



SAAB

SUSTAINABILITY REPORT **2015**





CONTENTS

Saab in brief	1
CEO comment: Saab is part of society	2
The year in brief	3
Sustainability strategy and priority issues	4
Goals and results	5
Stakeholder engagement	6
Focus areas:	
Responsible business	7
Reduce environmental impact	13
Employer of choice	18
Contribute to society	23
Governance of sustainability work	29
GRI index	30

VISION

It is a human right to feel safe.

MISSION

To make people safe by pushing intellectual and technological boundaries.

It is a basic human need and a human right to feel safe. Safety is subjected to many different types of threats, however. This includes military threats, terrorism, accidents or natural disasters.

Saab develops innovative, cost-efficient high-tech systems to increase security for societies and individuals. At the same time there is a realisation throughout the business that some of the systems and solutions that contribute to greater security are not only used in a state of peace, but could also be used in conflict. This entails a large responsibility. By acting responsibly in everything we do, we build the confidence of customers, employees and society and contribute to a safer world.

SAAB IN BRIEF

Saab is a global defence and security company that develops, manufactures and sells some of the world's most advanced systems. This includes everything from monitoring sovereign airspace to supplying air traffic management systems at airports. Saab focuses on five core areas where training and support are integral parts.

FIVE CORE AREAS



Aeronautics

Development of advanced military and civil aviation technology, including the Gripen combat aircraft system, which has a strong position in the market.



Advanced weapon systems

Anti-tank weapons, missiles and ammunition as well as integrated combat systems and network solutions.



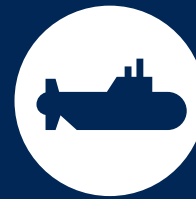
Command and control systems

Systems to control and co-ordinate military operations as well as traffic management on land, at sea and in the air.



Sensors

Airborne surveillance systems, air defence, surveillance and surface-based air defence.



Underwater systems

The A26 submarine and autonomous vehicles as well as detection, weapon, self-protection and communication systems.

27,2

Sales, SEK billion

34

Countries where Saab operates

14,685

Number of employees

500

Approximate number of products Saab offers

CEO COMMENT

SAAB IS PART OF SOCIETY

In 2015, the UN adopted 17 new sustainable development goals to create a more sustainable world economically, environmentally and socially. Through solutions in military defence and civil security, Saab contributes to a safer and more sustainable society. For Saab, sustainability is a competitive advantage. Sustainable business drives innovation and profitability.



Young people today and in the future will seek out modern, forward-thinking employers. Customers, investors, suppliers and society as a whole are interested not only in how we perform in strictly financial terms, but also environmentally and socially. To stay on the forefront technologically and as a business for decades to come, we have to choose sustainable alternatives.

EDUCATION HELPS SOCIETY TO GROW

We contribute to the social development of the communities where we work with a premium on education and individual development. On a fundamental level, education is by far the most important tool to drive growth and to make people and societies stronger. We support education at both a basic and a higher level. We are also engaged in initiatives to attract more young people, especially women, to engineering, which is critical for Saab to continue to attract the best people in the future.

EFFECTIVE CLIMATE WORK

Concern for the environment is a strategic choice, since natural resources are a prerequisite for Saab and other manufacturers. Developing innovative solutions that help to reduce environmental impacts is therefore a strong driver for us. We are committed, for example, to reducing our greenhouse gas emissions. In 2015, we received confirmation that Saab has been effective in addressing climate change when we achieved the highest score in the Carbon Disclosure Leadership Index, where companies are judged on how transparently they describe their environmental work as well as manage risks and opportunities in the area.

RESPONSIBLE ACTIONS

Saab should always be seen as a long-term, open and reliable partner. Sustainable business is good for Saab. We act responsibly, according to the company's values, code of conduct, rules and processes. Two areas of major importance are the rules and internal processes on anti-corruption and the export of defence products. These are also the areas where we

draw the most attention. One area where we intensified work during the year is sustainable relationships in our supply chain. Saab launched, among other things, a code of conduct specific for our suppliers.

DIFFERENCES ARE ENRICHING

As CEO, I constantly stress the importance of diversity in everything we do. Communities and companies have everything to gain when we utilise each other's backgrounds and experiences. Gender equality is an important part of diversity work, and Saab has been working for years to increase the number of women in management positions. This aim is now being complemented by goals to increase the total percentage of women at Saab.

THE WORK CONTINUES

In 2011, Saab endorsed the UN Global Compact to further strengthen its work with anti-corruption, labour, the environment and human rights. To give these issues even greater emphasis, Saab in 2015 formed a Corporate Responsibility Council, led by our Executive Vice President.

This is Saab's second sustainability report according to the Global Reporting Initiative (GRI). We are continuously developing and integrating sustainable aspects throughout the business.

Håkan Buskhe,
President and CEO

THE YEAR IN BRIEF

9,507 Number of Saab's employees who have completed web-based anti-corruption training

Saab's ranking in Universum's survey of popular employers among Swedish engineering students 8

Reduction in greenhouse gas emissions related to sales since 2007 17%

7% Operating margin

SAAB'S DISTRIBUTION OF ECONOMIC VALUE

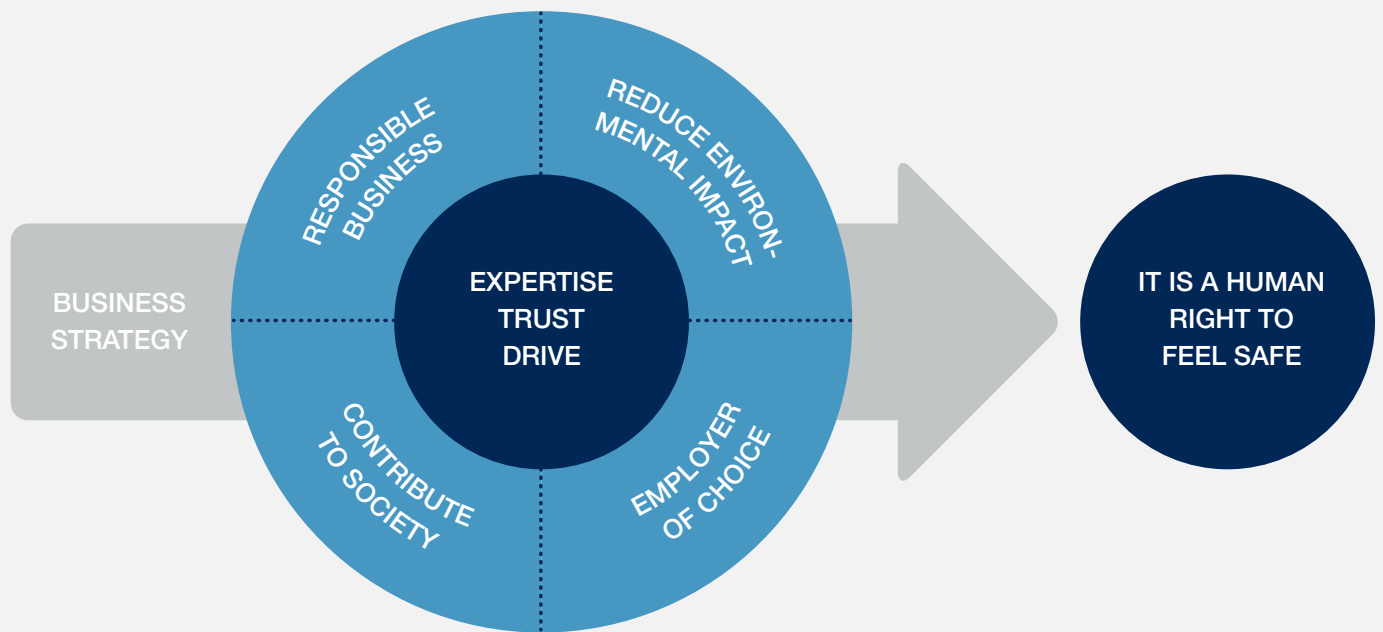
511 Dividend to owners, SEK million 74 Interest paid to credit providers, SEK million

9,4 Employee wages, SEK billion 12.9 Supplier costs, SEK billion

2.3 Government taxes, SEK billion 6.8 Research and development, SEK billion

SUSTAINABILITY STRATEGY AND PRIORITY ISSUES

Saab has divided its sustainability work into four focus areas and identified priority issues for each area. These issues will be integrated into day-to-day operations. In this way Saab can create long-term profitability and confidence in its business, which contributes to the vision that everyone has the right to feel safe.



RESPONSIBLE BUSINESS

- Zero tolerance for corruption
- Export compliance
- Responsible supplier relationships
- Information security

REDUCE ENVIRONMENTAL IMPACT

- Reduce climate impact
- Phase out hazardous chemical substances
- Environmentally sustainable innovations

EMPLOYER OF CHOICE

- Develop leaders and employees
- Employee engagement
- Performance-driven culture
- Health and safety
- Gender equality and diversity

CONTRIBUTE TO SOCIETY

- Innovation and spreading knowledge
- Increased security and defence capabilities
- Social engagement with a focus on promoting education and an interest in technology

GOALS AND RESULTS



ZERO TOLERANCE FOR CORRUPTION

Saab will have clear and easily accessible rules and processes to prevent corruption and conflicts of interest. All employees will regularly receive anti-corruption training.

RESULT 2015

More than 9,000 of Saab's employees have completed the web-based anti-corruption training. Just over 1,000 employees have completed the in-depth anti-corruption training since 2011.

RESPONSIBLE SUPPLIER RELATIONSHIPS

Saab will work continuously with suppliers on social and environmental responsibilities.

