The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

<table>
<thead>
<tr>
<th>Section</th>
<th>Number of Questions*</th>
<th>Score Based on Publicly Available Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leadership and Organisational Culture</td>
<td>4</td>
<td>8/8</td>
</tr>
<tr>
<td>2. Internal Controls</td>
<td>6</td>
<td>8/12</td>
</tr>
<tr>
<td>3. Support to Employees</td>
<td>7</td>
<td>4/14</td>
</tr>
<tr>
<td>4. Conflict of Interest</td>
<td>4</td>
<td>4/8</td>
</tr>
<tr>
<td>5. Customer Engagement</td>
<td>6</td>
<td>6/12</td>
</tr>
<tr>
<td>6. Supply Chain Management</td>
<td>5</td>
<td>5/10</td>
</tr>
<tr>
<td>7. Agents, Intermediaries and Joint Ventures</td>
<td>10</td>
<td>9/20</td>
</tr>
<tr>
<td>8. Offsets</td>
<td>4</td>
<td>4/8</td>
</tr>
<tr>
<td>9. High Risk Markets</td>
<td>4</td>
<td>5/8</td>
</tr>
<tr>
<td>10. State-Owned Enterprises</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>53/100</strong></td>
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<td><strong>BAND</strong></td>
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*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.
1. Leadership and Organisational Culture

<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
<tr>
<td>1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?</td>
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<table>
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<th>Score</th>
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<table>
<thead>
<tr>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>There is evidence that the company has a publicly stated anti-corruption commitment, which details the company's stance against any form of bribery or corruption within the organisation. It is clear that this commitment was authorised and endorsed by the company's leadership.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
</table>
| [1] Zero Tolerance for Corruption – Message from the President and CEO (Webpage)  
Accessed 24/03/2020  
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/  
A message from our President and CEO  
Saab has a long and successful history of providing cutting edge defence systems and solutions. We are proud of our mission to make societies and people safer. Our vision is that everyone should feel safe.  
As a defence company, our business is largely oriented towards states, governments, governmental authorities and their representatives. We recognise that from this follows a responsibility to ensure that our business is always conducted to the highest ethical standards. We apply the same standards in our business-to-business dealings. Corruption has no place in any part of our operations. Everyone who enters into business with Saab should do so knowing that the relationship is built on solid ground.  
With more than 17 000 employees and sales on all continents, we know that our zero-tolerance of corruption requires us to be thorough. We undertake persistent, systematic, preventive work and foster a culture where every single person in the company is always encouraged to make the right decision; even where it means to walk away from short-term business gains.  
Our anti-corruption programme is manifested in a robust policy framework supported by risk-based corruption prevention procedures, training initiatives, advice, reporting channels and systematic testing and control. The programme is a corner-stone in our strategy for sustainable growth and profitability and has the full support of our board of directors.  
We believe that companies have an important role in the process of fighting corruption. Collective actions can speed up the process and yield greater results. That is why we are taking an active part in the work of IFBEC (International Forum on Business Ethical Conduct) and have signed up to its Global Principles.  
I invite you to learn more about Saab’s anti-corruption working practices and our focus on ensuring that our business is carried out to the highest standards.  
Micael Johansson  
President and CEO, Saab AB |
Accessed 21/03/2020  
Saab has zero-tolerance against bribery and corruption and shall ensure that its operations at all times are conducted free from any form of bribery and corruption.  
This will be achieved through:  
- implementing and developing internal rules, procedures and tools to identify, assess and manage corruption risks in all parts of Saab’s operations |
- continuously training and informing employees, the executive management and the board of directors about corruption risks
- promoting a strong culture of integrity at all levels of the company
- monitoring and controlling compliance with internal rules and procedures
- implementing and maintaining appropriate channels to report suspected violations
- identifying and monitoring relevant legislation and best practice
- where appropriate making use of the global management system and ICT support systems.

Micael Johansson
President and CEO, Saab AB
Question

1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:

   a) All employees, including staff and leadership of subsidiaries and other controlled entities;
   b) All board members, including non-executive directors.

Score

2

Comments

There is evidence that the company publishes an anti-bribery and corruption policy which specifically prohibits bribery, payments to public officials, commercial bribery, and facilitation payments. The company states that the policy applies to all employees and directors, and there is further evidence that it also applies to all employees and the leadership of the company's wider corporate group.

Evidence

Accessed 21/03/2020

[p.3] The Code of Conduct sets out Saab’s ethical standards in a number of areas. All employees must be familiar with and live up to these standards. It is the top level of a framework, which also includes detailed policies and directives for those who are more directly affected than others in a specific area.

Every Saab employee, without exception, has a personal role to play in maintaining Saab’s reputation as a responsible company. I am committed to fostering a working environment where you feel that you can raise any issues, without fear of retaliation. This commitment shall be upheld by all levels of management.

We are what we do.

Micael Johansson
President and CEO, Saab AB

[p.4] What is covered by the Code of Conduct?

The Code of Conduct is based on the ten principles of the UN Global Compact. It is a summary of the standards and principles of conduct expected of all employees.

[...]

Company commitments

The board of directors and management of the company and its employees must commit to these standards and principles. Acts in violation of the Code of Conduct may cause damage to the company’s reputation and may lead to legal actions against the company and employees. They may also be a breach of the terms of employment, which are based on confidence and loyalty, and may lead to labour law actions.

[p.6] We work to prevent corruption and corruptive practices

Saab applies zero tolerance for corruption. This means that we must not under any circumstances be engaged in, encourage or tolerate bribery through payments or other benefits to public officials or private sector employees with the aim of obtaining or retaining business or any other advantage.

We are aware of the risk that payments to market intermediaries may be used to improperly influence business decisions. We are committed to preventing this by implementing and adhering to requirements and procedures in our operations that are consistent with best practice.
The Code of Conduct sets out Saab’s ethical standards in a number of areas. All employees must be familiar with and live up to these standards. It is the top level of a framework, which also includes detailed policies and directives for those who are more directly affected than others in a specific area.

Every Saab employee, without exception, has a personal role to play in maintaining Saab’s reputation as a responsible company. I am committed to fostering a working environment where you feel that you can raise any issues, without fear of retaliation. This commitment shall be upheld by all levels of management.

We are what we do.

Micael Johansson President and CEO, Saab AB

Saab has a Code of Conduct containing ethical guidelines in a number of areas on how the company and its employees are expected to act in contacts with customers, business partners and in society as well as their interaction with one another as colleagues. Saab’s Code of Conduct is a part of the governance of Saab.

Neither Saab nor anyone acting on Saab’s behalf may engage in corruption or provide, authorise, request or receive a bribe either directly or indirectly, including through any third party. This includes the prohibition of facilitation payments, i.e. payments to a public or governmental official to expedite or speed up a routine procedure or service to which the payer is already entitled.

At Saab, mitigating risks is a crucial part of doing business. That is why we have a group wide management process to map and assess risks and create risk awareness.

Policies and Procedures

Code of Conduct

The sustainability report is prepared in accordance with the Annual Accounts Act and comprises all of the Group’s operations for the financial year 2019.
Saab’s sustainability commitment → Defence and security capability → Industrial cooperation → Product safety → Research & Development

Leading compliance programs → Anti-corruption → Export compliance → Information security
Question

1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?

Score

2

Comments

Based on publicly available information, there is evidence that the company has a designated board committee that is ultimately responsible for the oversight of the company's ethics programme. This includes reviewing reports from management on the programme's performance, along with the results of audits and ensuring that required changes are made.

Evidence

[5] Corporate Governance (Document)
Accessed 29/08/2019

[p.69] Internal Boards handle and resolve issues within their respective areas that affect the entire Group and prepare certain issues for decision by the Group Management. Ethics and Compliance Board also reports to the Audit Committee.

[p.70] Board of Directors' committee work

Audit Committee

In accordance with the principles set out in the Swedish Companies Act and the Code, the Board of Directors has appointed an Audit Committee consisting of three members. The work of the Audit Committee is mainly of a preparatory nature, i.e. preparing matters for resolution by the Board. The Audit Committee has certain limited decision-making power. For example, it has established guidelines for services other than auditing that the company may procure from the auditor. The Audit Committee's members following the Annual General Meeting 2018 are Joakim Westh (Chairman of the Committee), Daniel Nodhäll and Erika Söderberg Johnson, whereof both Joakim Westh and Erika Söderberg Johnson are independent of the company and its management as well as of the major shareholders. Moreover, all members of the committee have accounting or auditing competence. The General Counsel, Annika Bäremo, was Secretary to the Audit Committee in 2018.

[...] Moreover, the Audit Committee shall annually monitor and evaluate the effectiveness and appropriateness of the company's business ethics regulations, including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company’s business ethics regulations, including whistleblower reports, through regular reporting from the Ethics and Compliance Board. The company's external auditor participates in the meetings of the Audit Committee. During 2018, the Audit Committee focused especially on current issues relating to the company's financial position, the rights issue, the financial reporting, execution of major projects, budget, risk management, internal control and issues relating to the company’s business ethical rules.

The Audit Committee keeps minutes of its meetings, which are distributed to the other members of the Board. In 2018, the Committee held six meetings.

Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/organisation-and-reporting/

Organisation and Reporting

In order to ensure that policies and regulations are implemented and followed, organisation and reporting structures are the foundation.

Saab's board of directors has the ultimate responsibility for monitoring and evaluating the company's ethics and compliance program. To ensure a well-functioning programme that meets evolving legal requirements and
stakeholder expectations, an internal organisation with delegated tasks and authorities and clear reporting lines has been established.

Saab’s Ethics and Compliance Board (ECB) has the power to decide on Saab’s ethics and compliance programme, e.g. leads and draws up policies and guidelines for the business ethics work, makes decisions on ethical issues and follows up whistleblowing cases. ECB consists of three members of Saab’s Group Management, is led by Saab’s General Counsel and meets eight times per year. At the operational level, Saab has two designated corporate functions, Ethics and Compliance and Market Network Management. Ethics and Compliance is responsible for monitoring, coordination and developing of relevant efforts to prevent corruption as well as provide expertise in this area. Market Network Management oversees the on-boarding of marketing consultants and other third parties.

Apart from the designated functions for anti-corruption work, Saab’s internal auditors review a number of randomly selected engagements every year to verify compliance with the process and ensure that the counterparty is acting in line with our values and contractual terms.

The Audit Committee evaluates the effectiveness of the anti-corruption work and gives annual assignments to ECB, Ethics and Compliance and the internal auditors to improve in specified areas.

Accessed 21/03/2020
[p.68] Zero tolerance for corruption
The Board of Directors is responsible, through the Audit Committee, for overseeing the Code of Conduct and has ultimate responsibility for monitoring and evaluating business ethics. The Ethics and Compliance Board leads and draws up guidelines for this work, makes decisions on ethical issues and follows up whistleblowing cases. It meets at least eight times a year and is led by Saab’s General Counsel, who reports to the Board of Directors’ Audit
Committee. Other important functions are Ethics and Compliance, which are responsible for monitoring, coordinating and developing efforts to prevent corruption and provides expertise in this area, and Market Network Management, which, in collaboration with the marketing and product functions, oversees the entire process of hiring marketing consultants and other third parties.

[p.77] Monitoring and evaluation

[…]

- Saab’s Internal Audit reports directly to the Audit Committee and the CFO. Internal Audit follows the internal audit plan adopted by the Audit Committee and performs independent and objective reviews in order to evaluate and increase the efficiency of the internal control. The function also performs an annual review of reporting from the self-assessment process.
Question

1.4. Is responsibility for implementing and managing the company’s anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company’s programme?

Score

2

Comments

Based on publicly available information, there is evidence that a designated senior executive – the General Counsel – has ultimate responsibility for implementing and managing the company's ethics programme. It is clear that this person has a direct reporting line to the board committee that provides oversight of the ethics programme. There is evidence of reporting and feedback activities between this person and the board as part of the company's reporting structure.

Evidence

Accessed 21/03/2020
[p.68] Zero tolerance for corruption
The Board of Directors is responsible, through the Audit Committee, for overseeing the Code of Conduct and has ultimate responsibility for monitoring and evaluating business ethics. The Ethics and Compliance Board leads and draws up guidelines for this work, makes decisions on ethical issues and follows up whistleblowing cases. It meets at least eight times a year and is led by Saab’s General Counsel, who reports to the Board of Directors’ Audit Committee. Other important functions are Ethics and Compliance, which are responsible for monitoring, coordinating and developing efforts to prevent corruption and provides expertise in this area, and Market Network Management, which, in collaboration with the marketing and product functions, oversees the entire process of hiring marketing consultants and other third parties.

[p.70] The General Counsel, Annika Bäremo, was Secretary to the Audit Committee in 2018.

[p.74] Moreover, the Audit Committee shall annually monitor and evaluate the effectiveness and appropriateness of the company’s business ethics regulations, including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company’s business ethics regulations, including whistleblower reports, through regular reporting from the Ethics and Compliance Board.

Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/organisation-and-reporting/
Organisation and Reporting

[...]

Saab’s Ethics and Compliance Board (ECB) has the power to decide on Saab’s ethics and compliance programme, e.g. leads and draws up policies and guidelines for the business ethics work, makes decisions on ethical issues and follows up whistleblowing cases. ECB consists of three members of Saab’s Group Management, is led by Saab’s General Counsel and meets eight times per year.
2. Internal Controls

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Score</th>
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<tbody>
<tr>
<td>2</td>
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<table>
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<tr>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>There is evidence that the company has a formal bribery and corruption risk assessment procedure that informs the design of the anti-bribery and corruption programme. The results of risk assessments are reviewed by the board on at least an annual basis. There is evidence that the results of such reviews are used to develop mitigation plans.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
</table>
| [8] Corruption Risk Management (Webpage)  
Accessed 29/08/2019  
Corruption risk management  
At Saab, mitigating risks is a crucial part of doing business. That is why we have a group wide management process to map and assess risks and create risk awareness. Saab’s enterprise risk management process aims to give a group-wide picture of Saab’s top risks. The process is annual and includes a systematic review of the strategic, operational, political, financial and compliance risks associated with the operations of each Business Area, Market Area or Group Function. Identified risks are measured in terms of impact, likelihood of occurrence and effectiveness of risk control and the result is reported to the Group Management and the Board of Directors, and is the basis for control and mitigations plans.  
Corruption risks are part of the compliance category and are mapped and assessed through a risk matrix highlighting risk factors relevant for Saab’s business operations, such as geographical markets, size of sales and business prospects, type of customer and customer interaction, license or permit requirements, existence of business intermediaries and business partner interaction, employee training and risk awareness.  
The enterprise risk management process is an important tool to create awareness of corruption risks at an operational level and to identify and prioritise areas for the continued improvement of Saab’s corruption prevention procedures.  
Specific corruption risk management processes and tools are integrated in Saab’s global management system. Market appraisal, business development, tendering and contracting, business partner onboarding, procurement and M&A are operations where identification and mitigation of corruption risks are an integral activity, and supported by specifically designed processes, methods and tools.  
Industry benchmarking and root cause analysis of whistleblowing cases and internal investigations are other important elements in the development of Saab’s anti-bribery and corruption program. |
| [12] Corruption Risk Management (Document)  
Accessed 29/08/2019  
[p.2] CORRUPTION RISK ASSESSMENT  
-- PURPOSE AND PARAMETERS  
The purpose of the risk assessment is to identify all corruption risks associated with the agreement and, where needed, mitigate identified risks to an acceptable level. Where the risk exposure is unacceptable, Saab shall abstain from the relationship. |
The relevant risk parameters vary depending on the relationship, but the following factors are generic and shall always be part of the assessment:

- **The country**
  - Corruption risk in general

- **The customer**
  - Private or public
  - Sector or segment

- **The business case**
  - Value
  - Complexity
  - Procurement method

- **The business partner**
  - Form and size of company
  - Ownership and key individuals
  - Role and scope of work
  - Relationship with the customer
  - Track record and reputation
  - Compliance maturity

- **The form and size of the remuneration**

- **Balance between effort, risk and reward**

In addition to these parameters, there may be factors that are specific to the relationship and which must be included in the assessment.

[p.3] CORRUPTION RISK ASSESSMENT – METHODOLOGY

How do I identify risks?

Risks may be identified using different intelligence sources and methods.
- TI’s Corruption Perception Index (CPI) and Government Defense Anti-corruption Index
- Open source search, e.g. Google
- Financial and trade registers, e.g. Dunn & Bradstreet
- Checking the third party against blacklisting
- Due Diligence Questionnaire
- Meetings and interviews
- Due Diligence through external sources

How do I mitigate risks?

Identified risks may be mitigated and managed through different means both before and during agreement execution.
- Harmonization of compliance programs (recognition of Saab’s standards)
- Compliance training
- Business ethics clauses in the agreement
- Audit rights
- Regular monitoring and review

Are the same efforts always required?

A fundamental principle in corruption risk management is to adjust the efforts to the risk level, i.e. to apply proportionate procedures. Accordingly, in cases where the risks are likely to be significant, substantial efforts must be made to identify and assess the actual risks and bring them to an acceptable level, while more limited efforts should be applied where the risks are likely to be lesser.

[...]

A corruption risk assessment checklist, which enables a structured documentation of the risk assessment, is available in the Global Management System (GMS) and on the Business Ethics section on Saabnet. This checklist shall be used whenever motivated by the risk level.

A well-documented and well-founded risk assessment is a key component in our risk management.

