), present information including a fair picture of the development of the company's operations, financial position and results in accordance with laws and customary practice. This includes, for example:

- Business concept, strategy, business activities, market, customers and competitors and organisation.
- Risks and risk management, opportunities and threats, sensitivity analysis that describes the main financial risks of the company.
- A description of the company's material non-financial risks and uncertainties significant to understanding the company's results, position and outlook.
- Investments, acquisitions and important events that have taken place during and after the financial year.
- The operations of the company in research and development.
- The work of the board and its composition during the year.
- Remuneration of senior executives and description of incentive schemes.

In addition, the annual report is to include a report on or information about:

- Financial and non-financial targets, the dividend policy adopted, operational objectives and compliance with targets and objectives.
- The company's ethical principles, code of conduct and gender equality policy.
- The company's work on matters relating to sustainability, including work on gender equality, diversity and ethics.
- The Government's commission to the company, objectives related to the commission and measurement of attainment of these objectives through, for example, customer surveys. These commissions may be formulated in different ways for different companies including through government bills, Riksdag communications, committee reports, Swedish Government Official Reports (SOU) and articles of association.
- The company's work to comply with Government guidelines and the policies that affect all state-owned enterprises, such as the ownership policy, these guidelines and the guidelines for terms of employment for senior executives.

Sustainability report

A *sustainability report* in accordance with the GRI guidelines is to be published on the respective company's website in conjunction with publication of the company's annual report. The sustainability report may either be a separate report or an integrated part of the annual report document.

A sustainability report in accordance with the GRI guidelines includes:

- A report and brief analysis of sustainability issues regarded as important for the company, plus the associated reasons.

¹ Name changed to NASDAQ OMX Stockholm Aktiebolag.

Overview of principles for reporting financial and non-financial information

	Financial information	Non-financial information	
Reasons	Track and assess the financial development of the companies	Track and assess the companies' corporate governance, sustainability work and performance of any public policy assignments	
Source	Laws and standards	Guidelines	Decisions by the owner
Basic principle	IFRS	The Code of Corporate Governance GRI	Decisions by the annual general meeting (Government guidelines) (Riksdag decisions)
Annual	Annual report Year-end report	Sustainability report Corporate governance report Statement on internal control	Report on compliance with any public policy assignments
During the year	Interim reports (quarterly)	KPIs, if applicable	
Ongoing	Special press releases/information; transparency in relation to the public and the media		

Laws and recommendations providing guidance

Laws and directives:

- The Companies Act (2005:551) ABL
- The Bookkeeping Act (1999:1078) BFL
- The Annual Accounts Act (1995:1554) ÅRL
- The Annual Accounts in Credit Institutions and Securities Companies Act (1995:1559), ÅRKL
- The Annual Accounts in Insurance Companies Act (1995:1560), ÅRFL
- The Insight into Certain Financial Links and Related Matters Act (2005:590)
- The Securities Market Act (2007:528)

Examples of standardisation bodies:

- International Accounting Standards Board, IASB
- Swedish Accounting Standards Board
- Nasdaq OMX Nordic
- Swedish Financial Reporting Board
- The recommendations of the EC institutions as adopted by the institute for the accounting profession in Sweden, FAR
- Swedish Corporate Governance Board
- Global Reporting Initiative, GRI
- SFF (Swedish Society of Financial Analysts)

- Transparent reporting of the risks and opportunities related to sustainability issues, particularly such non-financial risks and opportunities required in order to understand the company's development, results and position.
- Transparent reporting of implemented stakeholder analyses and stakeholder dialogues in order to identify and take a position in relation to significant risks and opportunities related to sustainability issues applying to the company's main stakeholders.
- Reporting of the company's strategies and alignment to sustainable development requirements and how the strategy and alignment affect the company's current results and position, and how they will affect them in the future.
- Reporting of the company's stance in its own policy documents and in the form of international conventions, such as the UN's Global Compact.
- An account of how proactive sustainability work is pursued with objectives, action plans, allocation of responsibility, education and training in addition to control and incentive systems for tracking.
- A clear report on results and objectives based on selected performance indicators. These are to be complemented by explanations in the body of the text explaining the outcome in relation to the objectives together with a report on new objectives.
- Accounting principles that clarify the company's points of departure for the report and the delimitation of the same.

The sustainability report must be quality assured by independent review and assurance. The date for publication of the report is to comply with the reporting cycle for the annual report.

Quarterly reports

The companies must publish quarterly interim reports.