RESULT 2015

Saab launched a supplier code of conduct and updated contract templates with a clause on the code of conduct.



REDUCE CLIMATE IMPACT

Reduce greenhouse gas emissions by at least 20 per cent from 2007 to 2020 related to sales.

RESULT 2015

Saab reduced greenhouse gas emissions by 17 per cent from 2007 related to sales.

PHASE OUT HAZARDOUS CHEMICAL SUBSTANCES

Phase out hazardous chemical substances with unacceptable risks and such that could be subject to regulation by authorities and customers.

RESULT 2015

The phase-out work continued according to plan. During the year, Saab launched a new cleaning facility to phase out trichloroethylene and a new surface treatment method to replace chromates, which is scheduled to be fully in operation in 2016.



GENDER EQUALITY AND DIVERSITY

Saab strives to be an inclusive workplace where gender equality and diversity are widely accepted. In Sweden, Saab wants at least 35 per cent female managers and at least 30 per cent female employees by 2025. Globally, Saab wants at least 30 per cent female managers and at least 25 per cent female employees by 2025.

RESULT 2015

In Sweden, Saab had 27.2 per cent female managers and 23 per cent female employees. Globally, Saab had 23.5 per cent female managers and 22.4 per cent female employees.

EMPLOYEE ENGAGEMENT

At least 85 per cent of the employees should be very satisfied working at Saab.

Saab will rank among the top five in Universum's ranking of future employers among Swedish engineering students.

RESULT 2015

82 per cent of Saab's employees were very satisfied working at Saab.

Saab ranked eighth in Universum's survey of popular employers among Swedish engineering students.



SOCIAL ENGAGEMENT

Saab will contribute to social development in markets where the company is active, mainly with the help of Saab's employees and technologies and with a special emphasis on promoting education and an interest in technology.

RESULT 2015

Saab continued during the year to promote education and an interest in technology, including with the help of employees who volunteer as math tutors and through activities to interest girls in engineering. For more examples, see page 27.

STAKEHOLDER ENGAGEMENT

Continuous dialogue and meetings with various stakeholder groups are essential in order to understand the expectations on Saab as a sustainable company.

Stakeholders' expectations, along with Saab's own strategic assessment, serve as a basis for the priorities chosen for Saab's sustainability work (see page 4) and hence the contents of the sustainability report. The issues are evaluated from a stakeholder and business perspective and how they affect Saab's ability to create and maintain value.

Saab receives input from stakeholders through a number of different channels, some of which are listed below. In addition to regular contact with stakeholders, Saab sent out brief surveys on the company's sustainability work in 2014 and 2015 to a selected number of stakeholders, including employees, students, investors and customers. Saab also monitors trends in sustainability and participates in a number of collaborations and organisations that provide valuable contributions to the work (see page 29).

EXPECTATIONS

The sustainability issues that most stakeholders point to as especially important for Saab's business are zero tolerance for corruption and compliance with export regulations. Many also want to know more about how Saab works with environmentally sustainable innovations.

Each stakeholder group also has expectations on Saab based on their particular interests. Customers and business partners expect Saab to offer cost-efficient solutions designed based on their needs. They want a relationship that can develop over time and that is based on mutual trust and a shared view of regulatory compliance, international agreements and business ethics. Employees expect Saab to make use of their competence and offer development opportunities. Owners and investors expect a consistent return and that Saab will be transparent in its communications with the capital market. Society as a whole expects the business to be run in a responsible manner and contribute to security. This includes responsibility for the environment and that Saab's operations contribute to positive social development locally and globally.



DIALOGUE THROUGH SOCIAL MEDIA

To strengthen its image as a defence and security company, Saab engaged with the public on security and public safety through social media. After employees from Saab shared what security means to them, a contest was launched asking the public for their views in 300 words or less. The prize was something many people dream of and which demonstrates Saab's high technology: a flight on the Gripen fighter. Of the 2,000 entries, Lars Löfdahl from Örebro was selected as the winner.

Stakeholder group	Main forms of engagement
Owners and investors	<ul style="list-style-type: none"> • Separate meetings with investors on sustainability issues. • Annual General Meeting. • Sustainability surveys from investors and analysts. • Continuous engagement with investors and analysts.
Employees	<ul style="list-style-type: none"> • Continuous engagement through day-to-day operations. • Performance reviews. • Annual employee survey. • Leadership development programme.
Students and potential employees	<ul style="list-style-type: none"> • Career days and similar events. • Collaborations with universities and institutes of technology. • External surveys on students' expectations of future employers.
Customers	<ul style="list-style-type: none"> • Customer surveys. • Personal meetings, trade shows and conferences.
Society in general, including decision-makers and interest groups	<ul style="list-style-type: none"> • Participation in defence forums and debates, such as Almedalen and Folk och Försvar (Security and Defence) in Sälen. • Collaborations with public organisations and authorities, such as the EU and UN. • Volunteering and work with non-profit organisations.
Suppliers and partners	<ul style="list-style-type: none"> • Continuous contact with suppliers and partners.

RESPONSIBLE BUSINESS



Priority issues

- Zero tolerance for corruption
- Export compliance
- Responsible supplier relationships
- Information security

ZERO TOLERANCE FOR CORRUPTION

Saab strives to be a reliable long-term partner that promotes an open and transparent market. Corruption is destructive to society and business, something Saab can never accept.

Saab has zero tolerance for corruption and has a solid organisation, well-established procedures and tools to prevent risks.



Like many other companies that do business in many parts of the world, Saab sometimes comes across attitudes that are inconsistent with its ethical values. For this reason, Saab has built up an extensive organisation, processes and tools for risk management.

RULES AND PROCESSES

Saab is guided by its fundamental values, the company's Code of Conduct, current laws, industry-wide codes of conduct and clearly defined internal processes to prevent corruption risks. The basic rule is simple: Saab has zero tolerance for corruption.

In 2015, Saab conducted a review of its Code of Conduct and launched a separate supplier code of conduct. Saab also reviewed and updated its internal rules on gifts and entertainment as well as sponsorships.

RISK ANALYSIS

Exporters are often exposed to corruption risks. Saab therefore requires that a corruption risk analysis is performed prior to each deal. Among the factors that affect the risk are where a deal takes place, who the customer is, how the procurement is handled, how Saab found out about it, the business model and the contract value. If the risks that are identified cannot be minimised and managed satisfactorily, Saab will withdraw from the deal.

STRICT SCRUTINY OF MARKETING CONSULTANTS

To gain entry to new markets, multinational companies often hire marketing consultants and other partners in the selling process. Saab does as well. Hiring of third parties in the sales process is sometimes important in order to understand how a market works, but can also result in increased

exposure to corruption risks. Saab therefore applies a strict process whereby co-operations with marketing consultants and other partners in the selling process must be evaluated and approved by a central function that handles all such relationships. These partners also have to undergo special training and pledge to abide by Saab's ethical values and guidelines. Contracts contain specific commitments with regard to business ethics and permit continuous monitoring of the partners through reporting requirements and audit rights. The company implemented a programme in 2015 where Internal Audit reviews a number of randomly selected contractual relationships each year to verify compliance with the process and that the partner is operating in line with Saab's values and current contractual terms. Saab's long-term aim is to reduce the number of marketing consultants and other partners in the selling process and instead increase its own staff in selected markets.

TRAINING

In addition to training on the Code of Conduct, all employees receive separate, web-based anti-corruption training. At year-end 2015, 9,507 employees had completed the training. Employees in the marketing and sales organisation also receive mandatory in-depth training covering, among other things, general risk awareness, internal processes and the company's tools for managing corruption risks.

Starting in autumn 2013, a new inventory was performed with the aim of broadening the target group to include employees from other parts of the organisation, e.g., Project Management, Commercial and Procurement. This inventory added another 300 employees. This training will continue in 2016. In total, over 1,000 employees have completed the in-depth training on around 90 occasions since June 2011.

Business ethics and risks are a recurring theme at board and management team meetings, Group-wide management conferences and meetings at the business area level.

WHISTLEBLOWING SYSTEM

Employees who become aware of or suspect non-compliance with laws or Saab's Code of Conduct are expected to report this through the whistleblowing system. In early 2015, Saab launched a new system to complement ordinary line reporting and provide the

option of reporting online or by phone. The system is managed by an independent party and guarantees the employee's anonymity. Complaints submitted to the system are handled by a team of representatives from Ethics and Compliance, Human Resources, Security and Internal Audit.

GLOBAL COLLABORATIONS

Saab actively participates in international industry associations to develop common anti-corruption rules, share experiences, and evaluate and improve their work (see page 29).

ORGANISATION

Saab's corruption prevention efforts are constantly developing, and a number of functions are involved in the work.

Through the Audit Committee, **the Board of Directors** is responsible for overseeing Saab's Code of Conduct and has ultimate responsibility for monitoring and evaluating business ethics work.

The Ethics and Compliance Board leads and draws up guidelines for the work, makes decisions on ethical issues and follows up whistleblowing cases. The board meets at least eight times a year and largely consists of members of Group Management.

The Ethics and Compliance function is responsible for monitoring, co-ordinating and developing corruption prevention work and contributing expertise in the area. At year-end 2015, the function consisted of two people.

Market Network Management (MNM) is a function consisting of around ten employees that collaborates with the market and product functions to manage marketing consultants and other third parties.

This process includes corruption risk analysis, due diligence, contracting and training for business partners. MNM also provides training and develops tools for Saab's anti-corruption work.

Saab's Internal Audit monitors implementation of the company's corruption prevention processes.