Where can I get help?
The functions Ethics and Compliance and Market Network Management can provide advice and assistance in all phases of the risk analysis.

Accessed 29/08/2019

[p.2] 2 Purpose

Saab adheres to a policy of zero tolerance of bribery and corruption.

The purpose of this document is to lay down the rules and procedures to be applied at Saab in order to prevent bribery and corruption in all activities under Saab’s control. It is the responsibility of each Business Area, Market Area and Group Function to ensure that its operations are always conducted in full compliance with this document.

Non-compliance with the requirements herein will result in disciplinary actions up to and including termination of employment.

Accessed 21/03/2020

[p.58] Planned activities in 2020

[…]

- Launch a corruption risk tool for Enterprise Risk Management.
### Question

2.2. Is the company’s anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?

<table>
<thead>
<tr>
<th>Score</th>
<th>1</th>
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</table>

### Comments

There is some evidence that the company's anti-bribery and corruption programme is subject to internal audit and that findings are presented to the Audit Committee and the board. The company indicates that the Audit Committee is responsible for evaluating the company’s anti-corruption and that it tasks internal auditors to evaluate and update specific areas of the programme on an annual basis. There is also evidence that the company conducts regular audits on a per-country basis, with evidence suggesting that it conducts approximately three per year.

However, the company receives a score of ‘1’ because it does not specify that its entire programme is audited to ensure that it is consistent with high standards of best practice and the business risks facing the company.

### Evidence

**[6] Organisation and Reporting (Webpage)**  
Accessed 29/08/2019  
The Audit Committee evaluates the effectiveness of the anti-corruption work and gives annual assignments to ECB, Ethics and Compliance and the internal auditors to improve in specified areas.

Accessed 21/03/2020  
[p.52] Risk: Compliance risks

**Management**

Compliance issues are integrated in the business strategy and affect Saab’s strategic priorities. This work is guided by Saab’s Code of Conduct, which is adopted by the Board of Directors.

- Policy of zero tolerance for bribes and corruption
- Strict scrutiny of marketing consultants and business partners.

[...]

- ISO 9001 and 14001 certified.
- Saab’s internal ethics and compliance function.
- Internal Control and Internal Audit.

[p.58] Anti-Corruption

Examples of activities in 2019

[...]

- Completed three policy audit in Australia, India and Czech Republic

Planned activities in 2020

[...]

- Perform policy audits in at least four countries.

Accessed 29/08/2019  
Follow-up and control

Internal Audit will in accordance with tasks given by the Saab board of directors pay particular attention to compliance with this directive and the internal rules and procedures referenced herein.
Question

2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?

Score

2

Comments

There is evidence that the company has a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels. There is evidence that the company takes steps to ensure the independence of its investigations, conducts a root cause analysis and reports investigative findings to the board. For whistleblowing cases, there is a procedure in place that stipulates documentation and actions to be taken at every step of the case, and the company commits to informing whistleblowers of the outcome, if they so wish. The Ethics and Compliance Board and the Board of Director's Audit Committee receive statistics and information on investigation results on at least a quarterly basis.

Evidence

[10] Whistleblowing at Saab (Document)
Accessed 29/08/2019

[1.6 Investigation of reports]
Anyone who receives a whistleblowing report has a duty to ensure that a proper investigation is initiated in accordance with Saab’s internal procedures.

Reports registered in the Saab Whistleblowing Hotline are collected and processed by an independent service provider, EthicsPoint, who forwards the reports to the Whistleblowing Investigation Team.

The Saab Whistleblowing Hotline makes it possible for the Whistleblowing Investigation Team to communicate with a reporter who wishes to remain anonymous, and also allows reporters to follow up on reports by using a specific report number and a PIN-code.

The Whistleblowing Investigation Team consists of a limited number of people who are entrusted to investigate whistleblowing reports throughout the entire Saab Group. The Whistleblowing Investigation Team is monitored by and reports directly to the Ethics and Compliance Board, which is the highest executive authority for all matters relating to business ethics and anti-corruption issues within the Saab Group.

Information concerning reports will only be shared with individuals outside the Whistleblowing Investigation Team, and the Ethics and Compliance Board, on a strict need-to-know basis and subject to confidentiality undertakings.

For more information on how investigations are conducted, please see INF-0399 App 1.

Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/whistleblowing/

The investigations are conducted by an authorised team under a protocol setting out standards regarding due process, confidentiality, data privacy etc. Each investigation shall include a root cause analysis and a recommendation as to any preventive actions to be taken as a result. Statistics and investigation results are reported to the Ethics and Compliance Board and the Board of Director's Audit Committee every quarter.

Accessed 21/03/2020

[p.74] Moreover, the Audit Committee shall annually monitor and evaluate the effectiveness and appropriateness of the company's business ethics regulations, including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company's business ethics regulations, including whistleblower reports, through regular reporting from the Ethics and Compliance Board.
Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/organisation-and-reporting/
Saab’s Ethics and Compliance Board (ECB) has the power to decide on Saab’s ethics and compliance programme, e.g. leads and draws up policies and guidelines for the business ethics work, makes decisions on ethical issues and follows up whistleblowing cases.

[8] Corruption Risk Management (Webpage)
Accessed 29/08/2019
Industry benchmarking and root cause analysis of whistleblowing cases and internal investigations are other important elements in the development of Saab’s anti-bribery and corruption program.

[37] Whistleblowing Investigation Protocol (Document)
Accessed 05/05/2020

[p.1] 1 The Whistleblowing Investigation Team

The Whistleblowing Investigation Team (WIT) shall be made up of:

· the Chief Compliance Officer
· the Head of Internal Audit
· the Head of Labour Law and Industrial Relations
· the Head of Compliance & Investigation.

The WIT may appoint other members or involve other functions as appropriate.

2 Review of incoming reports

Upon receipt of a complaint the WIT shall make an initial determination:

a) whether the complainant qualifies as a whistleblowing
b) who shall be responsible for investigating the complaint
c) whether there is a need to inform the Ethics and Compliance Board about the complaint
d) whether there is a need to inform any other organisation, function or individual.

Where the complaint does not qualify as a whistleblowing, the reporter shall be informed of the decision and where possible advised of any alternative reporting avenue.

[p.2] 3 Conducting an investigation

If an investigation is commissioned it shall be conducted in accordance with the following steps and principles:

a) the investigation shall be conducted in a fair and objective manner
b) review of the complaint and all documentation submitted in support of it
c) the reporter and other persons relevant to the investigation shall be interviewed, all interviews shall be documented, where appropriate the interviewee shall be appointed a contact person at Group HR and/or Group Security
d) identify and collect other information and documentation relevant to the investigation, information in IT-systems shall be requested through the Security Investigation Team
e) identify and keep track of any time bar rules that may affect the investigation or its outcome
f) continuously consider whether there are other measures that may be relevant to the investigation
g) where an allegation has been made against a named individual, the person concerned shall be informed of the allegation and the evidence supporting it (the identity of the whistleblower shall not be disclosed), the person will be invited to respond to the allegation before any conclusion is reached, the point at which it is appropriate to inform the individual will depend on the nature of the complaint
h) the investigation shall be kept confidential to the fullest extent possible, to safeguard confidentiality the investigation shall normally be assigned a code name and relevant material shall be marked “Company Confidential” and, where applicable, “Legally Privileged”
i) the investigation shall be conducted without undue delay.
The Ethics and Compliance Board shall be informed about whistleblowing cases and investigations quarterly or whenever required.

6 Closure of the investigation

At the conclusion of an investigation a report shall be prepared. The report shall broadly outline:

a) the details of the whistleblowing report
b) the information and evidence collected during the investigation
c) the conclusion reached by the investigation and the reasoning behind the conclusion
d) the recommendation as to any action to be taken and as to who should be the appropriate decision-maker in respect of any such action.

The reporter shall be informed of the closure of the investigation. When the investigation has been closed any personal data recorded in the whistleblowing system shall be identified and deleted.

7 Other investigations

The WIT may conduct investigations based on information received from other sources than a whistleblowing complaint, if the information indicates a serious violation of Saab’s Code of Conduct. Such investigations shall be conducted in accordance with the same principles as set out above.
Question

2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?

Score

1

Comments

There is evidence that the company assures itself of the quality of both its internal investigations and whistleblowing procedures. The company indicates that investigations are undertaken by the company’s most senior compliance officers, and it is therefore assumed that they are properly qualified and trained to undertake the investigations. There is also some evidence that the investigation team is overseen by the Ethics and Compliance Board.

However, the company makes no mention of how complaints about the investigation process might be handled or whether they are appropriately escalated. There is also no evidence that the company reviews its investigations procedure at least every three years or in response to any changes in the regulatory environment.

Evidence

[37] Whistleblowing Investigation Protocol (Document)
Accessed 05/05/2020
[p.1] 1 The Whistleblowing Investigation Team

The Whistleblowing Investigation Team (WIT) shall be made up of:

· the Chief Compliance Officer
· the Head of Internal Audit
· the Head of Labour Law and Industrial Relations
· the Head of Compliance & Investigation.

The WIT may appoint other members or involve other functions as appropriate.

[p.4] 7 Other investigations
The WIT may conduct investigations based on information received from other sources than a whistleblowing complaint, if the information indicates a serious violation of Saab’s Code of Conduct. Such investigations shall be conducted in accordance with the same principles as set out above.

[10] Whistleblowing at Saab (Document)
Accessed 29/08/2019
[p.3] The Whistleblowing Investigation Team consists of a limited number of people who are entrusted to investigate whistleblowing reports throughout the entire Saab Group. The Whistleblowing Investigation Team is monitored by and reports directly to the Ethics and Compliance Board, which is the highest executive authority for all matters relating to business ethics and anti-corruption issues within the Saab Group.
**Question**

2.5. Does the company’s investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?

| Score | 2 |

**Comments**

There is evidence that the company commits to report material findings of bribery and corruption from internal investigations to the Audit Committee, the designated board committee responsible for anti-corruption, and the Ethics and Compliance Board, a managerial-level committee. Although the company does not explicitly make reference to a senior individual responsible for ensuring the disclosure of criminal offences to relevant authorities, there is sufficient evidence to indicate that the head of the Ethics and Compliance Board – the Saab General Counsel – is responsible for this process.

**Evidence**

Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/whistleblowing/
Statistics and investigation results are reported to the Ethics and Compliance Board and the Board of Director’s Audit Committee every quarter.

Accessed 21/03/2020
[p.74] Moreover, the Audit Committee shall annually monitor and evaluate the effectiveness and appropriateness of the company’s business ethics regulations, including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company’s business ethics regulations, including whistleblower reports, through regular reporting from the Ethics and Compliance Board.

[10] Whistleblowing at Saab (Document)
Accessed 29/08/2019
[p.2] 1.3 Confidentiality and remaining anonymous

Regardless of which reporting channel is used, all reports will be treated in confidence. Confidentiality will be maintained to the fullest extent possible during the investigation and conclusion of your report. If it is decided that a matter needs to be further investigated by law enforcement the report may be shared with such authorities.

[p.3] The Whistleblowing Investigation Team consists of a limited number of people who are entrusted to investigate whistleblowing reports throughout the entire Saab Group. The Whistleblowing Investigation Team is monitored by and reports directly to the Ethics and Compliance Board, which is the highest executive authority for all matters relating to business ethics and anti-corruption issues within the Saab Group.

Information concerning reports will only be shared with individuals outside the Whistleblowing Investigation Team, and the Ethics and Compliance Board, on a strict need-to-know basis and subject to confidentiality undertakings.

[p.5] Personal data may also be transferred to law enforcement authorities if it is decided that a matter needs to be further investigated by such authorities.

Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/organisation-and-reporting/
Saab’s Ethics and Compliance Board (ECB) has the power to decide on Saab’s ethics and compliance programme, e.g. leads and draws up policies and guidelines for the business ethics work, makes decisions on ethical issues and follows up whistleblowing cases. ECB consists of three members of Saab’s Group Management, is led by Saab’s General Counsel and meets eight times per year.
<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
<tr>
<td>2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?</td>
</tr>
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<table>
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<tr>
<th>Comments</th>
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<tbody>
<tr>
<td>There is no publicly available evidence to indicate that the company publishes data on ethical or bribery and corruption investigations or disciplinary actions involving its employees.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
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</thead>
</table>
Accessed 29/08/2019  
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/whistleblowing/  
Statistics and investigation results are reported to the Ethics and Compliance Board and the Board of Director’s Audit Committee every quarter. |
Accessed 21/03/2020  
[p.74] Moreover, the Audit Committee shall annually monitor and evaluate the effectiveness and appropriateness of the company’s business ethics regulations, including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company’s business ethics regulations, including whistleblower reports, through regular reporting from the Ethics and Compliance Board. |
## 3. Support to Employees

<table>
<thead>
<tr>
<th>Question</th>
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</thead>
<tbody>
<tr>
<td><strong>3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?</strong></td>
</tr>
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<table>
<thead>
<tr>
<th>Score</th>
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<th>Comments</th>
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<tbody>
<tr>
<td>There is evidence that the company provides anti-bribery and corruption training that outlines the basic principles of the Code of Conduct, which includes the whistleblowing options available to employees. There is evidence that the training is provided to all employees across all divisions and all countries of operation. The Board of Directors and the Group Management of Saab receive anti-bribery training every three years. However, it is unclear how frequently training is conducted for employees.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Evidence</th>
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</thead>
<tbody>
<tr>
<td>Training and Guidance</td>
</tr>
<tr>
<td>It is imperative to Saab’s culture and continued success that all Saab employees understand and can identify potential risks for bribery and corruption arising.</td>
</tr>
<tr>
<td>This capability cannot be taken for granted so requires a training offer that combines group-wide activities with targeted efforts, and easy access to expertise and guidance. Saab's training portfolio includes e-learnings, webinars, face-to-face training and case studies.</td>
</tr>
<tr>
<td>All employees regardless of position are trained in Saab’s Code of Conduct and in anti-bribery and corruption. Mandatory e-learnings are supplemented with webinars and customized classroom training. Employees and managers in positions exposed to higher risks, such as marketing and sales, business development, sourcing, project management and industrial co-operations, receive in-depth classroom training. This training includes, among other things, general risk awareness and guidance in internal processes and risk management tools.</td>
</tr>
<tr>
<td>The Board of Directors and the Group Management of Saab receive extensive anti-bribery training every three years. This training is built around existing corruption risk prevention procedures and case studies. Business ethics is a recurring topic at internal conferences and management meetings. Training is also part of the process for releasing new or updated policies and procedures.</td>
</tr>
<tr>
<td>Running guidance and advice is provided by dedicated ethics and compliance personnel or accessible around the clock through Saab’s Ethics and Compliance Portal, a web-based tool available to all employees, with information on policies and procedures, laws and regulations, red flags etc.</td>
</tr>
<tr>
<td>In addition to training on the Code of Conduct, Saab also has separate, web-based anti-corruption training. Employees in positions in risk areas, such as marketing and sales, industrial cooperations and project management, also receive in-depth classroom training covering among other things general risk awareness, internal processes and the company’s corruption risk management. Every three years the Board of Directors receives more extensive anti-corruption training. In 2019, Saab updated its strategy for anti-corruption training to accommodate future updates of digital HR and training systems.</td>
</tr>
</tbody>
</table>
Saab has zero-tolerance against bribery and corruption and shall ensure that its operations at all times are conducted free from any form of bribery and corruption. This will be achieved through:

- continuously training and informing employees, the executive management and the board of directors about corruption risks
<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
<tr>
<td><strong>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</strong></td>
</tr>
<tr>
<td>a) Employees in high risk positions,</td>
</tr>
<tr>
<td>b) Middle management,</td>
</tr>
<tr>
<td>c) Board members.</td>
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<table>
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<th>Comments</th>
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<tbody>
<tr>
<td>There is evidence that employees in certain positions receive tailored anti-corruption training, namely employees in high risk positions, middle management and board members.</td>
</tr>
<tr>
<td>However, there is no evidence that training for employees in high risk positions or middle managers is refreshed on at least an annual basis.</td>
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<table>
<thead>
<tr>
<th>Evidence</th>
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<tbody>
<tr>
<td>Accessed 21/03/2020</td>
</tr>
<tr>
<td>p.58 Training</td>
</tr>
<tr>
<td>In addition to training on the Code of Conduct, Saab also has separate, web-based anti-corruption training. Employees in positions in risk areas, such as marketing and sales, industrial cooperations and project management, also receive in-depth classroom training covering among other things general risk awareness, internal processes and the company’s corruption risk management. Every three years the Board of Directors receives more extensive anti-corruption training. In 2019, Saab updated its strategy for anti-corruption training to accommodate future updates of digital HR and training systems.</td>
</tr>
</tbody>
</table>

<p>| <strong>[13] Training and Guidance (Webpage)</strong> |
| Accessed 29/08/2019 |
| Training and Guidance |
| [...] |
| Employees and managers in positions exposed to higher risks, such as marketing and sales, business development, sourcing, project management and industrial cooperations, receive in-depth classroom training. This training includes, among other things, general risk awareness and guidance in internal processes and risk management tools. |
| The Board of Directors and the Group Management of Saab receive extensive anti-bribery training every three years. This training is built around existing corruption risk prevention procedures and case studies. Business ethics is a recurring topic at internal conferences and management meetings. Training is also part of the process for releasing new or updated policies and procedures. |</p>
<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
<tr>
<td>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</td>
<td></td>
</tr>
<tr>
<td><strong>Score</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td>There is no publicly available evidence to indicate that the company measures or reviews the efficacy of its anti-bribery and corruption communications or training programme.</td>
</tr>
<tr>
<td><strong>Evidence</strong></td>
<td>No evidence found.</td>
</tr>
</tbody>
</table>
### Question

3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?