Timetable for publication of reports

The companies must publish quarterly reports, year-end reports and annual reports on the company's website. The annual report should be available both in a printed version and in PDF format published on the company's website. The sustainability report and interim reports are to be available in PDF format on the company's website.

- The annual report is to be published not later than 31 March.
- The sustainability report is to be published not later than 31 March.
- The corporate governance report and the statement on internal control are to be published not later than 31 March.
- The year-end report (Q4) is to be published not later than 15 February.
- The six-monthly report (Q2) is to be published not later than 15 August.
- Quarterly reports for January–March (Q1) are to be published not later than 30 April.
- Quarterly reports for January–September (Q3) are to be published not later than 30 October.

Appraisal

An assessment and report on compliance with these guidelines will be included in the Government's annual report on state-owned enterprises.

Guidelines for terms of employment for senior executives

On 20 April 2009, the Government adopted the following guidelines for terms of employment for senior executives in state-owned enterprises.

Introduction

The state is a significant company owner in Sweden and bears a substantial responsibility to be an active and professional owner. The Government manages the state-owned enterprises and its overarching objective is that the companies should create value and, where applicable, ensure that expressed public interests are met. Reasonable and well-considered remuneration of senior executives is a key part of achieving this objective. Reasonable remuneration is also important for confidence in the business sector as a whole.

The Government's administration of state-owned enterprises must be both transparent and clear. Accordingly, external reporting by state-owned enterprises must be at least as transparent as that of listed companies in this regard. This also applies to the remuneration of senior executives.

It is important that the boards deal with issues relating to remuneration of senior executives in a deliberate, responsible and transparent way and that the boards ensure that *total remuneration* is reasonable, characterised by moderation and fosters high ethical standards and a sound corporate culture.

The Government monitors and evaluates compliance with these guidelines. The appraisal is intended to examine how companies have applied the guidelines and fulfilled the remuneration principles in the guidelines. This evaluation is reported in the Government's annual written communication to the Riksdag with the report on state-owned enterprises.

Area of application

These guidelines replace the Government's previous Guidelines for Terms of Employment for Senior Executives in State-owned enterprises (3 July 2008). The board is responsible for renegotiating existing contracts with senior executives with variable salaries so that they accord with these guidelines. Other existing contracts with senior executives that conflict with these guidelines should be renegotiated.

The guidelines are a component of the state's ownership policy¹. They apply to companies in which the state has a controlling influence through its ownership in a manner corresponding to the provisions made in Chapter 1, Section 11, of the Companies Act (2005:551). Furthermore, these companies must apply the guidelines in their subsidiaries. In other companies in which the state is a joint owner, either directly or through a company, the Government or the company, respectively, should promote application of the guidelines to the greatest possible extent, in dialogue with the owners.

The board's area of responsibility

As for listed companies, the boards of the state-owned enterprises are required to propose guidelines for remuneration of senior executives for decision by the annual general meeting and thus apply the pertinent rules contained in Chapter 8, Sections 51–54 of the Companies Act (2005:551). The guidelines proposed by the Board are to be compatible with the Government's guidelines and state, among other aspects,

- How the board ensures that remuneration complies with these guidelines, and
- That there is written documentation showing the cost for the company before any decision on individual remuneration is reached.

The remuneration of the chief executive officer is the responsibility of the *board as a whole*. The board is also to ensure that the remuneration of the chief executive officer and other senior executives is within the guidelines decided upon by the annual general meeting.

The board must verify that the chief executive officer has ensured that the company's remuneration to other employees is based on the remuneration principles below.

The board is required to report on the special reasons for deviating from the Government's guidelines in any particular case.

Remuneration principles

The total remuneration payable to senior executives should be reasonable and well considered. It should also be competitive, capped and appropriate, while fostering high ethical standards and a good corporate culture. The remuneration paid should not be wage-leading in relation to comparable com-

panies, but be characterised by moderation. It is also to provide guidance for the total amount of remuneration payable to other employees.

Variable salary is not to be paid to senior executives. Taking the other principles of these guidelines into consideration, it is permissible to pay a variable salary to other employees.

Defined-contribution pension benefits are to be paid, unless they comply with an applicable group pension scheme. The defined contribution should not exceed 30 per cent of fixed salary. Accordingly, if the company has agreed upon a defined-benefit pension benefit, it must comply with the applicable group pension scheme. Any extensions of the group pension scheme to salary exceeding the income levels covered by the scheme must be defined-contribution based. The company's pension cost is to be capitalised during the active service of the employee. No post-retirement pension premiums for additional pension costs are to be paid by the company. The retirement age is not to be less than 62 and should be at least 65.