9,507

Number of employees who have completed web-based anti-corruption training.

RESPONSIBLE BUSINESS

COMPLIANCE WITH EXPORT RULES

For Saab, it is essential to follow the rules on the export of defence products. This is critical in order to maintain trust in the business.

One of the fundamental principles of the UN charter is of national sovereignty and the right to respond to acts of aggression. A military defence is the ultimate expression of this. For Sweden, a domestic defence industry is an important component in its defence capabilities, allowing it to be independent and participate in international collaborations in defence technology. Without the ability to sell to and cooperate with other countries, Sweden could not maintain its technological expertise and defence capabilities. At the same time, the export of defence materiel carries with it a great responsibility and is therefore governed by strict rules. The largest part of Saab's exports is from Sweden, where the Swedish Agency for Non-Proliferation and Export Controls (ISP) determines on behalf of the government which defence products Saab may sell to which countries.

WHAT SAAB SELLS TO WHOM

The export of defence materiel requires a special permit. Such permits are issued if there are security and defence policy reasons for the export and if it is consistent with Swedish foreign policy interests. Decisions on export permits are made on a case-by-case basis where ISP weighs a number of criteria in a comprehensive assessment. ISP also takes into account the type of product involved.

SAAB'S INTERNAL WORK

Saab maintains Group-level policies and tools to help its businesses follow the export control laws that apply to the company's products and activities. Together with a small staff, Saab's head of export control is responsible for the company's overarching policy, directives and governing policy documents



as well as for providing advice to the businesses on operational issues. In addition, each business area has its own export control organisation to manage the work at an operational level. To encourage collaboration and prioritise needs, Saab also has an export control council with representatives from various parts of the business.

Saab continuously provides internal training on export controls for employees who come in contact with controlled products or technologies, e.g., marketers, salesmen, buyers, project managers, and development and production personnel. Web-based introductory training is also available to Saab's employees. For export control officers and other key employees within Saab, an internal conference is held biannually, where expert speakers in various areas are invited in to share their knowledge. Saab also works with other industries through various trade organisations in Sweden, the EU and the US and holds talks on legal issues for university students in Sweden.

LEGAL REVIEW

In 2015, a Swedish parliamentary committee presented a proposal to tighten export controls to non-democratic nations. As a company, Saab thinks it is positive that the committee recommended that future decisions should be based on case-to-case evaluations that balance several criteria against each other and where defence and security criteria that favour an export permit continue to carry the heaviest weight.

In response to the proposal, Saab noted, however, that if the committee's proposal were to take effect, it would distort the Swedish defence industry's competitive position and could lead to

- fewer opportunities to participate in international materiel collaborations, which are a key element in current Swedish defence strategy
- a reduced ability to maintain and develop high-tech expertise in Sweden
- diminished operational capabilities within the armed forces, since Saab's ability to maintain and develop important systems and platforms would decrease
- and lower investment by the company in research and development in Sweden.

Saab has also pointed to the need for international harmonisation of export laws, so that they have the greatest impact and ensure competitive neutrality. It is against this backdrop that Saab got involved in the drafting of the UN Arms Trade Treaty to regulate the global arms trade.

RESPONSIBLE BUSINESS

RESPONSIBLE SUPPLIER RELATIONSHIPS

For Saab, strong supplier relationships are vital in order to provide customers with world-class products. The suppliers are seen as an extension of the own business and Saab expects them to take ethical, social and environmental responsibility. In many cases, Saab has long-standing relationships with respected suppliers.

To clarify the expectations Saab has of its suppliers, the company introduced a separate supplier code of conduct in 2015 based on the UN Global Compact's ten principles on human rights, labour, the environment and anti-corruption. The code also expresses Saab's expectation that its suppliers will place similar demands on their own suppliers.

SUSTAINABLE PROCUREMENT

In connection with the launch of the supplier code of conduct, Saab amended its contract templates to include a clause on the code of conduct, which is now included in all new contracts and contracts that are negotiated.

Saab also began to update its procurement process with an expanded questionnaire for suppliers and a model to classify suppliers based on the risk that they will not live up to the requirements.

SAAB'S SUPPLIERS

Saab annually buys products and services from over 5,500 suppliers. The large share of the purchases is from Sweden and an overwhelming majority of the suppliers are in Europe. Saab has relatively few first tier suppliers in countries where national laws and internationally accepted principles and norms on human rights, labour, anti-corruption and the environment are not fully accepted. The company therefore sees the biggest risks further down the supply chain. Saab primarily buy components and technologies associated with the company's systems, and to a lesser extent various services.

MONITORING

With a special supplier code of conduct in place, Saab will increase the focus on compliance in 2016. To increase competence internally on sustainability and monitoring the supply chain, Saab established a group at the end of the year in which procurement representatives from Saab's business areas and a representative from Saab's Corporate Responsibility function participate. The group serves as a centre of excellence for the business areas on these issues.

If a supplier does not live up to the requirements in the supplier code of conduct, Saab's position, as far as possible, is to encourage improvements by working along with them. Serious violations and an unwillingness to co-operate can, however, affect the relationship with the supplier.



CONFLICT MINERALS

Conflict minerals are minerals that are extracted in conflict zones and sold in order to finance further conflict, leading to oppression and violence against local populations.

Saab's aim is to eliminate conflict minerals in its products. During the year, Saab continued to develop routines to provide information on to which extend the company's products contain these minerals as well as their origin. The new supplier code of conduct contains a special section on conflict minerals. In addition, Saab has established a conflict mineral policy and guidelines for control and compliance with the policy.

DIVERSITY AMONG SUPPLIERS

Saab in South Africa promotes diversity among its suppliers by supporting small businesses run by young people, women or other groups that previously faced discrimination. In addition to financial assistance, Saab provides these companies with mentorships, networking opportunities and help with technology and marketing. In 2015, Saab supported ten companies. The goal is to have them stand on their own within three years. By helping small companies to grow and become profitable, Saab contributes to economic growth and creates job opportunities in South Africa.

RESPONSIBLE BUSINESS

INFORMATION SECURITY

As a defence and security company, managing information from the standpoint of the need for availability, accuracy, confidentiality and traceability is a given.

Developments in information technology are constantly creating opportunities for new products, higher productivity, more efficient processes and shorter lifecycles. The rapid pace of change is also making societies and companies more vulnerable, in turn creating major security challenges. Threats and risks in information and IT security are highly complex. The effects of an attack can also have significant consequences for critical businesses, critical IT systems and protection of information.

To take advantage of the opportunities that new information technology offers requires that business and technological development go hand in hand with information and IT security. Information and IT security risks have to be treated in the same way as other business risks. Continuous and systematic information and IT security work is critical for Saab to maintain its competitiveness, profitability and public trust in a challenging market.

BROAD EFFORT

In 2015, Saab introduced a comprehensive programme to formulate a new Group information and IT security strategy to meet the security challenges of today and tomorrow. The programme contains a number of projects to determine which assets are most worth protecting, identify threats and vulnerabilities, evaluate risks, and develop action plans to modernise and improve IT security and adapt information security.

SECURITY-CONSCIOUS EMPLOYEES

Notwithstanding the technical vulnerabilities, people are often the weakest link. To ensure that they handle information in compliance with current laws, all new employees receive extensive security training. As part of the effort to raise employees' security awareness, Saab added several new training programmes during the year.

EXPERTS ON INFORMATION SECURITY

Saab's wholly owned technical consulting firm Combitech has information security as one of its areas of expertise. Combitech does everything from creating secure processes and crisis readiness in an organisation to devising security requirements and solutions, reviewing software code and conducting penetration tests. The company has also created a turnkey information security service for customers round the clock, 365 days a year.



REDUCE ENVIRONMENTAL IMPACT



Priority issues

- Reduce climate impact
- Phase out hazardous chemical substances
- Environmental sustainable innovations

REDUCE ENVIRONMENTAL IMPACT

REDUCE CLIMATE IMPACT

Saab is working systematically to reduce its impact on the environment and climate. The objective is to reduce greenhouse gas emissions by at least 20 per cent from 2007 to 2020 related to sales. At year-end 2015, the reduction was 17 per cent.

To achieve the objective to reduce greenhouse gas emissions by 20 per cent by 2020, Saab works continuously to reduce energy consumption in its facilities and emissions from travel. (Note, however, that results fluctuate from year to year also depending on annual sales revenue and changes in the mix of fuels suppliers use.) Continuous communication and employee training are an important part of this work.

STRATEGY FOR CLIMATE WORK

The largest share of Saab's total carbon dioxide emissions comes from business travel. As it becomes more international, Saab must strike a balance between the need to travel and the need to reduce climate impacts. Saab does this by trying in various ways to travel efficiently. Business travel was reduced during the year by 6 per cent, mainly in terms of air travel, but also by rental car. Use of information technology to hold meetings electronically has increased. Saab worked during the year to develop a clearer strategy for climate work and will introduce prioritized activities and action plans in coming years.

In 2015, the company purchased a number of electric cars for shorter transports. The meeting portal, which was introduced in 2014, was expanded to include information on efficient travel as well as on the advantages of ecodriving. Saab's web-based travel reservation system clearly states that the climate programme must be followed and recommends carpooling. Discussions are held continuously with car rental and taxi providers on increasing the use of green cars and ensuring that travel is accurately monitored.