### Score

0

### Comments

The company’s approach to incentives is not sufficiently clear to receive a score of ‘1’ and the company also makes no mention of ethics or integrity in relation to its incentive schemes.

### Evidence

Accessed 21/03/2020  

**SAAB’S LONG-TERM INCENTIVE PROGRAMME**

Since 2007, Saab offers permanent employees the opportunity to participate in a voluntary Share Matching Plan. Purchases are made through deductions of 1–5 per cent of the employee’s monthly salary, after which Series B shares in Saab are purchased on Nasdaq Stockholm during a twelve-month period. If the employee retains the purchased shares for three years after the investment date and is still employed by the Saab Group, they will be allotted a corresponding number of Series B shares free of charge.

**[p.84] SAAB’S LONG-TERM INCENTIVE PROGRAMMES AND AUTHORISATION TO REPURCHASE SHARES**

The Annual General Meeting of Saab has resolved over a number of years to offer a long-term incentive programme consisting of two parts: Share Matching Plan and a Performance Share Plan. The reason is that the Board considers it important that Saab’s employees share a long-term interest in the appreciation of the company’s shares. In April 2017, the Annual General Meeting also resolved to introduce a third programme, Special Projects Incentive, as a complement to the Performance Share Plan. The programmes are now named based on the calendar year, corresponding to the vesting period. The long-term incentive programme comprises not more than 1,465,000 Series B shares in Saab per year. Since 2007, Saab offers permanent employees the opportunity to participate in the Share Matching Plan. Employees can withhold up to 5 per cent of their gross base salary to purchase Series B shares on Nasdaq Stockholm during a twelve-month period. Provided that a participant retains the purchased shares for three years after the investment date and is still employed by the Saab Group, the participant will be allotted a corresponding number of Series B shares free of charge. Currently, Share Matching Plans 2015–2020 are ongoing. Since 2008, Saab also has a Performance Share Plan for senior executives and key employees. The Performance Share Plan now covers a maximum of 175 key employees, including the CEO. Participants can save up to 7.5 per cent of their base salary to purchase Series B shares during a twelve-month period, while participating in the Share Matching Plan as well, but only up to a maximum of 5 per cent of base salary. Depending on which category they belong to, participants are entitled to 2–7 performance shares for each purchased share.
<table>
<thead>
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<th>Question</th>
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<tr>
<td>3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?</td>
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<table>
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<tr>
<th>Comments</th>
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<tr>
<td>The company clearly states that any employee who refuses to act unethically, in keeping with the company’s anti-corruption commitments, will be protected and supported, even where such actions result in a loss of business. However, there is no evidence that the company assures itself of its employees’ confidence in this statement through anonymised surveys or other clearly stated means.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
</table>
| [38] Updated CEO Anti-Corruption Statement (Webpage)  
Accessed 05/05/2020  
[https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/](https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/)  
We undertake persistent, systematic, preventive work and foster a culture where every single person in the company is always encouraged to make the right decision. We are committed to support each employee who stands up for our zero tolerance of corruption and refuses to compromise our ethical standards; even where it means to walk away from business. |

| [1] Zero Tolerance for Corruption – Message from the President and CEO (Webpage)  
Accessed 24/03/2020  
[https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/](https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/)  
We undertake persistent, systematic, preventive work and foster a culture where every single person in the company is always encouraged to make the right decision; even where it means to walk away from short-term business gains. |
## Question

<table>
<thead>
<tr>
<th>3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?</th>
</tr>
</thead>
</table>

## Score

| 0 |

## Comments

The company promotes a clear policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. The company states that this policy applies to all employees without exception. However, it is not clear whether the hotline is available to those employed by the group as third parties, suppliers and joint venture partners, and the company therefore receives a score of ‘0’. There is also no evidence that the company assures itself of its employees’ confidence in this commitment through surveys, usage data, or other clearly stated means.

## Evidence

### [10] Whistleblowing at Saab (Document)
Accessed 29/08/2019

[p.2] 1.1 Whistleblowing is to be loyal to company values

Saab encourages all employees to report any conduct that may be a violation of laws or the Code of Conduct. This whistleblower policy is intended to encourage and enable employees to raise serious concerns internally, and also serves to provide useful information to anyone who is considering making a whistleblowing report. Reports can be made either through Saab’s standard reporting channels or through the Saab Whistleblowing Hotline as further described in this whistleblower policy.

1.2 No retaliation

No one shall ever be discriminated or punished for reporting in good faith any suspected or observed violations of the law or of the company’s Code of Conduct. An employee who retaliates against someone who has reported a violation in good faith is acting against the core values of Saab, and will be subject to investigation and appropriate disciplinary measures.

Accessed 21/03/2020

[p.3] The Code of Conduct has been adopted by the board and responsibility for compliance rests with all of us. That is how we earn the trust that forms the basis for our business.

[…]

Every Saab employee, without exception, has a personal role to play in maintaining Saab’s reputation as a responsible company. I am committed to fostering a working environment where you feel that you can raise any issues, without fear of retaliation. This commitment shall be upheld by all levels of management.

[p.14] No one shall ever be discriminated or punished for reporting in good faith any suspected or observed violations of the law or of the Code of Conduct

### [11] Whistleblowing - A way to speak up (Webpage)
Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/whistleblowing/

Regardless of which reporting channel is used, confidentiality will be maintained to the fullest extent possible, and Saab guarantee that all comments will be heard. No one shall ever be discriminated or punished for reporting in good faith.
### Question

3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?

### Score

1

### Comments

Based on publicly available information, there is evidence that the company has multiple whistleblowing and advice channels. The channels – which the company states can be used for both whistleblowing and to seek advice – allow for confidential and, wherever possible, anonymous reporting. The company also offers an externally-operated channel and these options are available to all employees in any country of operation and in multiple languages. The company indicates that the whistleblowing channels are accessible across the entire group.

However, there is no publicly available evidence that the channels are available to employees of third parties, suppliers or joint venture partners. Additionally, it is not clear how employees can access the hotline.

### Evidence

[10] Whistleblowing at Saab (Document)  
Accessed 29/08/2019  

[p.2] 1 Whistleblowing at Saab

1.1 Whistleblowing is to be loyal to company values

Saab encourages all employees to report any conduct that may be a violation of laws or the Code of Conduct. This whistleblower policy is intended to encourage and enable employees to raise serious concerns internally, and also serves to provide useful information to anyone who is considering making a whistleblowing report. Reports can be made either through Saab’s standard reporting channels or through the Saab Whistleblowing Hotline as further described in this whistleblower policy.

[…]

1.3 Confidentiality and remaining anonymous

Regardless of which reporting channel is used, all reports will be treated in confidence. Confidentiality will be maintained to the fullest extent possible during the investigation and conclusion of your report. If it is decided that a matter needs to be further investigated by law enforcement the report may be shared with such authorities.

Although reports can be made anonymously (where legally permitted) through the Saab Whistleblowing Hotline, Saab prefers that you identify yourself so that the company can obtain all facts and properly investigate allegations. Reporters should be aware that anonymous reports carry less weight and require further substantiation to call for an investigation.

1.4 How to report

Reports should normally be made to your manager. Where you feel that it is not appropriate, or where your concerns have not been adequately addressed, you may report to a superior manager, your human resources representative, a compliance officer, or the general counsel.

In addition to the standard reporting channels described above you may use the Saab Whistleblowing Hotline. Please be aware that some reports cannot be processed through the Saab Whistleblowing Hotline due to national data privacy legislation. In any such event, you will be informed on how to proceed.
[p.3] 1.6 Investigation of reports

Anyone who receives a whistleblowing report has a duty to ensure that a proper investigation is initiated in accordance with Saab’s internal procedures.

Reports registered in the Saab Whistleblowing Hotline are collected and processed by an independent service provider, EthicsPoint, who forwards the reports to the Whistleblowing Investigation Team.

Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/whistleblowing/

At Saab, there is zero tolerance against corruption, fraudulent ways of doing business and other violations of company policy or legislation. Therefore, a robust whistleblowing system is of utmost importance.

Saab’s Code of Conduct is an essential part of creating a group wide culture of responsibility and commitment to Saab’s values. All employees are encouraged to report any conduct that they believe to be a violation of laws or the Code of Conduct. Reporting such violation, i.e whistleblowing, is being loyal to Saab’s values.

Reports should normally be made to the relevant manager. When an employee feels that it is not appropriate, or where the concern has not been adequately addressed, the report can be addressed to a more senior manager, a human resources representative, a compliance officer, the general counsel, or through the Saab Whistleblowing Hotline.

Saab’s Whistleblowing Hotline is hosted by a third party provider. An individual can file a report, in their local language, online or by phone. Where legally permitted the individual can communicate with Saab through the hotline and remain anonymous.

The investigations are conducted by an authorised team under a protocol setting out standards regarding due process, confidentiality, data privacy etc. Each investigation shall include a root cause analysis and a recommendation as to any preventive actions to be taken as a result.

Statistics and investigation results are reported to the Ethics and Compliance Board and the Board of Director’s Audit Committee every quarter.

Regardless of which reporting channel is used, confidentiality will be maintained to the fullest extent possible, and Saab guarantee that all comments will be heard. No one shall ever be discriminated or punished for reporting in good faith.

Accessed 21/03/2020

[p.4] Seeking advice

We will inevitably be confronted with complex situations where we feel we do not get a clear answer from the Code of Conduct or through the Global Management System. When this is the case, we expect employees to discuss the matter with their nearest superior or to seek advice from Group Legal Affairs.

[p.14] Whistleblowing means being loyal to company values

The Code of Conduct is an essential part in creating a group-wide culture of responsibility and commitment to Saab’s values. You are encouraged to report any conduct that you believe to be a violation of laws or the Code of Conduct.

Please be aware that the information you provide or the allegations you make could have serious consequences for other employees. You are therefore urged to provide only information that is accurate to the best of your knowledge. Reports that cannot be substantiated will not justify further investigation or review.
Reports should normally be made to your manager. Where you feel that is not appropriate, or where your concerns have not been adequately addressed, you may report to a superior manager, your human resources representative, a compliance officer, the general counsel, or through the Saab Whistleblowing Hotline.

Regardless of which reporting channel is used, confidentiality will be maintained to the fullest extent possible, and we guarantee that your comments will be heard. No one shall ever be discriminated or punished for reporting in good faith any suspected or observed violations of the law or of the Code of Conduct.

Saab actively supports whistleblowers and is committed to protecting personal data in accordance with applicable laws.

Accessed 29/08/2019

[p.2] Validity
The entire Saab Group

[p.6] 9 Reporting
All Saab employees have a duty to report suspected non-compliance with this document. Reports can be made to a superior manager, to a compliance officer, to the general counsel, or through the Saab Whistleblowing Hotline. All reports will be followed-up and handled in accordance with Saab’s Whistleblowing Policy.
## 4. Conflict of Interest

### Question

4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?

### Score

2

### Comments

There is evidence that the company formally addresses conflicts of interest as a corruption risk and has a clear policy that defines conflicts of interest, including actual and potential conflicts. The policy covers employee relationships, government relationships, financial interests and other employment. There is evidence that the policy applies to all employees and board members, including those of subsidiaries and other controlled entities.

### Evidence

**[14] Conflicts of Interest (Webpage)**  
Accessed 29/08/2019  
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/conflicts-of-interest/

Conflicts of Interest  
At Saab, trust is vital. It is of great importance to everyone who deals with Saab, regardless of their role or position as a customer, government official, supplier, journalist or another third party.

Saab’s Code of Conduct imposes the duty to always keep personal interests apart from company business and to be transparent about potential conflicts of interests. Saab employees, directors and officers are expected to act at all times in the best interest of Saab and never let business dealings on behalf of Saab be influenced by personal considerations or relationships.

Saab has defined a number of situations that may give rise to a conflict of interest. These include outside jobs, family ties or close personal relationships, financial interests and board memberships. These situations are not exhaustive but everyone is instructed to be mindful about identifying situations where there may be a potential for division of loyalty between Saab's interest and personal interests.

Anyone at Saab confronted with a situation that may constitute a conflict of interest or which others could reasonably perceive as a conflict of interest, must report it to his or her superior, to HR or to Group Legal Affairs who will assess whether there is a conflict of interest and how to best address it.

Our policy on conflicts of interest is an important part of creating and maintaining the trust that is the basis for our business.

Accessed 29/08/2019  

[p.2] Validity

The entire Saab Group.

[p.6] 8 Conflicts of interest

A conflict of interest occurs when personal or financial interests interfere, or may appear to interfere, with Saab’s best interests. It is not possible to list exhaustively all situations in which a conflict may arise. However, the basic factor in all conflicts of interest is the division of loyalty between Saab’s interests and personal interests. Employee hiring, procurement and outside jobs are examples of activities that may give rise to conflicts of interest.
Saab employees are expected to act at all times in the best interest of Saab and never let business dealings on behalf of Saab be influenced by personal considerations or relationships.

Anyone confronted with a situation which may constitute a conflict of interest or which others could reasonably perceive as a conflict of interest, must report it to his or her superior, to HR or to Group Legal Affairs who will assess whether there is a conflict of interest and how to best address it.

Accessed 21/03/2020  

[p.4] Company commitments  
The board of directors and management of the company and its employees must commit to these standards and principles.

[p.6] We avoid conflicts of interest

We shall always keep personal interests apart from company business. Decisions by or for the company must never be influenced by personal preferences or relationships.

Issues of conflicting interest may arise from employing or otherwise engaging former public officials who have had a position with an authority where matters concerning Saab are dealt with. We must never do so without verifying that it does not violate any laws, regulations or directives.

We shall always seek to mitigate the risk of conflicts of interest.
<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?</strong></td>
<td>1</td>
<td>There is some evidence that the company has procedures to identify, declare and manage conflicts of interest, including actual and perceived conflicts. However, there is no publicly available evidence that all employee and board member declarations are held in a dedicated register or central depository and there is no reference to a specific body or individual with oversight and accountability for handling cases. There is no publicly available evidence that the company provides examples of criteria for recusals nor that disciplinary measures will apply if the company's procedures are breached.</td>
</tr>
</tbody>
</table>

**Evidence**

[14] Conflicts of Interest (Webpage)  
Accessed 29/08/2019  
[https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/conflicts-of-interest/](https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/conflicts-of-interest/)  
Conflicts of Interest  

[...]  
Anyone at Saab confronted with a situation that may constitute a conflict of interest or which others could reasonably perceive as a conflict of interest, must report it to his or her superior, to HR or to Group Legal Affairs who will assess whether there is a conflict of interest and how to best address it. Our policy on conflicts of interest is an important part of creating and maintaining the trust that is the basis for our business.

Accessed 29/08/2019  
[p.6] 8 Conflicts of interest  

[...]  
Anyone confronted with a situation which may constitute a conflict of interest or which others could reasonably perceive as a conflict of interest, must report it to his or her superior, to HR or to Group Legal Affairs who will assess whether there is a conflict of interest and how to best address it.

Accessed 21/03/2020  
[p.6] We avoid conflicts of interest  

[...]  
We must never do so without verifying that it does not violate any laws, regulations or directives.

We shall always seek to mitigate the risk of conflicts of interest.
<table>
<thead>
<tr>
<th>Question</th>
<th>4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>1</td>
</tr>
<tr>
<td>Comments</td>
<td>There is some evidence that the company has a policy that addresses the risks associated with the employment of public officials. However, the company does not describe any specific controls to assess and regulate the employment of current or former public officials, such as requiring senior approval for the initiation of employment discussions, undertaking a conflict of interest review and imposing restrictions on activities if risks are identified, or stipulating a cooling-off period of 12 months.</td>
</tr>
</tbody>
</table>

Accessed 21/03/2020  
[p.6] We avoid conflicts of interest  
[…]

Issues of conflicting interest may arise from employing or otherwise engaging former public officials who have had a position with an authority where matters concerning Saab are dealt with. We must never do so without verifying that it does not violate any laws, regulations or directives.

We shall always seek to mitigate the risk of conflicts of interest. |
<table>
<thead>
<tr>
<th>Question</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4. Does the company report details of the contracted services of serving politicians to the company?</td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>0</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>There is no publicly available evidence to indicate that the company reports details of the contracted services of serving politicians.</td>
<td></td>
</tr>
<tr>
<td>Evidence</td>
<td></td>
</tr>
<tr>
<td>No evidence found.</td>
<td></td>
</tr>
</tbody>
</table>
## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?</td>
<td>2</td>
<td>The company publishes a clear statement that it does not make any contributions to political parties or activities.</td>
</tr>
</tbody>
</table>

**Evidence**

  - Accessed 29/08/2019
  - [p.5] 6 Sponsoring and social engagements

  [...] 

  Saab does not sponsor political or religious activities or items that are environmentally harmful or unethical.