If notice to terminate employment is served by the company, the period of notice is not to exceed six months. If the company issues notice of termination of employment, severance pay not exceeding 18 monthly salaries may be paid. Severance pay is to be paid monthly and consist only of the fixed monthly salary without any supplement for benefits. If the former employee takes new employment or earns income from business activity, remuneration from the company is to be reduced by an amount equivalent to the new income during the period when salary and severance pay are paid. No severance pay is to be paid if the employee resigns. Severance pay is never to be paid after the age of 65.

Reporting

The state-owned enterprises are to report remuneration of senior executives in the same way as listed companies. Accordingly, the state-owned enterprises are required to comply with the specific rules for reporting remuneration of senior executives that apply to listed companies and public limited companies. The rules for this procedure are stipulated in the Companies Act (2005:551) and in the Annual Accounts Act (1995:1554). Furthermore, remuneration of each individual senior executive is to be reported separately, in terms of information about fixed salary, benefits and severance pay.

At the annual general meeting, the board is to report on whether the adopted guidelines have been complied with and explain any deviation. Furthermore, the company's auditor, ahead of every annual general meeting, is required to submit a written signed statement to the board stating whether the auditor considers that the guidelines applicable since the previous annual general meeting have been complied with or not.

In addition, the chairman of the board is to provide an oral account at the annual general meeting of the remuneration of the senior executives and how this relates to the guidelines adopted by the annual general meeting.

Definitions

- *Senior executive* refers to the chief executive officer and other individuals in the executive management of the company. This group corresponds to the persons covered by Chapter 8, section 51, of the Companies Act (2005:551). It includes persons who belong to executive management groups or similar bodies and managers who report directly to the chief executive officer.
- *Remuneration* refers to all remuneration and benefits payable to the employee, such as salary, benefits and severance pay. Remuneration from companies in the same group is also to be included.
- *Benefits* refers to all forms of remuneration for work provided in a non-cash form, such as pensions and car, housing and other taxable benefits.
- *Variable salary* includes e.g., incentive programmes, bonuses, payments from profit-sharing foundations, commission salary and comparable payments.
- *Defined contribution pension* (premium-defined pension) means that the pension premium is set at a particular percentage of the current fixed salary.
- *Defined benefit pension* means that the amount of the percentage is determined as a particular percentage of a defined fixed salary.
- *Subsidiary* refers to the legal entities referred to in Chapter 1, Section 11, of the Companies Act (2005:551).

¹ Included in the Annual Report for state-owned enterprises (the Government's annual communication to the Riksdag providing an account of the management of state-owned enterprises).

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Definitions and acronyms

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 divided by equity.

Dividend – Dividend data refer to dividends approved by the subsequent annual general meeting.

Equity/assets ratio – Equity including minority share divided by 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 company'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 liability divided by 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.

Return on equity (average) – Net profit/loss attributable to owners of the parent as a proportion of average equity attributable to owners of the parent. In certain cases, the calculation is based on adjusted equity, in which case this is specified.

Return on capital employed (average) – Operating profit/loss plus financial income in relation to average capital employed.

Return on operating capital (average) – Operating profit/loss in relation to average operating capital.

Industry-specific key ratios

Financial companies

Capital adequacy ratio – Capital base as a percentage of risk-weighted assets.

Common equity Tier 1 capital ratio – Tier 1 capital in relation to total risk-weighted assets.

Common equity Tier 1 capital – Equity less certain deductible items, such as goodwill.

Property companies

Surplus ratio – Net operating income divided by rental income.

Acronyms

EMAS – EU Eco Management and Audit Scheme.

EPD – International system for Environmental Product Declarations.

GRI – Global Reporting Initiative, international guidelines for sustainability reporting.

IFRS – International Financial Reporting Standards.

(XX) – Figures in brackets following another figure refer to the preceding year.

Investment organisation

The state-owned enterprise portfolio is managed mainly by the Ministry of Enterprise and Innovation under the direction of the Minister for Enterprise and Innovation and within the Division for Innovation and State-Owned Enterprises and the Division for Corporate Governance and Analysis.

Responsible minister and state secretary

Minister for Enterprise and Innovation:

Mikael Damberg

State Secretary:

Eva Lindström

Responsible officials

Director-General, Division for Innovation and State-owned Enterprises:

Carl Rosén

Director-General, Division for Corporate Governance in State-owned Enterprises:

Magnus Skåninger

Director-General, Division for Corporate Governance and Analysis:

Anna Magnusson



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