REDUCE ENERGY CONSUMPTION IN FACILITIES

Continuous work is being done to optimise energy consumption in Saab's facilities. This includes installation of energy-efficient lighting, optimisation of heating equipment and the replacement of ventilation equipment with a system that recovers energy. From 2009 to year-end 2015, electricity consumption was reduced by 20 per cent in Sweden. Big environmental gains have been achieved at the facilities in Göteborg and Huskvarna. In Göteborg, energy consumption was reduced by more than half during the year. Contributing factors included co-location, upgrades to property systems and a detailed energy strategy that involves employees as well as suppliers and contractors. In Huskvarna, carbon dioxide emissions will be reduced by an estimated 700 tonnes per year through the transition to district heating based on waste and biofuel. In Linköping, a brand new, energy-efficient office building was opened to replace older buildings. Saab's largest heating provider used a favourable mix of fuels during the year, which reduced emissions of carbon dioxide.

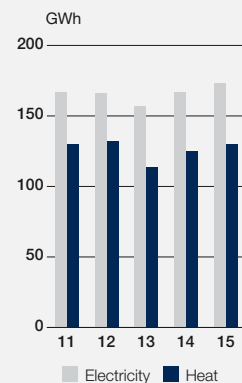
REPORT GREENHOUSE GAS EMISSIONS

Saab has been reporting greenhouse gas emissions since 2006 to the Carbon Disclosure Project (CDP), an independent organisation that collects climate data from companies around the world. In 2015, Saab successfully achieved the highest score of 100, which secured a position on CDP's Nordic Climate Disclosure Leadership Index (CDLI), proof of the effectiveness of its climate work. Ratings are based on how well companies co-ordinate their work, manage risks and opportunities in the area, and how transparently they describe the work. Information on CDP and Saab's complete report can be found at www.cdproject.net.

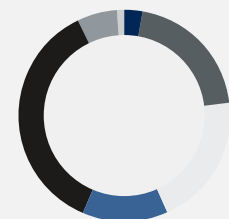
20%

Reduction in electricity consumption at Saab's facilities in Sweden since 2009.

Energy consumption in Saab's facilities

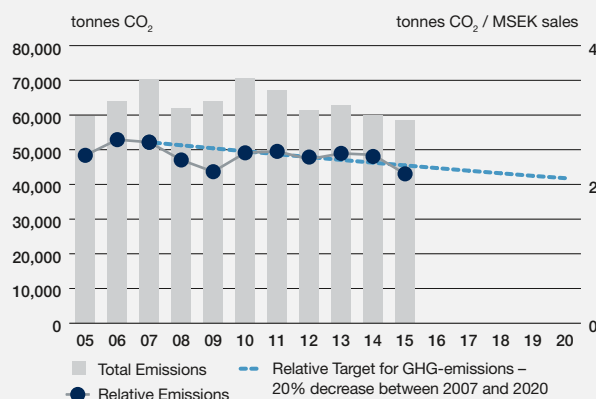


Emissions of carbon dioxide from Saab-group 2015



- Own furnaces, turbines and chemical processes, 3%
- Company owned/controlled vehicles and aircrafts, 20%
- Purchased electricity, 20%
- Purchased heat, steam and coal, 13%
- Purchased business trips, 36%
- Purchased transport of goods, 6%
- Rented premises, 1%

Emissions of greenhouse gases within the Saab-group



Fulfillment of the climate target depends not only on actual greenhouse gas emissions but also on annual sales and changes from year to year in the fuel mix used by the company's main heating and electricity providers. Note that Saab's greenhouse gas emissions consist almost exclusively of carbon dioxide.

REDUCE ENVIRONMENTAL IMPACT

PHASE OUT HAZARDOUS CHEMICAL SUBSTANCES

Based on its environmental policy, objectives, and international regulations, Saab works continuously to minimise risks and its impact on the environment. An important part of the work is to identify and phase out hazardous chemical substances with unacceptable risks and such that could be subject to regulations by authorities and customers.

Saab's business areas submit annual plans on phasing out hazardous substances. These plans are updated and monitored by the Group Environmental Council and special workgroups. The strategic plans serve as the basis of Saab's phase-out projects and are continuously tracked. Saab's search for alternative materials and processes will continue for many years. Several projects are underway to replace paints that contain chromates as well as cadmium and lead in specific products.

During the year, Saab launched a new surface treatment method, which replaced a 33 cubic meter surface treatment bath containing hexavalent chromium compounds with a more environmentally friendly alternative. The process is expected to be fully in operation in 2016. In addition, Saab opened a new cleaning facility to phase out trichloroethylene.

It is important to note, however, that certain hazardous chemical substances still have to be used to meet security and technical performance requirements in the aviation and defence fields.

Saab compiles annual data on the amount of waste generated in its business. The compiled figures are based on waste volumes from Saab's main locations.

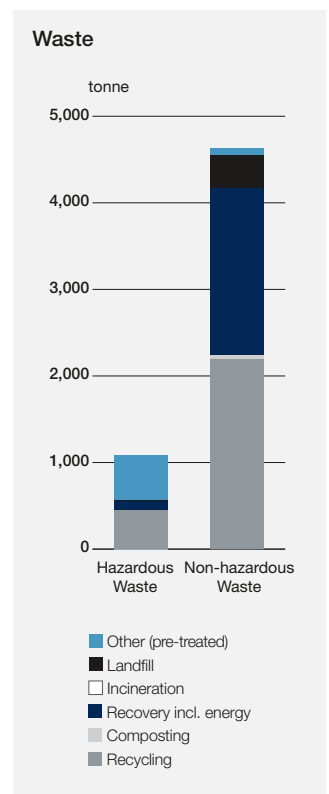
LAND REMEDIATION

Saab works actively to identify and map contaminated land and water areas. In 2015, two large status reports were produced and remediation work was done in Eskilstuna, Karlskoga, Motala and Östersund.

WORK ON SEVERAL FRONTS

Saab works with monitoring, needs analysis, training and communication together with suppliers and other companies in the industry to reduce the use of hazardous substances and the risks in their handling. The company also participates actively in several national and international groups to develop the work within the area of hazardous substances and the environment. During the year, Saab also became a member of the International Aerospace Environment Group (IAEG) to increase the capabilities in several important environmental areas.

With respect to chemical products used in maintenance and which contain hazardous substances, Saab has initiated a dialogue with customers and other stakeholders to find less hazardous alternatives. New tools have been implemented during the year to monitor chemical substances in materials and products.



COMMON OBJECTIVES

Through Saab's environmental work, all employees can feel secure that the company is meeting the demands of customers, regulations and other stakeholders. They can also feel proud that Saab contributes to a more sustainable society through efforts and innovations in various areas that reduce our environmental impact.

Based on its environmental policy and the UN's global sustainable development goals, Saab works continuously to minimise risks and its impact on the environment. We do so through continuous improvements in our environmental performance, in everything from how we lead and manage our businesses to operational decisions.

During the year, Saab formed five internal collaboration groups in the areas of climate change, chemical handling, product-related environmental issues, environmental management and contaminated areas. The aim is to make our environmental work more efficient through increased co-operation between the business areas, so that it is easier to divide up the work and take advantage of synergies and knowledge transfers.

Each year, Saab holds internal environment days, where the focus is on sharing experiences through presentations and workshops.

Saab developed a new, shorter environmental training in 2015 that serves as a refresher course for managers with delegated environmental responsibility and as shorter training for managers without delegation. A review was also done of the existing web-based environmental training for all employees.



In 2015, Maria Sahlin took over as the new Head of Environment at Saab.

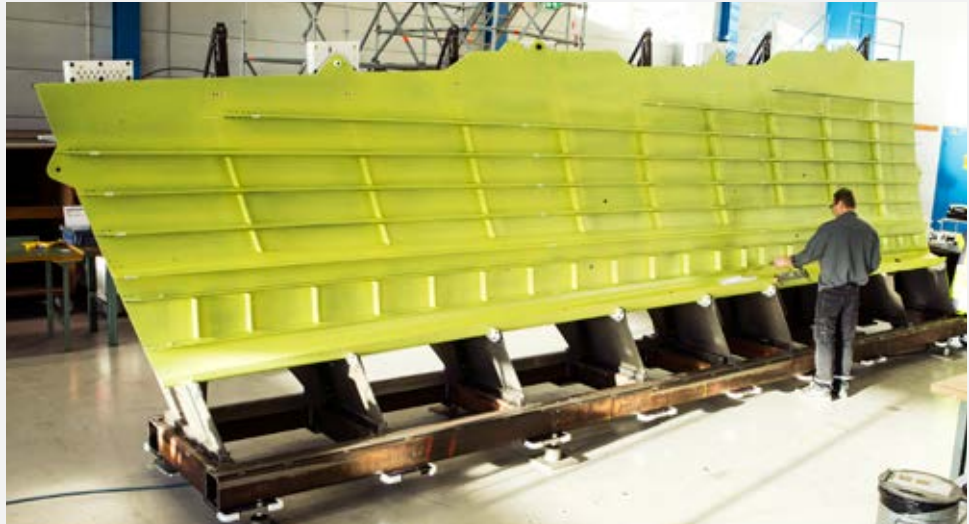
REDUCE ENVIRONMENTAL IMPACT

ENVIRONMENTAL SUSTAINABLE INNOVATIONS

An important part of Saab's work to reduce its environmental impact is research and development collaborations aimed at creating sustainable solutions. Through new, resource-efficient technology, Saab can help to reduce environmental impacts, which is necessary in order to compete in a global market in the future.

INNOVATIVE AIRCRAFT WING

Saab is one of the main suppliers to Clean Sky, a Joint Technology Initiative financed equally by the EU and the industry to reduce carbon dioxide, hydrocarbons and nitrogen oxide emissions as well as noise from aircraft. In collaboration with its partners, Saab has designed an aircraft wing that uses innovative technology to reduce wind resistance, thereby cutting fuel consumption. The wing will be test-flown on an Airbus aircraft in the latter part of 2017.