  - Accessed 29/08/2019
  - [p.3] we do not engage in political or religious activities or items that can be considered risky, environmentally harmful or unethical

- [16] Sponsorship (Webpage)
  - Accessed 29/08/2019
  - https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/spONSorship/
  - Saab has a policy with guidelines and a strategy for sponsorship and social engagement, which applies to the whole Saab group with no exceptions. The policy clearly states that Saab does not engage in political activities and that activities must not be used as a subterfuge for bribery or corruption.
<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is some evidence that the company has a policy and procedure covering both charitable donations and sponsorships. The company’s policy provides details of procedures to prevent the risk of bribery and corruption, such as senior sign-off requirements and reporting obligations. However, the company receives a score of ‘1’ because it does not publish sufficient detail of the donations made, including details of the recipient, amount, country of recipient and which corporate entity made the payment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
</table>
Accessed 29/08/2019  
[p.3] All activities and decisions must comply with Saab’s Code of Conduct and with applicable laws and regulations. Particular attention should be given to the following:  
-we adhere to a policy of zero tolerance of corruption  
-we are conscious that engagement is not used as a subterfuge for bribery or corruption  

[...]  
1.3 Initiating an activity  

All proposed engagements should be submitted using our online evaluation form. The request is then automatically sent for decision to one of the sponsorship bodies.  
The form contains the following steps:  

1. Provide basic information and budget.  
2. State the purpose, objectives and activities.  
3. Define the target group.  
4. Analyse the engagement.  
5. Summarise and recommend.  
6. Attached files.  

[p.4] 1.4 Decision making and reporting  

To ensure relevance to business and brand and secure return on investment we follow an aligned and transparent process for evaluation and measuring of all our efforts.  

All decision-making bodies should carefully consider the overall strategy and follow the guidelines given in this document.  
The responsibilities are divided as follows:  

- Local bodies (usually related to our business- and market areas) has decision right and financial responsibility for sponsoring and social engagement within their areas up to a maximum amount of [amount] SEK per initiative or engagement. Everything above this threshold must be referred to Group Communication for decision in Communication Board.  
- Communication Board takes decisions on all single initiatives and engagements that exceed [amount] SEK. |
- Group Communication handles incoming requests, recommends new engagements, and prepares decisions regarding sponsorships for Communication Board. The Corporate Responsibility function has the same role regarding social engagement. Both functions are usually involved if there are doubts about where an activity belongs.

Decision-making bodies shall:

- meet regularly
- evaluate and decide on incoming proposals
- follow-up and measure engagements
- report activities yearly to Group Communication (applies to local bodies)
- evaluate and report all engagements globally (applies to Communication Board).

Accessed 21/03/2020
[p.66] Promote education and an interest in technology

Saab’s ambition is to contribute to social development in the markets where we operate with a focus on promoting education and an interest in technology. This creates confidence in Saab’s business and helps to develop skills that are beneficial to society as well as to Saab. Social initiatives are mainly done with the help of the company’s employees, since this provides valuable experience for those who get involved.

To promote an interest in technology, Saab offers a number of activities for children and young adults from preschool upward. Everything from technology classes for kids, technology contests, study visits and summer engineering school to a high school program where students have close contact with Saab’s businesses. See more examples at www.saabgroup.com.

Saab has taken this ability to think innovatively and create change and applied it to equestrian sports by sponsoring a concept called Equestrian Innovations. With innovative thinking, Saab wants to play a part in helping the sport to develop. A number of exciting collaborative projects create new knowledge and lead to greater innovation, at the same time that they spark interest in an engineering education among young equestrians. Saab gets young people involved through seminars on innovation and personal development tied to the equestrian environment.

[35] Social Engagement (Webpage)
Accessed 02/09/2019
https://saabgroup.com/responsibility/contri/contribution-to-social-development/

Engagement in the local community increases familiarity with and trust in Saab’s operations and fits with the company’s values. Our contribution to social development mainly consists of activities to promote education and an interest in technology among children and young people.

As far as possible, these activities involve our employees. By offering their time and knowledge in various ways, they increase awareness of the company and build trust in our business while gaining valuable experience. Our employees serve, for instance, as math tutors, teachers, class mentors, hosts for school visits and raise funds for schools. Here are just a few examples of Saab’s social engagements.

Pratham in India

[...]

Project Playground in South Africa

[...]

Subs in schools technology challenge in Australia

[...]

[35] Social Engagement (Webpage)
Children on the move in South Africa

[...]

Saab’s Technical High School

[...]

Science and technology for everyone

[16] Sponsorship (Webpage)
Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/sponsorship/

Sponsorship

Saab engages in sponsorship and social engagements in order to strengthen its brand, relationships, trust, and recruitment.

Saab has a policy with guidelines and a strategy for sponsorship and social engagement, which applies to the whole Saab group with no exceptions. The policy clearly states that Saab does not engage in political activities and that activities must not be used as a subterfuge for bribery or corruption. As always, the activities shall comply with Saab’s Code of Conduct and applicable laws and regulations.

Saab’s arrangements shall always be long-term and need to follow processes of evaluation and measurement. Decision-making bodies consider the overall strategy and follow the guidelines for sponsorship and social engagement - there are local bodies with authority connected to certain areas and thresholds. Initiatives above these thresholds or outside of these areas, shall be referred to the Communication Board, a centralised decision-making body in the Saab group.

All decisions decided by a local body are reported to the Communication Board that summarises Saab’s engagements globally.

Accessed 21/03/2020
[p.12] Social engagement

Saab strives to contribute to the social development of the communities where we operate. This increases knowledge and understanding of our business on the part of those around us and leads to valuable experiences and networking opportunities for the employees involved. Social initiatives must be linked to the business and mainly be accomplished with the help of Saab’s employees and technology. Our contribution must always be in accordance with Saab’s business ethics principles.

Accessed 29/08/2019
[p.5] 6 Sponsoring and social engagements

Sponsoring and charitable contributions must never be used to circumvent Saab’s zero tolerance of bribery and corruption. Where sponsoring initiatives involves hospitality packages, their content and use must be consistent with Saab’s internal rules for G&H. Saab does not sponsor political or religious activities or items that are environmentally harmful or unethical.
5.2 Lobbying

Question

5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?

Score

1

Comments

There is evidence that the company has a policy on lobbying, which includes a definition of lobbying. The policy mentions specific oversight mechanisms that apply to all types of lobbyists and there is evidence that this applies company-wide. The company indicates that it includes anti-bribery and compliance clauses in its contracts with lobbyists.

However, there is no evidence that the company has further guidelines that inform responsible lobbying behaviour or expected standards of conduct. Additionally, it is not clear that the lobbying policy applies to employees conducting lobbying activities on the company's behalf.

Evidence

[17] Business Intermediaries and Lobbyists (Webpage)
Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business intermediaries and lobbyists

Business intermediaries and lobbyists are considered to carry a substantial corruption risk and are therefore classified as category 1. This means that their appointment and management must follow a centralised process under the supervision of the group function Market Network Management.

Anyone who wants to appoint a business intermediary or lobbyist must prepare a business justification and an initial corruption risk assessment, and have the documents signed off by the head of the relevant Market or Business Area, before the matter is handed over to Market Network Management.

Upon acceptance of the business justification, Market Network Management will conduct a risk based due diligence including: a due diligence questionnaire, screening against relevant data bases and where deemed needed external investigations, face-to-face interviews and ABC training. The due diligence is valid for 2-4 years depending on the risk level, and can then be extended for another 1-2 years. During the term of the agreement the business partner is continuously screened against relevant databases.

All contracts with business intermediaries and lobbyists are based on templates developed by central compliance expertise. They have a limited term (normally two years) and include mandatory provisions regarding anti-bribery and corruption, reporting and audit rights. The remuneration shall be based on objective criteria and be reasonable and proportionate to the scope of work. Where the remuneration includes a commission element this shall be capped.

Engagements relating to business opportunities of high values are subject to the approval of the Ethics and Compliance Board. Remuneration in these cases are based on a calculation model developed together with an international law firm. The Ethics and Compliance Board also receives regular statistics and trends relating to business partners in category 1.

Business intermediaries and lobbyists are subject to an audit program. The program is run by Internal Audit and includes a review of internal compliance with the process and the auditing of at least five business partners per year.

[30] Business Partners (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business partners

Saab's business partners have a key role in the company's success. The relationships are built on mutual respect, but at the same time it is important for us to manage the risks that may arise through our partners.
We could not realise all of our achievements and continue our success without our business partners. At the same time we recognise that business partners may pose a legal and reputational risk if not managed correctly. Therefore we divide our business partners into three categories, with each category being subject to specific corruption prevention procedures.

Category 1 is made up of business partners that are retained to market or promote Saab’s products and services or to provide strategic advice. This includes for example market consultants, agents, lobbyists, re-sellers and distributors. The appointment and management of these business partners follows a centralised and mandatory process which serves to (i) assess the business partner’s credentials and suitability for the assignment through due diligence and background controls, (ii) bind the business partner to Saab’s anti-bribery and compliance expectations through appropriate contractual commitments, and (iii) follow-up and control the business partner’s performance and conduct.

[18] Corruption Risk Management of Category 1 Business Partners (Intermediaries) (Document)
Accessed 29/08/2019

This directive applies to the entire Saab Group.

2 Purpose

Saab adheres to a policy of zero tolerance of bribery and corruption.

The purpose of this directive is to set out the rules and procedure to be applied when selecting, appointing and managing certain business partners to prevent Saab from being associated with corruption and bribery through their engagement.

3 Application

This directive applies to the agreement types defined as Category 1 in INF-0741 and includes the following business partners (referred to as “Intermediaries”).

| Market consultants, agents and similar intermediaries | Business partners that provide consultancy or intermediary services for the purposes to win or retain business. |
| Lobbyists and public affairs consultants             | Business partners that are retained to promote or support Saab’s business efforts through influence of public policy or interaction with public officials. |

4 Market consultants, agents and similar intermediaries as well as lobbyists and public affairs consultants

4.1 Business Justification

Anyone who wants to appoint an Intermediary (Initiator) of this type shall submit a Business Justification (IN 5000357-101), incl. a Corruption Risk Assessment (IN 5000358-207), to MNM.

The Business Justification shall be signed by the relevant Business Area or Market Area Head. Signing rights of the Business Justification cannot be delegated.

MNM shall review the Business Justification in order to ensure that there is sufficient business rationale for retaining the Intermediary.

4.2 Due Diligence

Upon acceptance of the Business Justification, MNM shall initiate and perform a due diligence investigation which shall include:
1. A questionnaire to be completed by the prospective Intermediary;
2. Face-to-face interviews and anti-bribery and corruption training;
3. Screening against relevant data bases, incl. denied parties and politically exposed persons (PEP) lists;
4. Subject to the assessed risk, an investigation using external resources; and
5. Registration of the Intermediary for continuous data base screening.

If any step is deemed by MNM not to be required under the circumstances or the nature of the assignment, then the due diligence may be more limited in scope, provided that the reasons therefore are recorded.

The due diligence investigation shall be renewed periodically based on the assessed risk level.

[...]

MNM may also, after consultation with Ethics and Compliance (E&C), refer a case to Ethics and Compliance Board (ECB) due to policy issues.

MNM’s referral of a proposed arrangement to ECB shall include a recommendation for resolution and be supported by relevant information, including e.g. the business case, the time scales, country specific restrictions, Intermediary information, due diligence data and suggested remuneration.

In the event that MNM has rejected a proposed arrangement, the Initiator may challenge MNM’s decision and request that the matter is referred to ECB. Any such request shall be made in writing to E&C. The Head of the Initiator shall personally participate and present the matter to ECB.

MNM may refrain from referring to ECB extensions of agreements that are purely retainer based.

[p.5] 4.4 Contract negotiations

MNM is solely and exclusively responsible for all contractual negotiations with the prospective Intermediary.

All agreements shall be in writing and be based on templates developed by E&C. More significant deviations from the templates shall be discussed and agreed with E&C.

4.5 Signing of Agreements

All agreements shall be signed by the General Counsel under a standing power of attorney or, where this is not possible due to legal requirements, after written approval by the General Counsel.
**Question**

5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?

**Score**

0

**Comments**

There is no evidence that the company publishes any detailed information on its lobbying aims, topics or activities. The information it does provide is insufficient for it to receive a score of ‘1’.

**Evidence**

Accessed 21/03/2020
[p.50]

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
<th>Management</th>
</tr>
</thead>
</table>
| Regulatory changes | The large share of Saab’s exports is from Sweden, where the Swedish Inspectorate of Strategic Products (ISP) determines which defence products Saab may manufacture, market, sell and export, and to which countries. Since 2018, the democratic status of the recipient country is also taken into account by the ISP when granting licenses. Saab may also be dependent on export control laws in other countries where it has operations or suppliers. Some of Saab’s civil products are governed by export controls on dual-use products. The risk for Saab arises from changes to laws, regulations and permits. | • Continuously monitor laws, regulations and ordinances to adapt the business as needed.  
• Dialogue with authorities in the political establishment.  
• Terms and conditions.  
• Central and local export control functions. |
<table>
<thead>
<tr>
<th>Question</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2.3 Does the company publish full details of its global lobbying expenditure?</td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>0</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>There is no publicly available evidence to indicate that the company publishes any details about its global lobbying expenditure.</td>
<td></td>
</tr>
<tr>
<td>Evidence</td>
<td></td>
</tr>
<tr>
<td>No evidence found.</td>
<td></td>
</tr>
</tbody>
</table>
5.3 Gifts and Hospitality

<table>
<thead>
<tr>
<th>Question</th>
<th>5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>2</td>
</tr>
<tr>
<td>Comments</td>
<td>There is evidence that the company has a policy on the giving and receipt of gifts and hospitality, with clear procedures designed to ensure that such promotional expenses are bona fide and not used for bribery. This policy establishes financial limits, along with an approval procedure, for the different types of promotional expense that employees may encounter. The policy also explicitly addresses the risks associated with gifts and hospitality given to and/or received from public officials. The company’s policy indicates that all gifts and hospitality are recorded. Where gifts cannot be politely refused they are held in a gift repository.</td>
</tr>
</tbody>
</table>

Evidence

[19] Gifts and Hospitality (Webpage)
Accessed 29/08/2019
Gifts and hospitality
There is zero tolerance for bribery and corruption at Saab. We have very detailed and strict policies that everyone must follow.

Business courtesies are a legitimate part of promoting Saab’s products and services, improving the image of Saab and strengthen relationships and trust. However, improperly managed gifts and hospitality may constitute bribery and corruption, which is strictly prohibited under Saab’s anti-bribery and corruption policy and by law. Therefore every Saab employee is required to make sure that the gift or hospitality is lawful, in accordance with internal rules and does not cause discomfort in any other way. The requirement applies when offering as well as accepting gifts or hospitality.

The instructions point out circumstances that require special precaution, e.g. gifts and hospitality in relation to public officials, regularly offered to the very same person, during contract negotiation or during a procurement process. The instructions also make clear that it must be handled in an open and transparent manner and correctly recorded in Saab’s books. Offering cash, vouchers or unethical content is never permitted.

Apart from basic refreshments below €20, all gifts and hospitality needs approval, from line manager up to senior management team member depending on the value of the gift or hospitality, with higher escalation in case of public officials.

Saab has developed an assessment tool for support in the process, i.e. identification of red flags, and provide additional guidance through case studies and scenarios.

[21] Gifts and Hospitality at Saab (Document)
Accessed 29/08/2019
[p.1] 1 Validity

The entire Saab Group.

2 Purpose
Gifts and hospitality (G&H) may be an acceptable and appropriate business practice to build goodwill in business relationships. However, improperly managed G&H may constitute bribery and corruption, which is strictly prohibited under Saab’s anti-bribery and corruption policy and by law.

The purpose of this document is to guide the organisation to an appropriate standard in its management of G&H.

A gift means the offering, giving or receiving of anything of value that is not hospitality.

Hospitality means the offering, giving or receiving of any travel, food, drink, accommodation, entertainment, sporting or cultural event.

G&H can take many forms; it can be a standalone activity or an integrated element of a larger context, for ex. user conferences, trade exhibitions or other business events.

3 Requirements and guidance

3.1 General requirement for all G&H offering, giving or receiving of G&H must:

- a) not influence, or appear to influence, the recipient to misuse its position or breach its duties towards its employer or principal
- b) comply with any applicable laws and regulations
- c) comply with any internal rules of the recipient’s organization
- d) not be regularly extended to the same person
- e) be handled in an open and transparent manner
- f) be accurately and fairly recorded in Saab’s books
- g) not be cash or cash equivalent (such as gift cards, vouchers or similar)
- h) not be, or give the impression of being excessive, lavish or unethical
- i) be approved according to section 4.

In assessing the general appropriateness of G&H the “Blush Test” may be helpful – you should not offer, give or receive G&H that you would feel embarrassed to disclose the details of to your colleagues, family or media.

3.2 Specific requirements for hospitality

The offering, giving and receiving of hospitality must also comply with the following requirements:

- a) The hospitality must have, or be connected to, a relevant business content that is aligned with Saab’s business objectives. The invitation of family members jeopardizes the connection to Saab’s business.
- b) Saab representatives must participate in the hospitality.
- c) Invitations to major events or hospitality of a higher value such as rollouts, user conferences or anniversaries shall be directed to, or approved by, a superior level of the recipient’s organisation.
- d) The hospitality must never include elements that are or could give the appearance of being unethical, offensive or inappropriate (such as adult entertainment).

3.3 Public officials

Saab’s business activities are largely oriented towards nation’s armed forces, governments, governmental authorities or procurement organisations, state owned entities and their representatives (Public Officials). When dealing with Public Officials even small, bona fide, legitimate G&H may be misinterpreted as bribes. Special precaution is therefore needed in relation to Public Officials to avoid any suspicion that Saab is attempting to improperly influence a public decision or the use of public funds.