HULL CLEANING

Saab has developed a new remotely operated underwater vehicle being used by the Danish company C-leanship to clean the hulls of some of the world's largest ships without damaging their paint. Removing organic material that attaches to the hull reduces the vessel's environmental impact by dramatically lowering fuel consumption, but also by reducing the spread of microorganisms between various bodies of water. Moreover, it reduces the need to drydock vessels to repaint them, which cuts the shipping company's costs and the use of environmentally harmful processes.

ENERGY-EFFICIENT TRAVEL IN MEGACITIES

Saab's wholly owned technical consulting firm Combitech is participating in an innovative project to study how people can travel more energy-efficiently in megacities and thereby reduce greenhouse gas emissions. The project, managed by KTH Royal Institute of Technology, will result in an environmentally friendly bus line in the city of Curitiba, Brazil. Combitech is one of the financiers of the project together with Volvo Buses, Saab and VINNOVA, Sweden's innovation agency. Various stakeholders in Curitiba are involved as well. Combitech's role is to collect and analyse the data. By analysing the information, it can be determined whether it makes more sense to power the buses electrically or by diesel.





INTELLIGENT AIR TRAFFIC MANAGEMENT

More efficient traffic management and vehicle usage can help to reduce carbon dioxide emissions as well as runway de-icing fluids and other chemicals at an airport. Saab is contributing a number of services and products that improve safety, provide a better overview and status updates, and simplify planning for all types of businesses that operate at an airport.

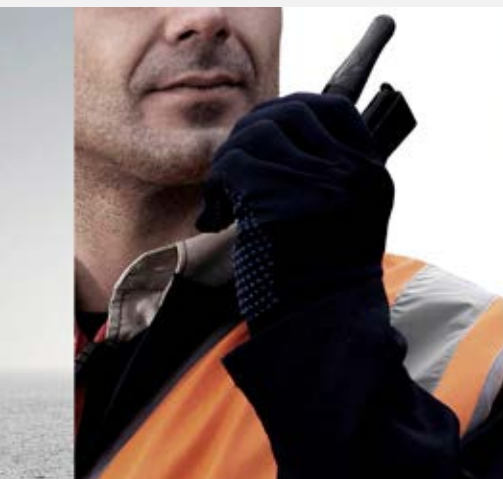
SESAR AIR TRAFFIC MANAGEMENT FOR BETTER ENVIRONMENT

The EU has initiated a project to develop and improve air traffic management systems in Europe in order to reduce climate change. Saab's contributions to the project, which is called Single European Sky ATM Research (SESAR), are in the areas of remote control towers, traffic flow management, integrated tower solutions and faster turnaround times.



BIOFUEL TESTED ON GRIPEN

Military organisations in Sweden and the US are evaluating biofuels for various military aviation applications. Saab is participating by providing Gripen as a test platform. Qualification of the various aircraft components – the engine, auxiliary power and materials used in the fuel system – will be completed in 2016. Test flights are planned using Gripen in 2017.



GREEN SHIPPING ROUTES

The Green Routes concept assists ship captains in making the right decisions at the right time. With the right information, a captain can reduce speed and still reach port on time, avoid costly anchoring and conserve fuel. Routes are designed not only to optimise speed, but also factor in other parameters, such as weather conditions and sensitive seabird areas. When a number of factors have been weighed in, a Green Route is set according to a global standard (IEC 61174 ed4).

Green Routes is an international system where Saab is contributing its existing port and sea traffic management systems. The concept can also be used for vessel safety as an anti-collision tool.

EMPLOYER OF CHOICE



Priority issues

- Develop leaders and employees
 - Employee engagement
 - Performance-driven culture
 - Gender equality and diversity
 - Health and safety
- 

EMPLOYER OF CHOICE

DEVELOP LEADERS AND EMPLOYEES

Attracting, retaining and developing employees is critical to Saab's business strategy. For employees to reach their potential requires skilled and committed leaders.

After having completed a development programme for all of Saab's leaders, it was time in 2015 for a special initiative for other employees called "Employee Boost". The aim is to strengthen the performance-driven culture and give employees a better understanding of where Saab is headed and what is expected to achieve the company's goals. Another aim is to encourage every employee to seize the opportunity to impact the future, their own and the company's. The programme covers four areas: having a better business understanding, being more performance-driven, understanding the importance of internationalisation and diversity, and being a motivated and engaged employee.

BROAD OFFERING OF DEVELOPMENT OPPORTUNITIES

Saab offers many forms of skills and leadership development, internally and externally. Some training is mandatory for all employees and is offered flexibly and cost efficiently through e-learning. All the courses are available through Saab's competence portal. A large part of human resource development plays out on a daily basis and in co-operation with colleagues. Saab also endorses learning through networks and mentorships. Opportunities are available to try out different jobs within the Group, nationally and internationally.

IDENTIFY TALENTS

Saab has an established process to identify and develop top talents – Talent Management Review. It includes job rotation within the Group, internal training and various leadership development programmes.



PROGRAMME FOR RECENT GRADUATES

Saab Graduate Leadership Programme is a customised global trainee programme for recent graduates and young professionals with the potential and desire to become future leaders within Saab. Through the programme participants gain experience working in different parts of the Group, at home and abroad. They also receive leadership training, personal development and the opportunity to build a network of contacts within the Group.

157

Number of master's students at Saab in Sweden in 2015.

421

Number of summer jobs at Saab in Sweden in 2015.

Saab's fundamental values

Expertise – We combine a strong tradition of knowledge with continuous learning.

Trust – We are honest and reliable citizens of the world and we keep our promises.

Drive – We have a passion for new ideas, we are open to change and take pride in being responsive and flexible.

EMPLOYER OF CHOICE

EMPLOYEE ENGAGEMENT

Employees who feel proud of and committed to their work and the company perform better and are good ambassadors for Saab as an employer.

In the annual employee survey, no less than 82 per cent of respondents said that they are very satisfied working at Saab – a high number compared to many other companies. Their sense of pride in working at Saab is also high. Among the things they are most proud of is Saab's high technology and breadth of expertise, but also a corporate culture that offers a work-life balance. In 2015, Saab started a special development programme to increase employee engagement (see page 19).

AMBASSADORS FOR SAAB

Proud employees are also the best ambassadors for Saab as an employer. Several Saab employees speak about the company and what they do to students, classes and teachers. The hope is to attract the right talents and, among younger age groups, to foster an interest in technology.

Saab's employees represent the company and brand in their daily work. By living up to Saab's values, HR policy and Code of Conduct, all employees help Saab to build trust in its business. During the year, the code of conduct and HR policy were both updated.

MEANINGFUL CONTRIBUTION

The culture at Saab and pride to be part of the company are strengthened through opportunities to do something meaningful outside of work. In co-operation with Mattecentrum, employees volunteer to help students with their math homework in their free time.

Employees at Saab's facility in Nanyuki, in central Kenya, support a local orphanage. During the year, Saab also gave employees in Sweden the chance to donate to the orphanage through a payroll deduction. The aim is to create even more opportunities for employees to get involved in supporting education for children and young people, which also gives them valuable experience, a sense of pride and an opportunity to network.

For more on Saab's social engagement, see pages 27–28.

82%

Share of Saab's employees who are very satisfied working at Saab.

#8

Saab's ranking in Universum's survey of the most popular employers among Swedish engineering students.

ATTRACT TALENTS

Forecasts point to a future shortage of qualified technical personnel and engineers. As a high-tech company, it is therefore in Saab's interest to foster an interest in technology among young people, and in higher age groups to showcase Saab as an employer in order to attract the right talents.

Important gateways for students are summer jobs and thesis work. In Sweden, Saab's goal is to accept at least 400 summer workers and 150 master's students each year. At the same time that they gain valuable experience, they benefit the company by helping to drive development forward.



EMPLOYER OF CHOICE

PERFORMANCE-DRIVEN CULTURE

A performance-driven culture focused on what is achieved and how it is done is critical to succeed in global competition. It also contributes to motivation and the opportunity for every employee to achieve their potential.

Every employee has an Individual Performance Management Plan. Together with their manager, they identify individual goals, which are also tied to Saab's business goals. It is crucial that every employee understands how their work contributes to the company's overarching goals and that personal responsibility also comes with the opportunity for personal development. Performance reviews cover not only whether the employee achieved their goals, but also how, e.g., whether it was done in accordance with Saab's values.

A new online platform which stores individual development plans, Saab Performance Web, was tested in 2015. In addition to simplifying follow-ups, it will make it easier to identify talents and increase internal mobility. The platform will be launched on a broad basis in 2016.



87%

Share of Saab's employees who have had discussions about their goals, development and performance. Saab's aim is to raise this figure as close to 100 per cent as possible. The fact that some employees are new or have recently returned after an absence when they respond to the survey will affect the results, however.

HEALTH AND SAFETY

Saab's vision that it is a human right to feel safe naturally applies to its own employees as well. By working actively with occupational health issues, Saab reduces the risk of accidents, illnesses and workplace injuries in the short and long term.

Saab intensified its work with occupational health and safety during the year. The goal is to have a Group-wide global occupational health and safety process in place by 2020 and to increase internal awareness of these issues.