3.4 Ongoing negotiations

Special precaution is called for in connection with business negotiations, regardless if the other party is a Public Official or if it is a business-to-business matter. If an individual holds a decision-making position in an on-going
procurement process or is involved in the preparation or evaluation as part of such process, G&H which otherwise would be reasonable may become improper.

4 Approval levels and use of assessment tool

All approval levels are per person and apply to the G&H as a whole (for example, a meal followed by a sporting event shall be treated as one G&H event with a value of both elements combined).

[p.4] Please note that with the exception of basic refreshment below €20, in the case of public officials, or G&H below €50, in the case of private sector representatives, G&H within the approval levels does not mean that the G&H is automatically permissible or reasonable. All G&H must be assessed against the requirements and guidance in section 3.

You may use the G&H assessment tool, IN 5000363-058 “Gifts and Hospitality (“G&H”) Assessment Tool”, to assist in assessing the appropriateness of the G&H.

[...]

<table>
<thead>
<tr>
<th>Sector/Recipient</th>
<th>Value</th>
<th>Permitted with approval</th>
<th>Never permitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>Basic refreshment</td>
<td>No specific internal G&amp;H approval</td>
<td>• Cash or cash equivalent</td>
</tr>
<tr>
<td></td>
<td>below €20</td>
<td></td>
<td>• G&amp;H that influences, or appear to influence, the recipient to misuse its</td>
</tr>
<tr>
<td></td>
<td>Other G&amp;H</td>
<td>G&amp;H approval from line manager</td>
<td>position or breach its duties towards its employer or principal</td>
</tr>
<tr>
<td></td>
<td>below €50</td>
<td></td>
<td>• G&amp;H that is not compliant with applicable laws and regulations</td>
</tr>
<tr>
<td></td>
<td>Other G&amp;H €50-100</td>
<td>G&amp;H approval from Saab Vice President or CEO/Managing Director of Saab subsidiary</td>
<td>• G&amp;H that is regularly extended to the same person</td>
</tr>
<tr>
<td></td>
<td>Other G&amp;H above €100</td>
<td>G&amp;H approval from Saab Global CEO, Saab Global Executive Vice President or Saab Global Senior Vice President</td>
<td>• G&amp;H that is, or give the impression of being, excessive, lavish or unethical</td>
</tr>
<tr>
<td>Private</td>
<td>G&amp;H below €50</td>
<td>No specific internal G&amp;H approval</td>
<td></td>
</tr>
<tr>
<td></td>
<td>G&amp;H €50 - €150</td>
<td>G&amp;H approval from line manager</td>
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<td></td>
<td>G&amp;H €150-300</td>
<td>G&amp;H approval from Saab Vice President or CEO/Managing Director of Saab subsidiary</td>
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<tr>
<td></td>
<td>Other G&amp;H above €300</td>
<td>G&amp;H approval from Saab Global CEO, Saab Global Executive Vice President or Saab Global Senior Vice President</td>
<td></td>
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</tbody>
</table>

Within your approval level you may approve also your own G&H.

[p.5] 5 Saab employees as recipients of external G&H

It is a requirement that Saab employees always are acting impartially in the management of their duties and avoid the risk or perception of being affected by any irrelevant or illegal considerations. The requirements regarding G&H
set out herein apply also for Saab employees as recipients of G&H. It is important to note that these requirements serve as a protection of Saab employees against suspicion of improper conduct and even criminal misconduct.

If you receive G&H that is not consistent with this instruction, you must reject the G&H. If the cultural circumstances are such that it would be perceived as disrespectful to reject the G&H, you may accept it on behalf of the company and then promptly report it to your manager and, in case of a gift, hand it over to the gift repository managed by Ethics and Compliance centrally or in your office or jurisdiction.

6 Local adaptions

Saab may in some countries need to put in place additional supplementing local rules and processes for G&H. Any such rules or processes must be approved by Ethics and Compliance.

7 Further information

You are welcome to contact Ethics and Compliance at [email address].

Accessed 21/03/2020
[p.7] We do not accept improper gifts or hospitality

As Saab employees we must always be, and be seen as, impartial and professional when dealing with others. From this it follows that we shall only accept gifts and hospitality offered by others if they are reasonable in relation to the business in question and if they are within the boundaries of customary business behaviour.

Gifts and hospitality of high value or of unusual or unethical nature shall not be accepted.

If you are in any doubt if you as a Saab employee should accept a specific gift or participate in an event, you must seek advice from your superior or from Group Legal Affairs.

Accessed 29/08/2019
[p.3] All activities and decisions must comply with Saab’s Code of Conduct and with applicable laws and regulations. Particular attention should be given to the following:

- we adhere to a policy of zero tolerance of corruption
- we are conscious that engagement is not used as a subterfuge for bribery or corruption
- we ensure that the use of hospitality packages (tickets, VIP cards, discounts et cetera) is consistent with our rules on gifts, events and hospitality
6. Supply Chain Management

<table>
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<tr>
<th>Question</th>
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<tr>
<td>6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?</td>
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<tr>
<th>Comments</th>
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<tbody>
<tr>
<td>Based on publicly available information, there is evidence that the company requires the involvement of its procurement department in the establishment of new suppliers. The company indicates that this department is ultimately responsible for providing oversight of the company's supplier base. The company assures itself that proper procedures regarding suppliers are followed through an audit every year.</td>
</tr>
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<tr>
<th>Evidence</th>
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</table>
| [22] Supply chain Management (Webpage)  
Accessed 29/08/2019  
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/  
Supply chain management  
[...]  
Group Procurement is the central function assigned with the responsibility to co-ordinate and manage Saab’s sourcing activities. This is done in accordance with a procurement process integrated in Saab’s Global Management System which includes assessing, evaluating, appointing and monitoring suppliers. Audits of the suppliers are planned in a priority order on a yearly basis, depending on Saab’s rating of the supplier and its performances. |
**Question**

6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?

**Score**

1

**Comments**

There is evidence that the company has formal procedures to conduct risk-based due diligence when engaging with all suppliers, with the highest risk suppliers being subject to enhanced due diligence. The company indicates that the due diligence process aims to establish the ownership of its suppliers. The company also states that supplier relationships will be subject to review, and potential termination, if any red flags highlighted in the due diligence process cannot be mitigated.

However, although the company states that it plans supplier audits on a priority basis each year, there is no publicly available evidence that due diligence is repeated at least every two years or when there is a significant change in the business relationship.

**Evidence**

[22] Supply Chain Management (Webpage)
Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Supply chain management

Suppliers of goods are either classified as category 2 or category 3 depending on the perceived corruption risk associated with the relationship. Suppliers referred to category 2 are subject to a mandatory corruption prevention process.

The process prescribes the collection of a due diligence questionnaire, the verification of the questionnaire against databases, a recorded risk assessment and a structured decision procedure, including the possibility to have further guidance and support from central compliance experts.

The risk assessment addresses key areas such as ownership and management, identification and selection, government relations, conflicts of interest, use of third parties, compliance maturity and track record. There are guidelines to assess the importance of any identified red flags and to recommend mitigating activities where possible.

[...]

Suppliers classified as category 3 are corruption risk assessed as part of ordinary operations. The market, the territory, the complexity of the business, the business partner and its key individuals, and the form of remuneration are criteria to be used in the assessment.

[...]

C Group Procurement is the central function assigned with the responsibility to co-ordinate and manage Saab’s sourcing activities. This is done in accordance with a procurement process integrated in Saab’s Global Management System which includes assessing, evaluating, appointing and monitoring suppliers. Audits of the suppliers are planned in a priority order on a yearly basis, depending on Saab’s rating of the supplier and its performances.

[12] Corruption Risk Management (Document)
Accessed 29/08/2019
[p.2] INTRODUCTION
Saab has a zero tolerance policy towards corruption. As part of this policy, DIR-C-200 Management and Prevention of Corruption Risks stipulates that every market or business initiative shall be subject to a corruption risk assessment to prevent that Saab in any way is associated with corruption or corrupt practices.

Certain third party relations that by their nature are deemed to carry a higher corruption risk, e.g. market consultants, re-sellers and certain offset arrangements, are managed and risk assessed in accordance with DIR-C-063 Appointment and Management of International Intermediaries.

Business courtesies are handled in accordance with DIR-C-196 Gifts, Events and Hospitality.

This document provides guidance in relation to the corruption risk management of arrangements outside DIR-C-063.

CORRUPTION RISK ASSESSMENT – PURPOSE AND PARAMETERS

The purpose of the risk assessment is to identify all corruption risks associated with the agreement and, where needed, mitigate identified risks to an acceptable level. Where the risk exposure is unacceptable, Saab shall abstain from the relationship.

The relevant risk parameters vary depending on the relationship, but the following factors are generic and shall always be part of the assessment:

- The country
  - Corruption risk in general

- The customer
  - Private or public
  - Sector or segment

- The business case
  - Value
  - Complexity
  - Procurement method

- The business partner
  - Form and size of company
  - Ownership and key individuals
  - Role and scope of work
  - Relationship with the customer
  - Track record and reputation
  - Compliance maturity

- The form and size of the remuneration

- Balance between effort, risk and reward

In addition to these parameters, there may be factors that are specific to the relationship and which must be included in the assessment.

[p.3] CORRUPTION RISK ASSESSMENT – METHODOLOGY

How do I identify risks?

Risks may be identified using different intelligence sources and methods.
- TI’s Corruption Perception Index (CPI) and Government Defense Anti-corruption Index
- Open source search, e.g. Google
- Financial and trade registers, e.g. Dunn & Bradstreet - Checking the third party against blacklisting
- Due Diligence Questionnaire
- Meetings and interviews
- Due Diligence through external sources

How do I mitigate risks?

Identified risks may be mitigated and managed through different means both before and during agreement execution.
- Harmonization of compliance programs (recognition of Saab’s standards)
- Compliance training
A fundamental principle in corruption risk management is to adjust the efforts to the risk level, i.e. to apply proportionate procedures. Accordingly, in cases where the risks are likely to be significant, substantial efforts must be made to identify and assess the actual risks and bring them to an acceptable level, while more limited efforts should be applied where the risks are likely to be lesser.

Management and Prevention of Bribery and Corruption Risks (Document)
Accessed 29/08/2019

5.1 Introduction

Saab can be held liable for the acts of business partners that perform services for or on behalf of Saab. Accordingly, due care must be exercised in relation to all business partners to ensure that any associated corruption risks are identified, assessed and properly dealt with.

The following general criteria are normally relevant to identify the corruption risk associated with the business partner:
- The Market.
- The country or region.
- The nature, value and complexity of the business.
- The business partner and its key individuals.
- The form of remuneration.

5.2 Risk assessment

Business partners shall be subject to the risk assessment processes referred to in this directive. The appropriate risk assessment is defined by categorization of the agreement with the business partner.

Anyone considering engaging a potential business partner in an Agreement with Saab is responsible to apply the appropriate risk assessment process.

If you are in doubt regarding the categorization of the agreement, you should contact Market Network Management.

5.3 Category 1 agreements

Category 1 includes all of the below listed types of agreements. Prior to execution of any Category 1 agreement, the requirements of INF-0742 shall be applied.

[...]

c) Agreements with distributors, resellers or prime contractors where Saab’s order intake value is estimated to account for at least 50 percent of the prime contract value.

d) Agreements with individuals who are appointed to advisory boards or similar corporate bodies within Saab or to provide strategic business advice.
[...]

5.4 Category 2 agreements

Category 2 includes all of the below listed types of agreements. Prior to execution of any Category 2 agreement, the requirements of INF-0743 shall be applied.
[...]

- Business ethics clauses in the agreement
- Audit rights
- Regular monitoring and review

Are the same efforts always required?
c) Agreements with prime contractors where Saab’s order intake value is (i) estimated to account for more than 20 percent but less than 50 percent of the prime contract value (if 50 percent or more, refer to INF 0742), or (ii) in excess of [amount] SEK.

[p.5] d) Agreements for procurement of goods or services, with local suppliers, intended to strengthen Saab’s offer in a specific business prospect. This refers to suppliers that are identified or contracted before there is a contract with the end customer in place and which would not have been contracted absent the specific business prospect in question.

5.5 Category 3 agreements

Category 3 includes all agreements other than Category 1 and Category 2 agreements. Category 3 agreements shall be risk assessed as part of ordinary operations.

Accessed 29/08/2019

[p.1] Corruption risk management of Category 2 business partners

1 Validity

The entire Saab Group.

2 Purpose

Saab adheres to a policy of zero tolerance of bribery and corruption.

The purpose of this directive is to set out the rules and procedures to be applied when entering into certain business agreements to prevent Saab from being associated with corruption and bribery.

3 Application

This directive applies to the agreement types defined as Category 2 in INF-0741 and includes the following business arrangements.

[...]

c) Agreements with prime contractors where Saab’s order intake value is (i) estimated to account for more than 20 percent but less than 50 percent of the prime contract value (if 50 percent or more, refer to INF 0742), or (ii) in excess of [amount] SEK.

[p.2] d) Agreements for procurement of goods or services, with local suppliers, intended to strengthen Saab’s offer in a specific business prospect. This refers to suppliers that are identified or contracted before there is a contract with the end customer in place and which would not have been contracted absent the specific business prospect in question.

[p.3] The Business Area, Market Area or Group Function shall ensure that the following requirements are complied with:

a) A “Request For Screening” (IN 5000363-037) shall be submitted to MNM by e-mail to [email address]. MNM will then send the Due Diligence Questionnaire to the potential business partner.

b) When the completed Due Diligence Questionnaire has been received by MNM, the potential business partner shall be screened against relevant databases, including denied parties and politically exposed persons (PEP) lists.
The screening report) and completed Due Diligence Questionnaire will be provided to the stakeholders listed in the Request For Screening via a web link.

c) A corruption risk assessment shall be conducted and recorded (IN 5000362-320 for protocol and INF-0743 App 1 for assessment guidance). The assessment may upon request involve the assistance of MNM and Ethics and Compliance.

d) The corruption risk assessment and all supporting material shall be filed for future reference.

[27] Basic Quality Requirements for Suppliers of products and services delivered to Saab Group (Document)
Accessed 29/08/2019
[p.1] 4. COMPLIANCE AND AUDIT

The Supplier shall, at the request of Saab, be able to show that the quality requirements in this document and additional requirements are being fulfilled.

Compliance with the requirements may be checked by Saab at audits at any time under the term of the agreement.

[23] Corporate Responsibility and Sustainability – Anti-corruption (Webpage)
Accessed 29/08/2019
https://saabgroup.com/responsibility/
Anti-corruption
Corruption has negative consequences for society and business and is something Saab will never accept. We are guided by our fundamental values, the Code of Conduct, laws, industry codes of conduct and clearly defined internal processes to prevent corruption risks. Prior to each deal, Saab requires a corruption risk assessment. If the identified risks cannot be minimised and managed satisfactorily, Saab will withdraw from the deal.
Question

6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?

Score

1

Comments

Based on publicly available information, there is evidence that the company ensures that its suppliers have adequate anti-bribery and corruption policies and procedures in place which cover conflicts of interest and gifts and hospitality. The company ensures this through contractual terms and assures itself of this when onboarding new suppliers.

However, there is no publicly available evidence that the company requires its suppliers to have, at a minimum, policies that cover whistleblowing and prohibit facilitation payments.

Evidence

[26] Saab’s General Conditions of Purchase (Document)
Accessed 29/08/2019
[p.3] 20. Business ethics

20.1 The Buyer considers ethical behaviour as a key parameter in its business. In furtherance of this, the Buyer has adopted a Supplier Code of Conduct which sets out the standards and principles, including a policy of zero tolerance of any form of corruption. Any from time to time updated versions of the Supplier Code of Conduct may be downloaded at www.saabgroup.com/supplier.

20.2 The Supplier acknowledges that it is aware of the content of the Supplier Code of Conduct and the Supplier undertakes to comply in all material aspects with the standards and principles laid down in it and to ensure such compliance by all of its directors, employees, agents or sub-contractors who are involved in performing the Supplier’s obligations under this Agreement.

20.3 The Supplier understands and accepts that any non-compliance with this undertaking may be deemed to constitute a material breach of

[p.4] this Agreement and result in the Buyer’s immediate termination of this Agreement or any other agreement between the Parties.

Accessed 21/03/2020
[p.1] INTRODUCTION

Saab is committed to high standards of business ethics and sustainability. Saab’s Supplier Code of Conduct is based on the UN Global Compact’s ten principles and expresses the expectations that we hold for our suppliers. We encourage our suppliers to establish their own codes of conduct based on similar standards and to flow down these standards to all persons and entities supplying goods or services to Saab.

We also expect that our suppliers will, upon receiving reasonable notice, give Saab access to relevant premises and documentation to verify compliance with the Supplier Code of Conduct.

If a supplier fails to meet our expectations as set out in the Supplier Code of Conduct, Saab’s general approach is to encourage improvement. Critical deviations or repeated unwillingness to make improvement, however, may jeopardize the supplier’s relationship with Saab.

[p.4] 4. BUSINESS ETHICS

Anti-corruption
The supplier must refrain from all forms of corruption, extortion and bribery, and specifically ensure that all payments or other benefits offered or made to public officials, private sector employees or any other party comply with applicable anti-corruption laws and regulations.

**Business courtesies**

Saab expects the supplier to compete on the merits of its products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, the supplier must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulations, does not violate the rules or standards of the recipient’s organisation, and is consistent with reasonable marketplace customs.

**Conflict of interest**

Saab expects the supplier to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in its dealings with Saab. Saab expects the supplier to report to Saab any situations of actual or potential conflicts of interest between the personal interests of those involved in the dealings and the interests of Saab.

[22] Supply chain Management (Webpage)
Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/
Supply chain management

[...]

The agreements shall include ethics and ABC-clauses based on templates approved by central compliance expertise.

[...]

All suppliers, regardless of category, are requested to sign up to Saab’s Supplier Code of Conduct. The Supplier Code of Conduct includes requirements regarding anti-corruption, business gifts and hospitality and conflicts of interest along with other sustainability areas. Saab expects the supplier to flow-down similar demands to its supply chain.

Accessed 29/08/2019

[p.3] The Business Area, Market Area or Group Function shall ensure that the following requirements are complied with:

[...]

e) The agreement shall include business ethics and anti-bribery and corruption clauses based on templates approved by Ethics and Compliance.
<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
<tr>
<td><strong>6.4</strong> Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?</td>
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<tr>
<td>There is evidence that the company encourages its suppliers to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain. However, this is in the form of a simple statement and it is unclear how the company assures itself of this in practice.</td>
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<th>Evidence</th>
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</table>
| **[26] Saab’s General Conditions of Purchase (Document)**  
  Accessed 29/08/2019  
  [p.3] 20. Business ethics  
  
  [...]  
  20.2 The Supplier acknowledges that it is aware of the content of the Supplier Code of Conduct and the Supplier undertakes to comply in all material aspects with the standards and principles laid down in it and to ensure such compliance by all of its directors, employees, agents or sub-contractors who are involved in performing the Supplier’s obligations under this Agreement. |

  Accessed 21/03/2020  
  [p.1] We encourage our suppliers to establish their own codes of conduct based on similar standards and to flow down these standards to all persons and entities supplying goods or services to Saab. |

  Accessed 21/03/2020  
  [p.64] Regardless of where our suppliers operate, we have to be observant and have the competence to have a constructive dialogue with a supplier if we feel that they are not living up to our requirements and values. An important part of the work is to ensure that our suppliers place similar demands on their subcontractors. |

| **[22] Supply Chain Management (Webpage)**  
  Accessed 29/08/2019  
  Supply chain management  
  
  [...]  
  All suppliers, regardless of category, are requested to sign up to Saab’s Supplier Code of Conduct. The Supplier Code of Conduct includes requirements regarding anti-corruption, business gifts and hospitality and conflicts of interest along with other sustainability areas. Saab expects the supplier to flow-down similar demands to its supply chain. |
Why a code of conduct for suppliers? (Webpage)  
Accessed 29/08/2019  

Saab is committed to high standards of business ethics and sustainability. Saab's Supplier Code of Conduct is based on the UN Global Compact's ten principles and expresses the expectations that we hold for our suppliers. We encourage our suppliers to establish their own codes of conduct based on similar standards and to flow down these standards to all persons and entities supplying goods or services to Saab.

[28] Responsible Supplier Relationships (Webpage)  
Accessed 29/08/2019  
https://saabgroup.com/responsibility/  

We see our suppliers as an extension of our own operations and expect them to take the same social and environmental responsibility as we do. Systematic measures to ensure that responsibility is being taken in the supply chain not only minimizes risks, but also leads to higher quality in the products we buy.
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<tr>
<td>6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?</td>
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<tbody>
<tr>
<td>There is no publicly available evidence to indicate that the company publishes any data on ethical or anti-bribery and corruption investigations or associated disciplinary actions relating to its suppliers.</td>
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<tr>
<td>No evidence found.</td>
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</table>
7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

<table>
<thead>
<tr>
<th>Question</th>
<th>Does the company have a clear policy on the use of agents?</th>
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<tbody>
<tr>
<td>Score</td>
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<tr>
<td>Comments</td>
<td>There is evidence that the company has a policy covering the use of agents, which also applies to those engaged by subsidiaries and joint ventures. The policy addresses the corruption risks associated with the use of agents and provides details of specific controls to mitigate these risks. The policy also explicitly commits to establishing and verifying that the use of agents is, in each case, necessary to perform a legitimate business function.</td>
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</tbody>
</table>

**Evidence**

[30] Business Partners (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business partners
Saab's business partners have a key role in the company's success. The relationships are built on mutual respect, but at the same time it is important for us to manage the risks that may arise through our partners. We could not realise all of our achievements and continue our success without our business partners. At the same time we recognise that business partners may pose a legal and reputational risk if not managed correctly. Therefore we divide our business partners into three categories, with each category being subject to specific corruption prevention procedures.

Category 1 is made up of business partners that are retained to market or promote Saab's products and services or to provide strategic advice. This includes for example market consultants, agents, lobbyists, re-sellers and distributors. The appointment and management of these business partners follows a centralised and mandatory process which serves to (i) assess the business partner's credentials and suitability for the assignment through due diligence and background controls, (ii) bind the business partner to Saab's anti-bribery and compliance expectations through appropriate contractual commitments, and (iii) follow-up and control the business partner's performance and conduct.

Accessed 05/05/2020

[p.6] M&A and joint ventures

Joint ventures under Saab's control shall apply Saab's rules and procedures for corruption and bribery prevention or rules and procedures of a similar nature. Joint ventures that are not under Saab’s control shall sign up to Saab’s Supplier Code of Conduct or commit to follow an equivalent of its core principles. Joint venture agreements shall include effective remedies in case of non-compliance with Saab’s requirements such as a contractual right to terminate the agreement in case the noncompliance is of a material nature. Under no circumstances may a joint venture be used as a way of circumventing the strict corruption prevention procedures applied elsewhere in Saab’s business.

[17] Business Intermediaries and Lobbyists (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business intermediaries and lobbyists

Business intermediaries and lobbyists are considered to carry a substantial corruption risk and are therefore
classified as category 1. This means that their appointment and management must follow a centralised process under the supervision of the group function Market Network Management.

Anyone who wants to appoint a business intermediary or lobbyist must prepare a business justification and an initial corruption risk assessment, and have the documents signed off by the head of the relevant Market or Business Area, before the matter is handed over to Market Network Management.

Upon acceptance of the business justification, Market Network Management will conduct a risk based due diligence including: a due diligence questionnaire, screening against relevant data bases and where deemed needed external investigations, face-to-face interviews and ABC training. The due diligence is valid for 2-4 years depending on the risk level, and can then be extended for another 1-2 years. During the term of the agreement the business partner is continuously screened against relevant databases.

All contracts with business intermediaries and lobbyists are based on templates developed by central compliance expertise. They have a limited term (normally two years) and include mandatory provisions regarding anti-bribery and corruption, reporting and audit rights. The remuneration shall be based on objective criteria and be reasonable and proportionate to the scope of work. Where the remuneration includes a commission element this shall be capped.

Engagements relating to business opportunities of high values are subject to the approval of the Ethics and Compliance Board. Remuneration in these cases are based on a calculation model developed together with an international law firm. The Ethics and Compliance Board also receives regular statistics and trends relating to business partners in category 1.

Business intermediaries and lobbyists are subject to an audit program. The program is run by Internal Audit and includes a review of internal compliance with the process and the auditing of at least five business partners per year.

[18] Corruption Risk Management of Category 1 Business Partners (Intermediaries) (Document)
Accessed 29/08/2019

This directive applies to the entire Saab Group.

2 Purpose
Saab adheres to a policy of zero tolerance of bribery and corruption.

The purpose of this directive is to set out the rules and procedure to be applied when selecting, appointing and managing certain business partners to prevent Saab from being associated with corruption and bribery through their engagement.

3 Application
This directive applies to the agreement types defined as Category 1 in INF-0741 and includes the following business partners (referred to as “Intermediaries”).

| Market consultants, agents and similar intermediaries | Business partners that provide consultancy or intermediary services for the purposes to win or retain business. |

[p.4] 4 Market consultants, agents and similar intermediaries as well as lobbyists and public affairs consultants

4.1 Business Justification
Anyone who wants to appoint an Intermediary (Initiator) of this type shall submit a Business Justification (IN 5000357-101), incl. a Corruption Risk Assessment (IN 5000358-207), to MNM.

The Business Justification shall be signed by the relevant Business Area or Market Area Head. Signing rights of the Business Justification cannot be delegated.

MNM shall review the Business Justification in order to ensure that there is sufficient business rationale for retaining the Intermediary.

Accessed 21/03/2020
[p.18] Zero tolerance for corruption

Saab is a long-term, reliable business partner and promotes an open and transparent market. Corruption has negative consequences for society and business and is something Saab can never accept. Saab is guided by its fundamental values, the Code of Conduct, current laws, industry codes of conduct and clearly defined internal processes to prevent corruption risks. Prior to each deal, the Company perform corruption risk analysis. If Saab cannot satisfactorily minimise and manage the identified risks, Saab withdraws from the deal.

To gain entry to new markets, multinational companies often hire marketing consultants and other partners in the selling process. Saab does as well. This can help to understand how a market works, but can also increase exposure to corruption risks. Saab therefore apply a strict process in which cooperations with marketing consultants and other partners in the selling process are evaluated and approved by a central function at Saab that manages all such relationships. These partners also have to undergo special training and pledge to abide Saab’s ethical values and guidelines.

[p.58] SCRUTINY OF BUSINESS PARTNERS

Hiring external parties in the selling process is sometimes important to better understand how a market works, but can also mean greater exposure to corruption risks. Saab therefore applies a process in which cooperations with marketing consultants are managed by a central function that evaluates the consultant, estimates compensation and negotiates the contract. Saab’s marketing consultants also have to undergo special training and pledge to abide by ethical values and guidelines. In addition, Saab has a process for other business relationships associated with a high corruption risk, e.g. industrial cooperations and joint ventures.

[32] Mergers & Acquisitions and Joint Ventures (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/
Joint Ventures

[...]

Joint ventures under Saab’s control shall apply Saab’s rules and procedures for corruption prevention or of a similar nature. Joint ventures that are not under Saab’s control shall sign up to Saab’s Supplier Code of Conduct or commit to follow an equivalent of its core principles.
Question

7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?

Score
1

Comments

Based on publicly available information, there is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to engaging with its third parties and agents. Agents and the highest risk intermediaries are subject to enhanced due diligence. The company states that due diligence is conducted before engaging agents and remains valid for two to four years, depending on the risk level.

However, the company receives a score of ‘1’ because it does not repeat due diligence for all of its agents and intermediaries at least every two years or when there is a significant change in the business relationship.

Evidence

[18] Corruption Risk Management of Category 1 Business Partners (Intermediaries) (Document)
Accessed 30/08/2019

[p.4] 4 Market consultants, agents and similar intermediaries as well as lobbyists and public affairs consultants

4.1 Business Justification

Anyone who wants to appoint an Intermediary (Initiator) of this type shall submit a Business Justification (IN 5000357-101), incl. a Corruption Risk Assessment (IN 5000358-207), to MNM.

The Business Justification shall be signed by the relevant Business Area or Market Area Head. Signing rights of the Business Justification cannot be delegated.

MNM shall review the Business Justification in order to ensure that there is sufficient business rationale for retaining the Intermediary.

4.2 Due Diligence

Upon acceptance of the Business Justification, MNM shall initiate and perform a due diligence investigation which shall include:

1. A questionnaire to be completed by the prospective Intermediary;
2. Face-to-face interviews and anti-bribery and corruption training;
3. Screening against relevant data bases, incl. denied parties and politically exposed persons (PEP) lists;
4. Subject to the assessed risk, an investigation using external resources; and
5. Registration of the Intermediary for continuous data base screening.

If any step is deemed by MNM not to be required under the circumstances or the nature of the assignment, then the due diligence may be more limited in scope, provided that the reasons therefore are recorded.

The due diligence investigation shall be renewed periodically based on the assessed risk level.

[...]

MNM may also, after consultation with Ethics and Compliance (E&C), refer a case to Ethics and Compliance Board (ECB) due to policy issues.
MNM’s referral of a proposed arrangement to ECB shall include a recommendation for resolution and be supported by relevant information, including e.g. the business case, the time scales, country specific restrictions, Intermediary information, due diligence data and suggested remuneration.


[p.2] INTRODUCTION

A key feature in modern international anti-corruption laws is that a company is liable for third parties that act on behalf of the company. As a general requirement Saab therefore requires every third party relation to be preceded by a corruption risk assessment.

For specific categories of third party relations that are deemed to carry a higher corruption risk, Saab has taken extra precaution and established a mandatory appointment and management process which is headed by Market Network Management (MNM).

The full process is set out in DIR-C-063 Appointment and Management of International Intermediaries.

This document includes a summary of the process and its key features.

Third parties covered by the process

The process applies to every third party arrangement intended to develop, advance, expand or maintain Saab’s market presence. This means that the process covers marketing consultants, advisors, agents, re-sellers, distributors and other commercial intermediaries as well as certain offset partners, joint ventures and service providers.

[...]

A third party covered by the process is referred to as an Intermediary.

The purpose of the process

The purpose of the process is to ensure that Intermediaries are managed and controlled in a transparent and uniform process across all areas of Saab’s operations and that they are retained only after due consideration and conclusion that Saab’s standards on business ethical conduct are ensured.

Under no circumstances may an Intermediary receive instruction by, or start working for, Saab before the Process has been concluded and a written agreement has been signed.

[p.3] PROCESS TO APPOINT AN INTERMEDIARY

- The Initiator shall perform a corruption risk assessment to identify and analyze any corruption risks associated with the business case and the use of the Intermediary.
- If the corruption risk assessment indicates an acceptable risk level, the Initiator shall proceed to issue a business justification motivating the need for the proposed Intermediary and the remuneration and requesting MNM to proceed with the appointment.
- The request to MNM to proceed with the appointment shall be preceded by internal co-ordination to ensure that the initiative is aligned with Saab’s overall marketing and product strategies.
- Upon approval of the business justification and the corruption risk assessment, MNM will initiate the appointment process and conduct a due diligence investigation, including questionnaires, external inquiries and interviews.
- As part of the vetting process MNM will also conduct anti-corruption & compliance training of the Intermediary.
• The assignment is documented in a written agreement based on internal templates including provisions on scope of work, remuneration, business ethics, reporting, audit rights etc.
• Agreements where the underlying business case exceeds certain thresholds are referred to the Ethics and Compliance Board (ECB) for approval.
• After completion of the appointment process, it is the responsibility of the Initiator to monitor and follow-up the proper performance of the Intermediary’s work and ensure that applicable reporting requirements are complied with.

[17] Business Intermediaries and Lobbyists (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business intermediaries and lobbyists

Business intermediaries and lobbyists are considered to carry a substantial corruption risk and are therefore classified as category 1. This means that their appointment and management must follow a centralised process under the supervision of the group function Market Network Management.

Anyone who wants to appoint a business intermediary or lobbyist must prepare a business justification and an initial corruption risk assessment, and have the documents signed off by the head of the relevant Market or Business Area, before the matter is handed over to Market Network Management.

Upon acceptance of the business justification, Market Network Management will conduct a risk based due diligence including: a due diligence questionnaire, screening against relevant databases and where deemed needed external investigations, face-to-face interviews and ABC training. The due diligence is valid for 2-4 years depending on the risk level, and can then be extended for another 1-2 years. During the term of the agreement the business partner is continuously screened against relevant databases.

All contracts with business intermediaries and lobbyists are based on templates developed by central compliance expertise. They have a limited term (normally two years) and include mandatory provisions regarding anti-bribery and corruption, reporting and audit rights. The remuneration shall be based on objective criteria and be reasonable and proportionate to the scope of work. Where the remuneration includes a commission element this shall be capped.

Engagements relating to business opportunities of high values are subject to the approval of the Ethics and Compliance Board. Remuneration in these cases are based on a calculation model developed together with an international law firm. The Ethics and Compliance Board also receives regular statistics and trends relating to business partners in category 1.

Business intermediaries and lobbyists are subject to an audit program. The program is run by Internal Audit and includes a review of internal compliance with the process and the auditing of at least five business partners per year.

[30] Business Partners (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business partners

Saab’s business partners have a key role in the company’s success. The relationships are built on mutual respect, but at the same time it is important for us to manage the risks that may arise through our partners. We could not realise all of our achievements and continue our success without our business partners. At the same time we recognise that business partners may pose a legal and reputational risk if not managed correctly. Therefore we divide our business partners into three categories, with each category being subject to specific corruption prevention procedures.

Category 1 is made up of business partners that are retained to market or promote Saab’s products and services or to provide strategic advice. This includes for example market consultants, agents, lobbyists, re-sellers and distributors. The appointment and management of these business partners follows a centralised and mandatory process which serves to (i) assess the business partner’s credentials and suitability for the assignment through due diligence and background controls, (ii) bind the business partner to Saab’s anti-bribery and compliance expectations through appropriate contractual commitments, and (iii) follow-up and control the business partner’s performance and conduct.
Accessed 21/03/2020
[p.58] SCRUTINY OF BUSINESS PARTNERS

[…]

Saab’s internal auditors conduct reviews each year of a number of randomly selected contractual relations to verify compliance with the process and ensure that the counterparty is acting in line with Saab’s values and contractual terms.
Question

7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?

Score
0

Comments

There is publicly available evidence that the company aims to establish the ultimate beneficial ownership of its agents and intermediaries, but the company makes no clear commitment to not engage or to terminate a third party relationship if beneficial ownership cannot be established.