REPORTING AND MONITORING

In 2015, Saab created a better system to report workplace injuries and incidents, which will be implemented in 2016. Incident reporting is especially important, since it identifies where the risks are and provides an opportunity to prevent them at an early stage. Furthermore, Saab Management Review was updated with a more extensive section on health and safety. This will make it easier to track occupational health and safety work at various levels of the company. In 2016, managers and HR will receive training in how Saab identifies and assesses occupational health and safety risks. Saab will also develop a more structured approach to assessing such risks in different countries.

DIALOGUE ON HEALTH

Saab encourages its employees to stay active and healthy, including by supporting local sports clubs and utilising the wellness services offered by local occupational health providers. Other health-related activities were implemented during the year at the business area level. This was reflected in the year's employee survey, where the share of employees who felt that Saab encourages health and well-being increased from 69 per cent to 71 per cent.

As part of Employee Boost (see page 19), Saab's managers will be encouraged in 2016 to discuss health issues with their employees based on newly produced material. The aim is to start discussions and activities that can help Saab meet its goal of being a healthy workplace. Maximising performance requires a work-life balance. The year's employee survey showed that 76 per cent of employees feel that Saab has a positive attitude toward the need for a balance between work and a personal life.



76%

Share of employees who feel that Saab has a positive attitude toward the need for a work-life balance.

Absenteeism, %	Total	Women	Men
Sweden	2.6	4.2	2.1

EMPLOYER OF CHOICE

GENDER EQUALITY AND DIVERSITY

There is strength in diversity. Mixing people, ideas, experiences and cultures creates a dynamic and more innovative company with higher profitability.



Diversity is an important part of Saab's global recruitment process and is also included in its leadership training.

For Saab, it is vital that all employees understand the importance of diversity in the workplace and appreciate each other's unique contributions to the company. Saab is helping them in this respect through an initiative called Employee Boost (see page 19), which is led by managers at every level of the entire company.

BALANCE BETWEEN MEN AND WOMEN

Employees in the defence and security industry are overwhelmingly men, and Saab is no exception. To reduce this gender imbalance, Saab is working on a number of initiatives to encourage women to apply for engineering educations and then at Saab. In Sweden, one example is "Introduce a Girl to Engineering Day" (IGEDay), where Saab and other companies opened their doors in 2015 to girls between the ages of 12 and 19 to inspire them to study research, technology, engineering and mathematics. Just as important is to attract established talents to Saab, including female engineers.

A strategic goal for Saab has been to increase the share of female managers to at least 30 per cent by year-end 2015. At the end of 2015, Saab had 27.2 per cent female managers in Sweden, so significant progress has been made since 2007, when it was 13 per cent. The expectation is that 30 per cent will be reached in 2016.

At the end of the year, Saab set new strategic goals to further increase the share of female managers in Sweden and globally. This is complemented by a goal to increase the total share of female employees at Saab.

In Sweden, the goal is to reach at least 35 per cent female managers and at least 30 per cent female employees by 2025. Globally, the goal is to reach at least 30 per cent female managers and at least 25 per cent female employees by the same year.

27.2%

Share of female managers in Sweden.

23%

Share of female employees in Sweden.

3/9

Share of women on Board of Directors.

23.5%

Share of female managers globally.

22.4%

Share of female employees globally.

4/12

Share of women in Group Management.

INCLUSIVENESS IN SOUTH AFRICA

Saab in South Africa has started several projects to include people who have previously been locked out of the job market due to apartheid. Among other things, the company has introduced a number of development programmes to enable young people to break into the job market. For example, Saab has hired young people with disabilities, who receive an education and mentoring in order to fully contribute to the business. The company also provides training for a number of unemployed young people each year in the so-called ICP standard, a sought-after skill in South African industry.

The project is in line with the South African government's action plan to address social and economic imbalances dating back to the country's past, Broad Based Black Economic Empowerment (B-BBEE). The programme does not discriminate against white South Africans and embraces diversity and inclusiveness. Saab is making great progress and has reached level 4 B-BBEE status.

According to data from the International Labour Organisation (ILO), South Africa had an unemployment rate of just over 25 per cent and a youth unemployment rate of just over 52 per cent in 2015. By helping to reduce these numbers, Saab contributes to economic growth in South Africa and for the company.

CONTRIBUTE TO SOCIETY



Priority issues

- Innovation and spreading knowledge
- Increased security and defence capabilities
- Social engagement with a focus on promoting education and an interest in technology



CONTRIBUTE TO SOCIETY

INNOVATION AND SPREADING KNOWLEDGE

With its high-tech operations, Saab plays an important role in driving technological development in society. Saab's businesses and employees in a large number of locations create jobs and opportunities to collaborate and spread knowledge.

Saab invests a large share of its revenue in research and development (R&D). Investing in innovation is necessary for us to stay competitive and on the forefront of technology. Among the major R&D projects in recent years that Saab has invested in are the further development of Gripen, a new-generation airborne surveillance system and a new generation of

submarines. In 2015, Saab also continued to invest in its collaboration with Boeing to design a trainer jet for the US Air Force's T-X program.

The total value of self- and customer-financed R&D amounted to SEK 6,8 billion in 2015, corresponding to 25 per cent of sales.



SPINOFFS

Some of Saab's development projects result in product ideas that fall outside the core business. For more than a decade, these ideas have been consolidated in Saab Ventures, which works together with outside investors to further develop the ideas and find a natural home for the business. One successful example is C-leanship, a remotely operated underwater vehicle equipped with high-pressure water jets to clean ship hulls, which reduces fuel costs for shipping companies while at the same time helping to keep the world's oceans clean.

Another example is ReVibe Energy, which is based on technology developed by Saab to power wireless sensors.

Saab's expertise in 3D mapping has also led to spinoffs. To date, this area has produced two companies: C3 Technologies and Vricon, with more on the way.

INDUSTRIAL COLLABORATIONS AND TECHNOLOGY TRANSFERS

When Saab does business with other countries, the customer often demands some form of industrial co-operation, many times involving technology transfers. This is common with large defence contracts. For Saab, there are benefits to spreading knowledge through such transfers. People from different companies get the opportunity to meet, which encourages new ideas that could benefit everyone involved. Many times this generates new businesses that otherwise would not have arisen. One example from 2015 is the start of an industrial collaboration tied to the Gripen contract in Brazil. An initial group of 50 Brazilian engineers came to Sweden to work at Saab for a year. The collaboration will continue for several years and eventually around 350 Brazilian engineers will make it to Sweden.

In addition to the demands from customers for industrial collaborations in connection with major orders, Saab naturally participates in many other forms of industrial collaboration, including close development alliances with customers and suppliers. These co-operations help all the parties involved and contribute to innovation. Several of Saab's employees, for example, are working closely with Boeing in USA to develop a trainer aircraft.



RESEARCH AND INNOVATION CENTRE

Saab is also building relationships through a global innovation programme, which is mainly designed for countries where Saab wants to establish a long-term presence. Saab brings the way the company works with R&D in Sweden to new markets by building relationships with researchers, companies and governments.

One example is the Swedish Brazilian Innovation & Research Center (CISB), which identifies, develops and supports research and development in advanced technology, specifically in the areas of the environment, defence, and transport. The organisation has 17 members and over 100 partners. Many potential customers want to share the technologies and capabilities that Saab can offer, at the same time that Saab gets an opportunity to participate early on in customer projects.



INNOVATION AWARD FOR PIONEERING TECHNOLOGY

Together with Raytheon, Saab received the Aviation Week Laureate for Innovation for the introduction of the semiconductor material gallium nitride (GaN) in military radar and electronic warfare systems. GaN is noted for its resistance to overheating and semi-conductive properties. Saab has used the material in antennas in the next-generation Giraffe 4A radar system. This has resulted in an extended range, higher output and increased reliability.

UNIVERSITY COLLABORATIONS

An innovation-driven company like Saab has to work with universities and the academic community. The schools that Saab primarily works with are Linköping University, the Royal Institute of Technology and Chalmers University of Technology in Göteborg. Structured collaborations between the company and schools cover everything from education to research. They also provide a way to identify skilled students, while giving employees an opportunity for professional development. Saab has a number of PhD candidates as well as several adjunct professors. Saab CEO Håkan Buskhe is shown here with Chalmers CEO Karin Markides.