Evidence

Accessed 30/08/2019

[p.3] 5 Business partners

5.1 Introduction

Saab can be held liable for the acts of business partners that perform services for or on behalf of Saab. Accordingly, due care must be exercised in relation to all business partners to ensure that any associated corruption risks are identified, assessed and properly dealt with.

The following general criteria are normally relevant to identify the corruption risk associated with the business partner:

- The Market.
- The country or region.
- The nature, value and complexity of the business.
- The business partner and its key individuals.
- The form of remuneration.

[39] Intermediary Due Diligence Questionnaire (Document)
Accessed 05/05/2020

[p.3] 4 OWNERSHIP AND BOARD OF DIRECTORS
4.1 Are the securities of the Company traded publicly

Yes ☐ No ☐ If “Yes”, please identify the exchange(s) where traded

4.2 List all direct owners and/or shareholders of the Company

<table>
<thead>
<tr>
<th>Individuals (if any) (A1)</th>
<th>Nationality and Citizenship</th>
<th>Date of birth</th>
<th>Ownership share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal entities (if any)</th>
<th>Country of registration</th>
<th>Registration number</th>
<th>Ownership share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total 100 %

4.3 Ultimate beneficial owners of the legal entities above (A2)

<table>
<thead>
<tr>
<th>Legal entity (as per above)</th>
<th>Individuals ¹</th>
<th>Nationality and Citizenship</th>
<th>Date of birth</th>
<th>Ownership share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 State all Individuals who holds an ownership of 5% or more in the legal entity

[p.4] 4.4 Does any other person, entity, government or government entity have any management right or financial interest in the Company Yes / No

If “Yes”, please describe hereunder or in an attachment

[p.8]
A company must identify and assess bribery risks associated with its business partners and take adequate measures to manage and mitigate those risks. Indicators of bribery risks are commonly referred to as red flags. A Red Flag means a fact, event or set of circumstances, or other information that may suggest a potential concern for illegal or unethical business conduct. This document includes a non-exhaustive list of examples of Red Flags in relation to dealings with Business Partners. The existence of a Red Flag does not mean that Saab automatically must cease dealing with the Business Partner, but any Red Flag must be promptly investigated and resolved. If and how a Red Flag can be resolved will depend on its nature and the circumstances at hand. If you identify a Red Flag that has not already been identified and managed as part of Saab’s onboarding process you are instructed to immediately report the information to Market Network Management or Ethics and Compliance.

Ownership and management

- It is hard to determine the ultimate ownership of the business partner.
- The ownership is through what could be determined as a shell company.
- The business partner or its owner(s) is incorporated in a tax haven.
- There are indications of proxy ownership.
- The business partner has a complex or unorthodox ownership structure.

Ties to and interaction with Public Officials

- The business partner has one or more owners, managers or directors who is a public official.

- There are family ties between business partner owners or representatives and public officials.
- There are close personal ties between business partner owners or representatives and public officials.
- The business partner has financial ties or business relationships with public officials.
- The business partner will interact with public officials in the sales phase of the co-operation.
- The business partners insists on meeting with public officials without the participation of Saab personnel.
- The business partner has previously worked in a government agency at a high level or in a department or division that is relevant for the business prospect.
- The primary purpose for engaging the business partner is its connections to public officials.
### Question

7.1.4 Does the company's anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?

### Score

2

### Comments

There is evidence that the company’s anti-bribery and corruption policy applies to all agents and intermediaries acting for or on behalf of the company. All agents and intermediaries are subject to anti-bribery and corruption clauses in their contracts, which include clear audit rights and termination rights to detect, control and prevent breaches.

### Evidence

#### [30] Business Partners (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

**Business partners**

Category 1 is made up of business partners that are retained to market or promote Saab’s products and services or to provide strategic advice. This includes for example market consultants, agents, lobbyists, re-sellers and distributors. The appointment and management of these business partners follows a centralised and mandatory process which serves to (i) assess the business partner’s credentials and suitability for the assignment through due diligence and background controls, (ii) bind the business partner to Saab’s anti-bribery and compliance expectations through appropriate contractual commitments, and (iii) follow-up and control the business partner’s performance and conduct.

#### [31] Management of Intermediaries (Document)
Accessed 30/08/2019

[p.3] PROCESS TO APPONT AN INTERMEDIARY

[...]

- As part of the vetting process MNM will also conduct anti-corruption & compliance training of the Intermediary.
- The assignment is documented in a written agreement based on internal templates including provisions on scope of work, remuneration, business ethics, reporting, audit rights etc.

#### [17] Business Intermediaries and Lobbyists (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

**Business intermediaries and lobbyists**

[...]

All contracts with business intermediaries and lobbyists are based on templates developed by central compliance expertise. They have a limited term (normally two years) and include mandatory provisions regarding anti-bribery and corruption, reporting and audit rights. The remuneration shall be based on objective criteria and be reasonable and proportionate to the scope of work. Where the remuneration includes a commission element this shall be capped.

#### [18] Corruption Risk Management of Category 1 Business Partners (Intermediaries) (Document)
Accessed 30/08/2019

[p.2] 1 Validity
This directive applies to the entire Saab Group.

[...]

3 Application

This directive applies to the agreement types defined as Category 1 in INF-0741 and includes the following business partners (referred to as “Intermediaries”).

| Market consultants, agents and similar intermediaries |
| Business partners that provide consultancy or intermediary services for the purposes to win or retain business. |

[p.4] 4 Market consultants, agents and similar intermediaries as well as lobbyists and public affairs consultants

[p.5] 4.4 Contract negotiations

MNM is solely and exclusively responsible for all contractual negotiations with the prospective Intermediary.

All agreements shall be in writing and be based on templates developed by E&C. More significant deviations from the templates shall be discussed and agreed with E&C.

[p.6] 5.4 Contract negotiations

The Initiator is responsible for all contractual negotiations with the prospective Intermediary. All agreements shall be in writing and must include:

1. An anti-bribery and corruption undertaking;

2. An immediate termination right should the Intermediary be found to be in breach of its anti-bribery and corruption undertaking; and

3. Any other provisions specifically instructed by MNM or E&C.
Question

7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?

Score

1

Comments

Based on publicly available information, there is evidence that the compensation structures for agents are highlighted and addressed as a factor in bribery and corruption risk. There is also evidence that the company has specific controls in place to manage the risk, which include a threshold on the payment of sales commissions to agents and requiring that payments are only be made into local bank accounts.

However, there is no evidence that the company requires that payments be staged over the course of their contracts and based on clear milestones.

Evidence

[18] Corruption Risk Management of Category 1 Business Partners (Intermediaries) (Document)
Accessed 30/08/2019
[p.8] 7 General requirements

7.1 Remuneration and payment

The remuneration shall be determined to reflect a fair and reasonable compensation for the services, i.e. be proportionate to the scope, duration, level and quality of the services as well as the business risk carried by the Intermediary. The remuneration shall be based on the most objective elements possible.

Cash payments or payments by unusual means or methods are strictly prohibited. Payments shall only be made, save in legitimate exceptional circumstances, in the country where the Intermediary is active or registered, in the latter case on the condition that the registration reflects a substantive actual business presence in that jurisdiction.

All payments shall be made against invoices issued by the Intermediary and shall be duly recorded in Saab’s books.

[17] Business Intermediaries and Lobbyists (Webpage)
Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business intermediaries and lobbyists

[...]

The remuneration shall be based on objective criteria and be reasonable and proportionate to the scope of work. Where the remuneration includes a commission element this shall be capped.

Accessed 21/03/2020
[p.6] We are aware of the risk that payments to market intermediaries may be used to improperly influence business decisions. We are committed to preventing this by implementing and adhering to requirements and procedures in our operations that are consistent with best practice.

Accessed 30/08/2019
[p.3] The following general criteria are normally relevant to identify the corruption risk associated with the business partner:
[...]  
- The form of remuneration.
<table>
<thead>
<tr>
<th>Question</th>
<th>7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>0</td>
</tr>
<tr>
<td>Comments</td>
<td>There is no publicly available evidence to indicate that the company publishes any details of the agents currently contracted to act for and/or on behalf of the company.</td>
</tr>
<tr>
<td>Evidence</td>
<td>No evidence found.</td>
</tr>
<tr>
<td>Question</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?</td>
<td></td>
</tr>
<tr>
<td>Score</td>
<td>0</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>There is no publicly available evidence to indicate that the company publishes any data on ethical or bribery and corruption-related investigations, incidents or the associated disciplinary actions involving agents.</td>
<td></td>
</tr>
<tr>
<td>Evidence</td>
<td></td>
</tr>
<tr>
<td>No evidence found.</td>
<td></td>
</tr>
</tbody>
</table>
7.2 Joint Ventures

Question

7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?

Score

1

Comments

There is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to entering into a joint venture. There is evidence that this due diligence is conducted for every joint venture partnership and it is clear that the company’s due diligence includes checks on the ownership of joint venture partners.

However, there is no evidence to suggest that high-risk joint ventures (i.e. those operating in high risk markets or with high risk partners) are subject to enhanced due diligence and that due diligence is repeated at least every two years.

Evidence

[30] Business Partners (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Business partners
Saab’s business partners have a key role in the company’s success. The relationships are built on mutual respect but at the same time it is important for us to manage the risks that may arise through our partners. We could not realise all of our achievements and continue our success without our business partners. At the same time we recognise that business partners may pose a legal and reputational risk if not managed correctly. Therefore we divide our business partners into three categories, with each category being subject to specific corruption prevention procedures.

[...]

Category 2 includes business partners in teaming agreements, joint ventures, real estate/property transactions, certain sourcing and offset agreements. Any agreement with a business partner in this category must follow a predefined process with detailed requirements concerning due diligence, corruption risk assessment and ABC-clauses. The process is supported by specific tools developed by our central compliance expertise.

[32] Mergers & Acquisitions and Joint Ventures (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Joint Ventures
The establishment and management of a joint venture (whether incorporated or not) is considered to carry a heightened corruption risk and joint venture agreements are therefore classified as category 2. As a consequence they are subject to a mandatory corruption prevention process.

The process prescribes the collection of a due diligence questionnaire, the verification of the questionnaire against databases, a recorded risk assessment and a structured decision making, including the possibility to have further guidance and support from central compliance experts.

The risk assessment addresses key areas such as ownership and management, identification and selection, government relations, conflicts of interest, use of third parties, compliance maturity and track record. There are guidelines to assess the importance of any identified red flags and to recommend mitigating activities where possible.

[24] Corruption risk management of Category 2 business partners (Document)
Accessed 30/08/2019
1 Validity

The entire Saab Group.

2 Purpose

Saab adheres to a policy of zero tolerance of bribery and corruption.

The purpose of this directive is to set out the rules and procedures to be applied when entering into certain business agreements to prevent Saab from being associated with corruption and bribery.

3 Application

This directive applies to the agreement types defined as Category 2 in INF-0741 and includes the following business arrangements.

Reference

INF-0741 Management and Prevention of Bribery and Corruption Risks

a) Agreements for joint marketing or sales activities, for example teaming agreements and non-incorporated joint ventures for marketing and sales.

b) Agreements for establishment of all incorporated joint ventures regardless of purpose.

[p.3] The Business Area, Market Area or Group Function shall ensure that the following requirements are complied with:

a) A “Request For Screening” (IN 5000363-037) shall be submitted to MNM by e-mail to [email address]. MNM will then send the Due Diligence Questionnaire to the potential business partner.

b) When the completed Due Diligence Questionnaire has been received by MNM, the potential business partner shall be screened against relevant databases, including denied parties and politically exposed persons (PEP) lists. The screening report) and completed Due Diligence Questionnaire will be provided to the stakeholders listed in the Request For Screening via a web link.

c) A corruption risk assessment shall be conducted and recorded (IN 5000362-320 for protocol and INF-0743 App 1 for assessment guidance). The assessment may upon request involve the assistance of MNM and Ethics and Compliance.

d) The corruption risk assessment and all supporting material shall be filed for future reference.

Accessed 21/03/2020

[p.58] SCUTINY OF BUSINESS PARTNERS

Hiring external parties in the selling process is sometimes important to better understand how a market works, but can also mean greater exposure to corruption risks.

[...]

In addition, Saab has a process for other business relationships associated with a high corruption risk, e.g. industrial cooperations and joint ventures.
Question

7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?

Score

1

Comments

Based on publicly available information, there is evidence that the company commits to establishing and implementing anti-bribery and corruption policies in all of its joint ventures. The company requires joint ventures in which it has a controlling interest to apply the company’s rules and procedures for corruption prevention. Joint ventures in which the company has a minority stake are required to adhere to Saab’s Supplier Code of Conduct or commit to follow an equivalent set of core principles. The company includes termination rights in its contracts with joint venture partners.

However, the company receives a score of ‘1’ because there is no publicly available evidence that the company includes audit rights in its joint venture contracts.

Evidence

[30] Business Partners (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/
Business partners

[…] Category 2 includes business partners in teaming agreements, joint ventures, real estate/property transactions, certain sourcing and offset agreements. Any agreement with a business partner in this category must follow a pre-defined process with detailed requirements concerning due diligence, corruption risk assessment and ABC-clauses. The process is supported by specific tools developed by our central compliance expertise.

[32] Mergers & Acquisitions and Joint Ventures (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/
Joint Ventures

[…] Joint ventures under Saab’s control shall apply Saab’s rules and procedures for corruption prevention or of a similar nature. Joint ventures that are not under Saab’s control shall sign up to Saab’s Supplier Code of Conduct or commit to follow an equivalent of its core principles. Joint venture agreements shall include effective remedies in case of non-compliance with Saab’s requirements such as a contractual right to terminate the agreement in case the non-compliance is of a material nature.

[24] Corruption risk management of Category 2 business partners (Document)
Accessed 30/08/2019
[p.3] e) The agreement shall include business ethics and anti-bribery and corruption clauses based on templates approved by Ethics and Compliance.

05/05/2020
[p.6] 7 M&A and joint ventures M&A transactions typically involve interaction with parties that are unknown or with no previous business dealings with Saab and, where a business is acquired, may result in Saab absorbing liability for historic events. It is therefore important to carefully and timely assess and manage corruption and reputational risks in M&A transactions.
It is the responsibility of Group M&A to ensure that all corruption and reputational risks associated with the target company, its executive management and other relevant parties are appropriately investigated and addressed as part of the due diligence exercise. Following completion of the M&A-transaction it is the responsibility of the acquiring Saab organisation to ensure that the target company implements Saab’s rules and procedures for corruption and bribery prevention. Joint ventures under Saab’s control shall apply Saab’s rules and procedures for corruption and bribery prevention or rules and procedures of a similar nature.

Joint ventures that are not under Saab’s control shall sign up to Saab’s Supplier Code of Conduct or commit to follow an equivalent of its core principles. Joint venture agreements shall include effective remedies in case of non-compliance with Saab’s requirements such as a contractual right to terminate the agreement in case the noncompliance is of a material nature. Under no circumstances may a joint venture be used as a way of circumventing the strict corruption prevention procedures applied elsewhere in Saab’s business.
<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company explicitly commits to take an active role in preventing bribery and corruption in all of its joint ventures. However, the company does not provide any further information or practical details to support this statement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
</table>
| **[36] Updated Management and Prevention of Bribery and Corruption Risks (Document)** 05/05/2020  
| p.6 | 7 M&A and joint ventures M&A transactions typically involve interaction with parties that are unknown or with no previous business dealings with Saab and, where a business is acquired, may result in Saab absorbing liability for historic events. It is therefore important to carefully and timely assess and manage corruption and reputational risks in M&A transactions. |
| It is the responsibility of Group M&A to ensure that all corruption and reputational risks associated with the target company, its executive management and other relevant parties are appropriately investigated and addressed as part of the due diligence exercise. Following completion of the M&A-transaction it is the responsibility of the acquiring Saab organisation to ensure that the target company implements Saab’s rules and procedures for corruption and bribery prevention. Joint ventures under Saab’s control shall apply Saab’s rules and procedures for corruption and bribery prevention or rules and procedures of a similar nature. |
| Joint ventures that are not under Saab’s control shall sign up to Saab’s Supplier Code of Conduct or commit to follow an equivalent of its core principles. Joint venture agreements shall include effective remedies in case of non-compliance with Saab’s requirements such as a contractual right to terminate the agreement in case the noncompliance is of a material nature. Under no circumstances may a joint venture be used as a way of circumventing the strict corruption prevention procedures applied elsewhere in Saab’s business. |
### 8. Offsets

#### Question

| 8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities? |

#### Score

2

#### Comments

Based on publicly available information, there is evidence that the company addresses and has procedures in place to address the corruption risks associated with offset contracting. There is evidence that the company requires that its offset partners adhere to its anti-bribery and corruption standards through contractual clauses. The company states that the Group Industrial Co-operation team is responsible for managing offset obligations and monitoring the company’s offset activities throughout the lifecycle of each project. There is evidence that employees involved in industrial cooperation projects receive tailored anti-bribery and corruption training.

#### Evidence

**[33] Industrial partners and offset (Webpage)**

Accessed 30/08/2019


Industrial partners and offset

Industrial co-operation and offset related agreements are considered to carry a heightened corruption risk and are therefore classified as category 2. As a consequence they are subject to a mandatory corruption prevention process.

[…]

The agreements shall include ethics and ABC-clauses based on templates approved by central compliance expertise.

Group Industrial Co-operation is the central function assigned with the responsibility to co-ordinate and monitor all Saab’s offset activities.