CONTRIBUTE TO SOCIETY

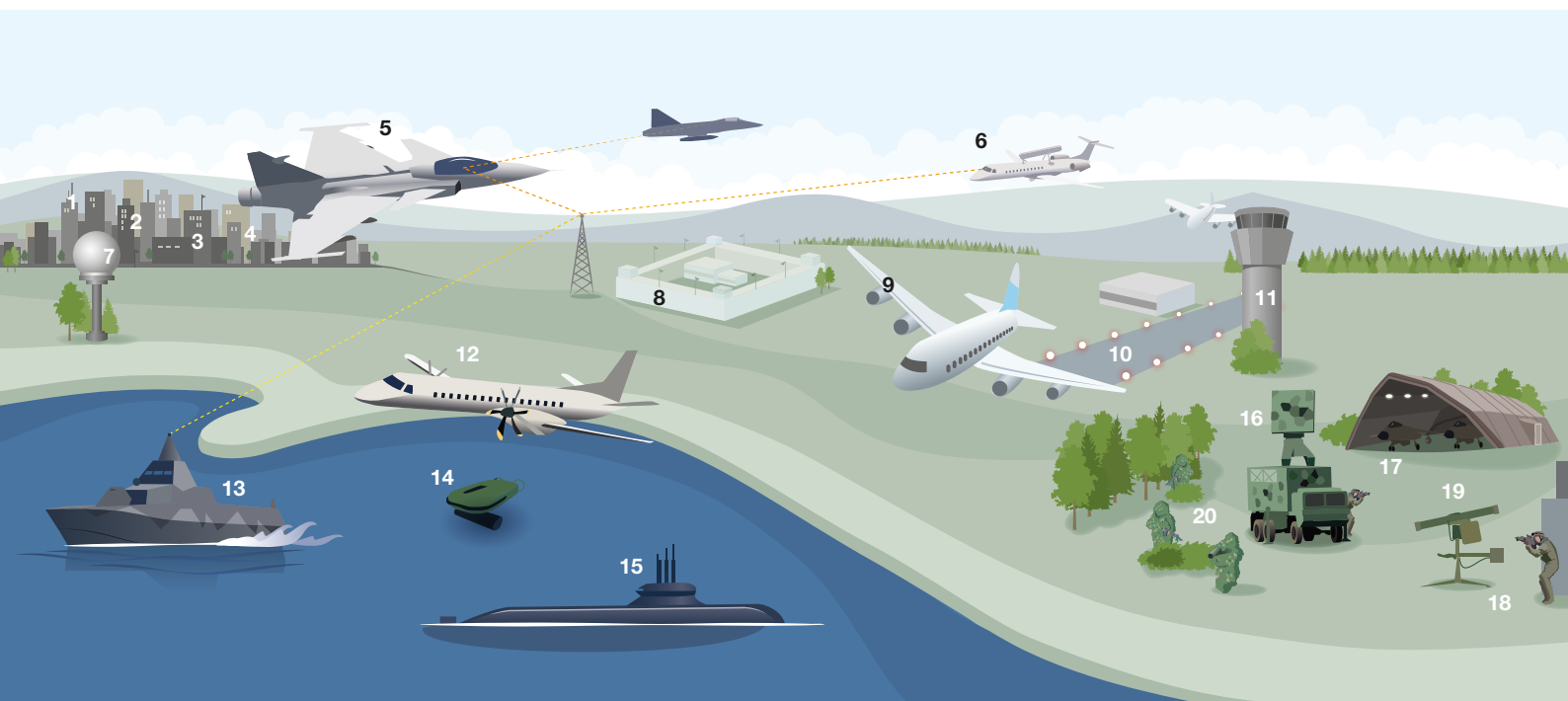
INCREASED SECURITY AND DEFENCE CAPABILITIES

Society is faced with many different types of threats. Some can be military, while in other cases they involve terrorism, accidents or natural disasters. Saab contributes through products, services and solutions that make society and people feel safe.

Saab develops and improves innovative and cost-efficient high-tech systems that make it possible for more people to feel safe and for nations to protect their populations. A competitive defence industry is an important aspect of defence and security policy and contributes to a country's defence capabilities.

At the same time, there is a realisation throughout the business that some of the same systems and solutions that contribute to greater security are also used in conflicts, which entails a great responsibility as evidenced by the extensive controls and regulations (see page 10).

THE ILLUSTRATION BELOW SHOWS A SELECTION OF SAAB'S BROAD RANGE OF PRODUCTS AND SERVICES FOR CIVILIAN AND MILITARY USE



1. Technical consultancy.
2. Research collaborations with universities.
3. Dispatch system for security companies.
4. Protection against Chemical (C), Biological (B), Radioactive (R) or Nuclear (N) weapons (CBRN).
5. The Gripen fighter aircraft system.
6. The Erieye airborne radar system.
7. Systems for weather stations.
8. Security systems for prisons.
9. Subcontractor to manufacturers of commercial aircraft.
10. Runway lighting for airports.
11. Air traffic control towers, e.g. Remote Tower.
12. Airborne surveillance system.
13. Naval vessels, e.g. Visby class corvette.
14. Remotely operated underwater vehicles, e.g. Double Eagle for mine disposal.
15. Development of next generation submarine, A26.
16. Ground-based surveillance radar, e.g. Giraffe.
17. Field hangars.
18. Military training systems.
19. Anti-aircraft missile systems, e.g. RBS 70.
20. Camouflage equipment, e.g. Special Operations Tactical Suits (SOTACS).

CONTRIBUTE TO SOCIETY

SOCIAL ENGAGEMENT

Engagement in the local community increases familiarity with and trust in Saab's operations and fits with the company's values. Social contributions are mainly provided with the help of the company's employees and technologies, with a special emphasis on promoting education and an interest in technology.

Saab is dependent on a well-functioning society to survive. This is why Saab wants to stay socially involved in the markets where the company does business. Besides increasing the local community's trust in the company, social engagement leads to valuable experience and networking opportunities for the employees who get involved.

For more examples, visit www.saabgroup.com



ENCOURAGE GIRLS TO STUDY ENGINEERING

IGE stands for Introduce a Girl to Engineering. The aim is to increase interest in technology and engineering among young girls. On IGE day, which in 2015 was held on March 26, girls between the ages of 12 and 19 have the opportunity to visit companies, organisations and colleges to see what it is like to work as engineers. Saab welcomed secondary-school girls to several of its locations in Sweden and was also the main sponsor of the event. Saab in South Africa had a similar initiative.



BOARDING SCHOOL FOR ORPHANS

Saab supports an orphanage, Likii Special Unit, in Nanyuki, in central Kenya, where it has operations. Likii Special Unit takes care of around 120 orphans and disabled children who have been abandoned by their biological parents. Saab employees in Nanyuki have also gotten involved supporting the orphanage. During the year, Saab gave employees in Sweden the chance to donate as well through a payroll deduction.

HOMEWORK HELP

Children on the Move is a drop-in centre for at-risk children in South Africa, where they can come after school for a snack and homework help. The centre also works to prevent HIV and spread awareness about the disease. Saab's employees in South Africa served as volunteers at the centre during the year and the company provided financial support. Employees in Sweden and South Africa also arranged their own collections of money and supplies for the centre.





MATH TUTORS

Employees at Saab in Sweden serve as math volunteers in their free time, helping children and young adults with their homework. In some locations volunteering is arranged through the organisation Mattecentrum and in others through direct contact with a local school.



TECHNOLOGICAL SOLUTIONS TO FIGHT POACHING

As part of a pilot project to prevent rhino poaching in a preserve in Kenya, Saab employees developed the first stage of a security solution. Saab is participating together with Linköping University, Stimson center and other companies. Since poaching is an important source of financing for transnational criminal syndicates and terrorist organisations, stopping it can help make the world safer.



SAABS TEKNISKA GYMNASIUM

Saabs Tekniska Gymnasium in Arboga is a national, three-year engineering programme run collaboratively by Saab's local units and Vasagymnasiet. Saab's employees serve as teachers and technical advisors. Saab is also responsible for study visits, language study abroad, traineeships and summer jobs.



SOLAR LAMPS TO HELP DO HOMEWORK

Saab has donated solar lamps to students at a school in Laikipia district, in central Kenya, to help them do their homework and raise their grades. The school has 800 students, mainly from neighbouring Massai tribes.



VISIT A SUBMARINE

Saab supports the Naval Museum's submarine hall in Karlskrona, Sweden, where visitors can go aboard the HMS Neptun, an intact Swedish submarine from the Cold War. In addition to showcasing Saab's heritage in Swedish industrial history, the collaboration with the museum helps to stimulate an interest in technology and innovation.

GOVERNANCE OF SUSTAINABILITY WORK

The Board of Directors adopts the Group's Code of Conduct and Group Management establishes goals and indicators for the sustainability work. In 2015, Saab established a separate Corporate Responsibility Council, which proposes priorities to Group Management. The Council is comprised of representatives from Saab's Group Management and led by the Executive Vice President. The Corporate Responsibility function develops the overarching sustainability strategy and coordinates the work within the Group.

ZERO TOLERANCE FOR CORRUPTION

The Ethics and Compliance Board leads and draws up guidelines for the work, makes decisions on business ethics issues and follows up whistleblowing cases. The board meets at least eight times a year and is led by Saab's General Counsel, who reports the work to the Board of Directors' Audit Committee. The Ethics and Compliance function and Market Network Management also play important roles with respect to business ethics (see page 9).

REDUCE ENVIRONMENTAL IMPACT

Within the business areas environmental work is led by the head of each business area, who bears ultimate responsibility. The goals set at the Group level are broken down for each business area and subsidiary. The Group Environmental Council co-ordinates and monitors Saab's environmental work.

EMPLOYER OF CHOICE

Saab's Head of Group Human Resources has overarching responsibility for HR work within the Group. Development of the Group's HR work is done in close collaboration with the HR functions within each business area and is led by the HR staff.

CONTRIBUTE TO SOCIETY

Saab's social contributions are guided by its vision and business idea. According to the sustainability strategy, activities to promote social development are focused on encouraging an interest in technology and education mainly with the help of Saab's employees and technology.



POLICIES

Saab's sustainability work is governed by established policies and similar documents, such as the Code of Conduct, HR policy, environmental policy, occupational health and safety policy, procurement policy, diversity policy, business travel policy and security policy. The Code of Conduct contains sections on business ethics, information security, social responsibility, the workplace, the environment etc. The Code is available in Swedish and English. During the year Saab also established a Supplier Code of Conduct based on the UN Global Compact's ten principles and the International Labour Organization's core conventions. Saab does not have a separate policy for human rights, since it is covered in its other policies.

All Group-wide policies are available to all employees on Saab's intranet. Saab's global enterprise systems and central processes and guidelines are also available on the intranet. Saab is certified according to the ISO 14001 environmental management system.