Accessed 21/03/2020


[p.58] SCRUTINY OF BUSINESS PARTNERS

Hiring external parties in the selling process is sometimes important to better understand how a market works, but can also mean greater exposure to corruption risks.

[…]

In addition, Saab has a process for other business relationships associated with a high corruption risk, e.g. industrial cooperations and joint ventures.

**[24] Corruption risk management of Category 2 business partners (Document)**

Accessed 30/08/2019


[p.1] 3 Application

This directive applies to the agreement types defined as Category 2 in INF-0741 and includes the following business arrangements.
Offset related agreements, i.e. agreements for discharging of offset requirements, offset credit swap agreements, offset brokering agreements etc.

The Business Area, Market Area or Group Function shall ensure that the following requirements are complied with:

- The agreement shall include business ethics and anti-bribery and corruption clauses based on templates approved by Ethics and Compliance.

[31] Management of Intermediaries (Document)
Accessed 30/08/2019

INTRODUCTION

A key feature in modern international anti-corruption laws is that a company is liable for third parties that act on behalf of the company. As a general requirement Saab therefore requires every third party relation to be preceded by a corruption risk assessment.

For specific categories of third party relations that are deemed to carry a higher corruption risk, Saab has taken extra precaution and established a mandatory appointment and management process which is headed by Market Network Management (MNM).

The full process is set out in DIR-C-063 Appointment and Management of International Intermediaries.

This document includes a summary of the process and its key features.

Third parties covered by the process

The process applies to every third party arrangement intended to develop, advance, expand or maintain Saab’s market presence. This means that the process covers marketing consultants, advisors, agents, re-sellers, distributors and other commercial intermediaries as well as certain offset partners, joint ventures and service providers.

The purpose of the process

The purpose of the process is to ensure that Intermediaries are managed and controlled in a transparent and uniform process across all areas of Saab’s operations and that they are retained only after due consideration and conclusion that Saab’s standards on business ethical conduct are ensured.

Under no circumstances may an Intermediary receive instruction by, or start working for, Saab before the Process has been concluded and a written agreement has been signed.

In the event of uncertainty whether a specific agreement falls under the process, this shall be assumed to be the case until otherwise is determined by MNM.

A third party covered by the process is referred to as an Intermediary.

Accessed 30/08/2019
Saab adheres to a policy of zero tolerance of bribery and corruption.

The purpose of this document is to lay down the rules and procedures to be applied at Saab in order to prevent bribery and corruption in all activities under Saab’s control. It is the responsibility of each Business Area, Market Area and Group Function to ensure that its operations are always conducted in full compliance with this document.

Non-compliance with the requirements herein will result in disciplinary actions up to and including termination of employment.

[...] 5.4 Category 2 agreements

Category 2 includes all of the below listed types of agreements. Prior to execution of any Category 2 agreement, the requirements of INF-0743 shall be applied.

Reference
INF-0743 Corruption risk management of Category 2 business partners

[...]

[5.5] e) Offset related agreements, i.e. agreements for discharging of offset requirements, offset credit swap agreements, offset brokering agreements etc.

Accessed 29/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/training-and-guidance/
All employees regardless of position are trained in Saab’s Code of Conduct and in anti-bribery and corruption. Mandatory e-learnings are supplemented with webinars and customized classroom training. Employees and managers in positions exposed to higher risks, such as marketing and sales, business development, sourcing, project management and industrial co-operations, receive in-depth classroom training. This training includes, among other things, general risk awareness and guidance in internal processes and risk management tools.
Question

8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?

Score

1

Comments

There is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations. The process specifically mentions checks on ownership and conflict of interest. There is also evidence that the company seeks to assure itself of the legitimacy of the investment.

However, there is no evidence that the company refreshes due diligence at least every two years or when there is a significant change in the business relationship or nature of the partner.

Evidence

[31] Management of Intermediaries (Document)
Accessed 30/08/2019

[p.2] INTRODUCTION

A key feature in modern international anti-corruption laws is that a company is liable for third parties that act on behalf of the company. As a general requirement Saab therefore requires every third party relation to be preceded by a corruption risk assessment.

For specific categories of third party relations that are deemed to carry a higher corruption risk, Saab has taken extra precaution and established a mandatory appointment and management process which is headed by Market Network Management (MNM).

The full process is set out in DIR-C-063 Appointment and Management of International Intermediaries.

This document includes a summary of the process and its key features.

Third parties covered by the process

The process applies to every third party arrangement intended to develop, advance, expand or maintain Saab’s market presence. This means that the process covers marketing consultants, advisors, agents, re-sellers, distributors and other commercial intermediaries as well as certain offset partners, joint ventures and service providers.

The purpose of the process

The purpose of the process is to ensure that Intermediaries are managed and controlled in a transparent and uniform process across all areas of Saab’s operations and that they are retained only after due consideration and conclusion that Saab’s standards on business ethical conduct are ensured.

Under no circumstances may an Intermediary receive instruction by, or start working for, Saab before the Process has been concluded and a written agreement has been signed.

In the event of uncertainty whether a specific agreement falls under the process, this shall be assumed to be the case until otherwise is determined by MNM.

A third party covered by the process is referred to as an Intermediary.
PROCESS TO APPOINT AN INTERMEDIARY

- The Initiator shall perform a corruption risk assessment to identify and analyze any corruption risks associated with the business case and the use of the Intermediary.
- If the corruption risk assessment indicates an acceptable risk level, the Initiator shall proceed to issue a business justification motivating the need for the proposed Intermediary and the remuneration and requesting MNM to proceed with the appointment.
- The request to MNM to proceed with the appointment shall be preceded by internal co-ordination to ensure that the initiative is aligned with Saab’s overall marketing and product strategies.
- Upon approval of the business justification and the corruption risk assessment, MNM will initiate the appointment process and conduct a due diligence investigation, including questionnaires, external inquiries and interviews.
- As part of the vetting process MNM will also conduct anti-corruption & compliance training of the Intermediary.
- The assignment is documented in a written agreement based on internal templates including provisions on scope of work, remuneration, business ethics, reporting, audit rights etc.
- Agreements where the underlying business case exceeds certain thresholds are referred to the Ethics and Compliance Board (ECB) for approval.
- After completion of the appointment process, it is the responsibility of the Initiator to monitor and follow-up the proper performance of the Intermediary’s work and ensure that applicable reporting requirements are complied with.

[33] Industrial partners and offset (Webpage)
Accessed 30/08/2019
https://saabgroup.com/responsibility/responsible-business/zero-tolerance-for-corruption/business-partners/

Industrial partners and offset

Industrial co-operation and offset related agreements are considered to carry a heightened corruption risk and are therefore classified as category 2. As a consequence they are subject to a mandatory corruption prevention process.

The process prescribes the collection of a due diligence questionnaire, the verification of the questionnaire against databases, a recorded risk assessment and a structured decision procedure, including the possibility to have further guidance and support from central compliance experts.

The risk assessment addresses key areas such as ownership and management, identification and selection, government relations, conflicts of interest, use of third parties, compliance maturity and track record. There are guidelines to assess the importance of any identified red flags and to recommend mitigating activities where possible.

[24] Corruption risk management of Category 2 business partners (Document)
Accessed 30/08/2019

This directive applies to the agreement types defined as Category 2 in INF-0741 and includes the following business arrangements.

[...] e) Offset related agreements, i.e. agreements for discharging of offset requirements, offset credit swap agreements, offset brokering agreements etc.

[p.3] The Business Area, Market Area or Group Function shall ensure that the following requirements are complied with:
a) A “Request For Screening” (IN 5000363-037) shall be submitted to MNM by e-mail to [email address]. MNM will then send the Due Diligence Questionnaire to the potential business partner.

b) When the completed Due Diligence Questionnaire has been received by MNM, the potential business partner shall be screened against relevant databases, including denied parties and politically exposed persons (PEP) lists. The screening report and completed Due Diligence Questionnaire will be provided to the stakeholders listed in the Request For Screening via a web link.

c) A corruption risk assessment shall be conducted and recorded (IN 5000362-320 for protocol and INF-0743 App 1 for assessment guidance). The assessment may upon request involve the assistance of MNM and Ethics and Compliance.

d) The corruption risk assessment and all supporting material shall be filed for future reference.

e) The agreement shall include business ethics and anti-bribery and corruption clauses based on templates approved by Ethics and Compliance.

Accessed 30/08/2019

[p.3] 5.2 Risk assessment

Business partners shall be subject to the risk assessment processes referred to in this directive. The appropriate risk assessment is defined by categorization of the agreement with the business partner.

Anyone considering engaging a potential business partner in an Agreement with Saab is responsible to apply the appropriate risk assessment process.

If you are in doubt regarding the categorization of the agreement, you should contact Market Network Management.

[p.4] 5.4 Category 2 agreements

Category 2 includes all of the below listed types of agreements. Prior to execution of any Category 2 agreement, the requirements of INF-0743 shall be applied.

Reference
INF-0743 Corruption risk management of Category 2 business partners

[p.5] e) Offset related agreements, i.e. agreements for discharging of offset requirements, offset credit swap agreements, offset brokering agreements etc.
<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?</td>
</tr>
</tbody>
</table>

<table>
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<th>Score</th>
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</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no publicly available evidence to indicate that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company’s offset programme.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Evidence</th>
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<tbody>
<tr>
<td>No evidence found.</td>
</tr>
<tr>
<td>Question</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td><strong>8.4 Does the company publish details about the beneficiaries of its indirect offset projects?</strong></td>
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</tbody>
</table>

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</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is evidence that the company publishes information <em>some</em> about the beneficiaries of its indirect offset projects. However, this is insufficiently detailed and there is no evidence that this covers all of the company’s offset projects or meets the other criteria in the guidance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence</th>
</tr>
</thead>
</table>
Accessed 21/03/2020  
[p.26] When Saab does business with other countries, the customer often demands industrial collaborations, many times with technology transfers as an important element. This type of demand is common in large defence contracts and is often a way for the customer’s country to encourage innovation domestically while securing access to defence materiel. Through customised offers, Saab and its partners have contributed to several successful projects that are helping national economies. One example is the industrial collaboration tied to the Gripen programme in Brazil. To date, 251 Brazilian engineers have come to Sweden to work together with Saab’s employees for one year. In total, nearly 400 will receive training at Saab. |
9. High Risk Markets

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is evidence that the company acknowledges the corruption risks associated with operating in different markets and has a risk assessment process and management procedures in place to account for these specific risks. There is evidence that the results of risk assessments have a direct impact on business decisions and inform the development and implementation of additional controls. The company provides some examples of these controls.</td>
</tr>
</tbody>
</table>

**Evidence**

[8] Corruption Risk Management (Webpage)
Accessed 30/08/2019

Corruption risk management
At Saab, mitigating risks is a crucial part of doing business. That is why we have a group wide management process to map and assess risks and create risk awareness. Saab’s enterprise risk management process aims to give a group-wide picture of Saab’s top risks. The process is annual and includes a systematic review of the strategic, operational, political, financial and compliance risks associated with the operations of each Business Area, Market Area or Group Function. Identified risks are measured in terms of impact, likelihood of occurrence and effectiveness of risk control and the result is reported to the Group Management and the Board of Directors, and is the basis for control and mitigations plans.

Corruption risks are part of the compliance category and are mapped and assessed through a risk matrix highlighting risk factors relevant for Saab’s business operations, such as geographical markets, size of sales and business prospects, type of customer and customer interaction, license or permit requirements, existence of business intermediaries and business partner interaction, employee training and risk awareness.

Accessed 21/03/2020
[p.48] Risk Management

[...] The purpose of ERM is to provide a Group overview of the risks and uncertainties Saab is exposed to and to support value creation, ensure risk awareness and balance risk versus return. Most of the operating risks that are identified are managed at a local level. Among these risks, Saab identifies a number through the ERM process that individually or in combination can have a large impact at the business area level. These risks are weighed against the company’s risk tolerance, and decisions are made on the appropriate measures to avoid, reduce, spread or accept risks. A number of these risks can potentially also affect the entire Group.

ERM work is part of the strategic work and involves the managements of the business and market areas as well as Group Management and Group functions.

[12] Corruption Risk Management (Document)
Accessed 29/08/2019
The purpose of the risk assessment is to identify all corruption risks associated with the agreement and, where needed, mitigate identified risks to an acceptable level. Where the risk exposure is unacceptable, Saab shall abstain from the relationship.

The relevant risk parameters vary depending on the relationship, but the following factors are generic and shall always be part of the assessment:

- The country
  - Corruption risk in general

- The customer
  - Private or public
  - Sector or segment

- The business case
  - Value
  - Complexity
  - Procurement method

- The business partner
  - Form and size of company
  - Ownership and key individuals
  - Role and scope of work
  - Relationship with the customer
  - Track record and reputation
  - Compliance maturity

- The form and size of the remuneration

- Balance between effort, risk and reward

In addition to these parameters, there may be factors that are specific to the relationship and which must be included in the assessment.

How do I identify risks?

Risks may be identified using different intelligence sources and methods.
- TI's Corruption Perception Index (CPI) and Government Defense Anti-corruption Index
- Open source search, e.g. Google
- Financial and trade registers, e.g. Dunn & Bradstreet
- Checking the third party against blacklisting
- Due Diligence Questionnaire
- Meetings and interviews
- Due Diligence through external sources

How do I mitigate risks?
- Identified risks may be mitigated and managed through different means both before and during agreement execution.
- Harmonization of compliance programs (recognition of Saab's standards)
- Compliance training
- Business ethics clauses in the agreement
- Audit rights
- Regular monitoring and review

Are the same efforts always required?

A fundamental principle in corruption risk management is to adjust the efforts to the risk level, i.e. to apply proportionate procedures. Accordingly, in cases where the risks are likely to be significant, substantial efforts must be made to identify and assess the actual risks and bring them to an acceptable level, while more limited efforts should be applied where the risks are likely to be lesser.
Question

9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?

Score

1

Comments

Based on publicly available information, there is evidence that the company publishes full lists of its fully consolidated subsidiaries and non-fully consolidated holdings, including any associates, joint ventures and other related entities. For each entity, the company discloses its percentage ownership. There is also evidence that the lists are current, updated on at least an annual basis and complete at the time of publication to the best of the company’s knowledge. The company publishes the country of incorporation for each entity.

However, the company does not publish the countries of operation for each entity.

Evidence

Accessed 21/03/2020
[p.117]

[p.118]
### GROUP COMPANIES

<table>
<thead>
<tr>
<th>Group company</th>
<th>Group company's registered office, country</th>
<th>Ownership share, per cent</th>
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<tbody>
<tr>
<td>Combitech AB</td>
<td>Växjö, Sweden</td>
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</tr>
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<td>Combitech Oy</td>
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<tr>
<td>Saab Australia Pty Ltd</td>
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<td>Saab Technologies B.V.</td>
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Total ownership of non-controlling interests amounted to MSEK 274 (22). No non-controlling interests are considered material.
### Defence Companies Index (DCI) 2020

#### Group companies holdings of shares in Group companies

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<th>Company Name</th>
<th>Number of Shares</th>
<th>Share in Percent</th>
<th>Carrying Amount (SEK)</th>
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**Gearing as a percent at year-end**: 6.17%
<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.3  Does the company disclose its beneficial ownership and control structure?</td>
</tr>
<tr>
<td>Score</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>Comments</td>
</tr>
<tr>
<td>The company is publicly listed on a regulated marked in the European Economic Area and therefore automatically receives a score of ‘2’.</td>
</tr>
</tbody>
</table>

**Evidence**

[34] Financial Times – Markets Data (Webpage)
Accessed 03/10/2019
https://markets.ft.com/data/equities/tearsheet/summary?s=SAAB%20B:STO

![Saab AB](https://markets.ft.com/data/equities/tearsheet/summary?s=SAAB%20B:STO)
Question

9.4 Does the company publish a percentage breakdown of its defence sales by customer?

Score

0

Comments

The company does not publish the customers of at least 50% of its defence sales and therefore cannot receive a score of ‘1’.

Evidence

Accessed 21/03/2020

[16] Sweden is and will remain the hub of Saab’s operations and the company’s home market. The Swedish armed forces are Saab’s main reference customer. It is our highest priority that Sweden maintains trust in Saab and that the company retains a strong position in the Swedish market.

[...]

71% Share of orders from outside Sweden

[p.39] In 2019, the Group had customers in over 100 countries

[p.100] Saab is active in the military defence market as well as the commercial aircraft and security market. In 2019, sales of defence materiel accounted for 85 per cent (85) of Saab’s sales. Saab’s international sales represent more than half of its total operations and as a rule entail considerable sums that stretch over long periods of time. In 2019, 63 per cent (59) of Saab’s sales was to markets outside Sweden. A large share of Saab’s sales comes from a limited number of customers and relatively few contracts. The European market including Sweden is Saab’s most important market. The Swedish Defence Material Administration (FMV) is Saab’s most important customer, accounting for 26 per cent (32) of Saab’s sales in 2019.

[p.101]
## 10. State-Owned Enterprises (SOEs)

<table>
<thead>
<tr>
<th>Question</th>
<th>10.1 Does the SOE publish a breakdown of its shareholder voting rights?</th>
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<tr>
<td>Score</td>
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<td>Question</td>
<td>10.2 Are the SOE’s commercial and public policy objectives publicly available?</td>
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<td>Question</td>
<td>10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?</td>
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<td>10.4 Is the SOE’s audit committee composed of a majority of independent directors?</td>
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<td>Question</td>
<td>10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?</td>
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