ALLIANCES AND MEMBERSHIPS

Saab has participated since 2011 in the UN Global Compact and has pledged to follow its ten principles on human rights, labour, the environment and anti-corruption. As guidance for its sustainability work, Saab follows the OECD's guidelines on multinational enterprises. In addition, Saab has chosen to participate in a number of sustainability initiatives and organisations.

Examples include:

- Member of the business ethics committee of the Aerospace and Defence Industries Association of Europe (ASD).
- Member of the steering committee of the International Forum on Business Ethical Conduct (IFBEC).
- Environmental collaborations through the Swedish Security and Defence Industry Association (SOFF).
- Environmental collaborations within Europe through the Aerospace and Defence Industries Association in Europe (ASD) and globally through International Aerospace Environmental Group (IAEG).
- Global Compact Network Nordic Countries.

GRI INDEX

Saab has chosen to report its sustainability work in 2015 according to the Global Reporting initiative's (GRI) G4 core level guidelines. This means that at least one indicator has been identified for each material aspect. The report comprises all of the Group's operations for the financial year 2015, unless indicated otherwise. This is Saab's second sustainability report. The report is

STANDARD DISCLOSURES			
STRATEGY AND ANALYSIS	Governance and indicators	Page	Global Compact
	G4-1 Statement from the CEO	2	
ORGANISATIONAL PROFILE			
	G4-3 Name of organisation	1	
	G4-4 Primary brands, products and services	1	
	G4-5 Location of the organisation's headquarters	32	
	G4-6 Number of countries where the organisation operate	Inside back cover	
	G4-7 Nature of ownership and legal form	Saab Annual Report 2015, page 32	
	G4-8 Markets served	Saab Annual Report 2015, Inside front cover	
	G4-9 Scale of the organisation	1	
	G4-10 Workforce	22, Inside back cover	
	G4-11 Percentage of total employees covered by collective bargaining agreements	In Sweden 100%, no information available on rest of the world	Principle 3
	G4-12 The organisation's supply chain	11	
	G4-13 Significant changes during the reporting period	Saab Annual Report 2015, page 1	
	G4-14 Precautionary approach	29	
	G4-15 External charters, principles, or other initiatives	2, 10, 14, 16 17, 22, 24, 25, 29, 30	
	G4-16 Memberships of associations and national or international advocacy organisations	29	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
	G4-17 Entities included in the organisation's consolidated financial statements or equivalent documents	Saab Annual Report 2015, page 35. The share of female managers and employees in Sweden is reported excluding Kockums. Other deviations where data are available for only part of the operations are updated in the sustainability report	
	G4-18 Process for defining the report content and the aspect boundaries and how the organisation has implemented the reporting principles for defining report content	4, 6	
	G4-19 Material aspects identified in the process for defining report content	4	
	G4-20 Aspect boundaries within the organisation	All the material aspects Saab has identified have an internal impact	
	G4-21 Aspect boundaries outside the organisation	All the material aspects Saab has identified have an external impact	
	G4-22 Effect of any restatements of information provided in previous reports	Non-applicable	
	G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries	Non-applicable	
STAKEHOLDER ENGAGEMENT			
	G4-24 Stakeholder groups	6	
	G4-25 Identification and selection of stakeholders	6	
	G4-26 The organisation's approach to stakeholder engagement	6	
	G4-27 Key topics and concerns that have been raised through stakeholder engagement	6	
REPORT PROFILE			
	G4-28 Reporting period	30	
	G4-29 Date of most recent previous report	30	
	G4-30 Reporting cycle	30	
	G4-31 Contact point for questions regarding the report or its contents	32	
	G4-32 GRI Content Index	30-32	
	G4-33 Policy and current practice with regard to seeking external assurance for the report	30	
GOVERNANCE			
	G4-34 Governance structure of the organisation	29	
ETHICS AND INTEGRITY			
	G4-56 Code of Conduct	29	Principle 10

issued in connection with Saab's annual report and has not been independently audited. For each indicator and DMA (Disclosure on Management Approach), page references are provided to this report and Saab's annual report. The table also describes how Saab's work supports the UN Global compact's ten principles.

SPECIFIC STANDARD DISCLOSURES			
Material aspects	Governance and indicators	Page	Global Compact
ECONOMIC IMPACT			
Economic Performance	DMA Economic performance	3, Saab Annual Report 2015, page 30	
	G4-EC1 Direct economic value generated and distributed	3	
Indirect Economic Impacts	DMA Indirect economic impacts	24	
	G4-EC8 Significant indirect economic impacts, including the extent of impacts	24–25	
ENVIRONMENTAL IMPACT			
Energy	DMA Energy	14, 29	Principles 8, 9
	G4-EN3 Direct and indirect energy consumption by primary energy source	14	Principles 8, 9
	G4-EN5 Energy intensity	14	Principle 8
	G4-EN6 Reduction in energy consumption	14	Principles 7, 8
	G4-EN7 Reductions in energy requirements of products and services	16–17	Principles 7, 8
Emissions	DMA Emissions	14, 29	Principles 7, 8
	G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	14	Principle 8
	G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	14	Principles 8, 9
	G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)	14	Principle 8
	G4-EN18 Greenhouse gas (GHG) emissions intensity	14	Principles 7, 8, 9
Effluents and waste	G4-EN19 Reduction in greenhouse gas (GHG) emissions	14, 16–17	Principles 7, 8
	DMA Effluents and waste	15	
	G4-EN23 Total weight of waste by type and disposal method	15, Weights in some cases are estimated because non-hazardous waste is not always weighed when collected. Estimates in these cases are based on emptied volumes	Principles 7, 8
Products and Services	DMA Products and services	14–17, 29	Principles 7, 8
	G4-EN27 Extent of impact mitigation of environmental impacts of products and services	14–17	Principle 8
Compliance	DMA Compliance	14–17, 29	Principle 8
	G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Saab has not had any significant fines or other sanctions due to non-compliance with environmental laws	Principles 7, 8
Supplier Environmental Assessment	DMA Supplier environmental assessment	11	Principle 8
	G4-EN32 Percentage of new suppliers that were screened using environmental criteria	11, The questionnaire sent to potential suppliers includes questions about environmental criteria	Principle 8
SOCIAL IMPACT – LABOUR PRACTICES AND DECENT WORK			
Occupational Health and Safety	DMA Occupational health and safety		
	G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	21, Saab reported absenteeism only for Sweden in 2015	
Training and Education	DMA Training and education	19–21, 29	
	G4-LA9 Average hours of training per year per employee by gender, and by employee category	19, Saab did not report number of hours, since the company did not feel it is a good measure of quality	
	G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	21	Principle 6
Diversity and gender equality	DMA Diversity and gender equality	22, 29	Principle 6
	G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	22	Principle 6
Supplier Assessment of Labour Practices	DMA Supplier assessment for labour practices	11	Principle 4
	G4-LA14 Percentage of new suppliers that were screened using labour practices criteria	11, The questionnaire sent to potential suppliers includes questions about labour practices	Principle 4

SOCIAL IMPACT – HUMAN RIGHTS	Governance and indicators	Page	Global Compact
Supplier Human Rights Assessment	DMA Supplier human rights assessment	11, 29	Principle 2
	G4-HR10 Percentage of significant suppliers that were screened using human rights criteria	11, The questionnaire sent to potential suppliers includes questions related to human rights	Principle 2
SOCIAL IMPACT – SOCIETY			
Anti-corruption	DMA Anti-corruption	8–9, 29	
	G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	8–9	Principle 10
	G4-SO4 Communication and training on anti-corruption policies and procedures	8–9	Principle 10
Supplier Assessment for Impacts on Society	DMA Supplier assessment for impacts on society	11	
	G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	11, The questionnaire sent to potential suppliers includes questions about impacts on society	Principle 10
SOCIAL IMPACT – PRODUCT RESPONSIBILITY			
Marketing Communications	DMA Marketing communications	9–11	
	G4-PR6 Sale of banned or disputed products	10, 26	
Customer Privacy	DMA Customer privacy	12	
	G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	12, For strategic reasons Saab does not report data	

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SAAB IN THE WORLD

Number of employees

Number of employees by location	31 Dec, 2015
Linköping, Sweden	5,246
Göteborg, Sweden	1,266
Järfälla, Sweden	1,154
Karlskoga, Sweden	785
Gauteng/Centurion/Pretoria/Johannesburg/Bedfordview, South Africa	567
Karlskrona, Sweden	542
Arboga, Sweden	516
East Syracuse, USA	396
Malmö, Sweden	375
Växjö, Sweden	322
Jönköping, Sweden	301
Huskvarna, Sweden	284
Adelaide, Australia	222
Östersund, Sweden	191
Fareham, UK	162
Trollhättan, Sweden	135
Gamleby, Sweden	113
Slavkov, Czech Republic	110
Kista, Sweden	95
Stockholm, Sweden	93
Apeldoorn, Netherlands	88
Uttenreuth, Germany	74
Sundbyberg, Sweden	72
Sönderborg, Denmark	71
Nyköping, Sweden	71
Western Cape/Cape Town/Hermanus/Bredasdorp, South Africa	63
Thun, Switzerland	60
Rockingham, Australia	50
Halden, Norway	49
Lillington, USA	47
Haninge, Sweden	47
Krokom, Sweden	45
Luleå, Sweden	43
Karlstad, Sweden	41
Other	989
Total	14,685

Number of employees by country	31 Dec, 2015
Sweden	12,036
South Africa	629
USA	540
Australia	308
UK	211
Netherlands	143
Czech Republic	129
Germany	112
Norway	84
Denmark	71
Switzerland	60
Canada	58
Finland	57
Kenya	44
Other	203
Total	14,685





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