

Corporate Responsibility

Corporate Responsibility and Communication on Progress for Investment AB Kinnevik

For Kinnevik, Corporate Responsibility ("CR") involves issues that relate to social responsibility, environmental responsibility and ethics. In formulating policies in these areas, Kinnevik has used as its starting point the UN's Global Compact and its ten principles, as well as the OECD's guidelines for multinational enterprises.

During 2011, Kinnevik formally adopted the UN Global Compact ten principles in the areas of human rights, labour, the environment and anti-corruption.

The CEO of Kinnevik, Mia Brunell Livfors, declares that: "Kinnevik signed the UN Global compact charter in May 2011 and we express our intent to advance those principles within our sphere of influence. Kinnevik is committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. In this first Communication on Progress report Kinnevik documents the progress within Kinnevik as well as our major holdings. I think that the Kinnevik group are making progress in implementing the Global Compact principles as this report will demonstrate."

Strategy and purpose

The primary purpose of Kinnevik's operations is to increase shareholder value, primarily through net asset value growth. As owner and investor, Kinnevik also bears great responsibility to stakeholders for its holdings (subsidiaries and associated companies). For Kinnevik, showing consideration for stakeholders by working actively with CR-related issues is a prerequisite for high and sustained profitability.

Guidelines and policies

Kinnevik has established clear guidelines for the expectations of the Group's holdings how to drive CR issues regarding social responsibility, environmental impact and ethical behavior.

Furthermore, Kinnevik's senior management, in cooperation with its Board of Directors, has formulated policies in which all matters relating to sustainability and responsibility matters are handled. These matters are expressed in the Code of Ethical Business Conduct (Code of Conduct) and the Whistleblower policy. Every employee and other representatives of the Company are expected to read and comply with these policies.

Implementation and follow-up

For a company like Kinnevik with limited operations, the majority of the CR issues are found within each holdings' operations. A thorough risk assessment including CR related matters is periodically carried out in every company. The risks vary depending on company, industry and country and consist amongst others of geographical risks, environmental impact, political climate, brand risks as well as supplier risks. Since several of Kinnevik's holdings are operating in emerging markets where human rights and risk for corruption could be present, it is very important that Kinnevik has firm guidelines on how to handle these types of risks.

Kinnevik works actively, through Board representation, to assist associate companies and subsidiaries in formulating a separate CR policy. The CR policy shall be observed through analysis and continuous operational improvements, taking into account social responsibility, ethics and the environment. The companies are also encouraged to publicly communicate the impact of their CR efforts. In the larger listed holdings, the Board of each company shall elect one person who is responsible for the company's CR issues and to whom an employee with responsibility for CR shall report.

In 2011, in order to find a common tool in terms of reporting the progress in the CR field, many of Kinnevik's companies have chosen to report according to the Global Reporting Initiative (GRI), the world's most widely used sustainability reporting framework. GRI's core goals include the mainstreaming of disclosure on environmental, social and governance performance. Korsnäs, Tele2, and MTG produce GRI reports that can be found on the respective websites.

Human rights

<i>Principle 1</i>	Businesses should support and respect the protection of internationally proclaimed human rights
<i>Principle 2</i>	Businesses should make sure they are not complicit in human rights abuses

Examples – Kinnevik Group companies

In 2011 Millicom joined nine other telecommunications companies in a dialogue to jointly define how the UN "protect, respect, remedy" framework should be applied in the telecommunications sector, especially as it relates to freedom of expression and privacy. The participating companies will work together on broadly accepted principles, tools and due diligence mechanisms to ensure the respect for privacy and freedom of expression.
Millicom in Paraguay began work with a Spanish NGO Pantallas Amigas for a campaign to promote responsible and safe use of cell phones and Internet for children and young people.

Labour

<i>Principle 3</i>	Businesses should uphold the freedom of association and the effective right to collective bargaining
--------------------	--

Examples – Kinnevik Group companies

The right to collective bargaining is recognized throughout the group. At the Kinnevik level, 2 board members are employee representatives appointed by the trade unions at the subsidiary Korsnäs.
Korsnäs ambition is to have a close relationship with the trade unions and the company regards union work as important and valuable. The cooperation with the trade unions is a pre-requisite for the changes now being implemented in the company. Company employees are represented in the Korsnäs Board of Directors by ordinary board members or by deputy members. The company and the trade unions cooperate both on a central and local level when it comes to large investments and other important projects. For all mills there are trade union cooperation groups which are in regular contact with the management of the mill.

Labour		Examples – Kinnevik Group companies
<i>Principle 4</i>	Businesses should uphold the elimination of all forms of forced and compulsory labour	Kinnevik and the Group companies shall ensure compliance with labor and employment laws, including wages and working hours. In the Millicom supplier code of conduct it is stated that "The supplier may not use any form of forced labor, debt bondage or involuntary prison labor. Employees and contractors should be free to leave work or terminate their employment with the Supplier after a reasonable notice period. Workers will never be deprived of their identity documents or work permits by their employer or contractor."
<i>Principle 5</i>	Businesses should uphold the effective abolition of child labour	In 2011 Millicom supported several activities relating to primary education in its markets of operation. These included, for example, financial support to orphans in the Democratic Republic of Congo to attend school and providing educational materials and renovating schools in Tanzania, Senegal and Paraguay. Millicom participates in a Millennium Schools project together with USAid in Guatemala, which constructed 90 schools in 2011 in the country.
<i>Principle 6</i>	Businesses should uphold the elimination of discrimination in respect of employment and occupation	In 2011 Millicom reviewed its whistle-blower policy and introduced new channels for employees and third parties to report any wrong-doing or ask any questions relating to the Code of Ethics. Employees or external parties can reach the Integrity Office via email or phone or via a web-form, which also allows anonymous reporting. The channel is available in English, French and Spanish.
Environment		Examples – Kinnevik Group companies
<i>Principle 7</i>	Businesses are asked to support a pre-cautionary approach to environmental changes	In Korsnäs, the CO ₂ -impact was reduced in 2011 from 174,000 tons in 2010 to 100,000 tons 2011, a reduction by 43%. The target for 2012 is 80,000 tons. Millicom has set a target of reducing CO ₂ emissions per base station by 50% by 2020, compared to 2009 baseline. Millicom ran recycling campaigns for mobile phones in Guatemala, El Salvador and Colombia in 2011.
<i>Principle 8</i>	Undertake initiatives to promote greater environmental responsibility	Korsnäs has undertaken several investments in the 2009-2013 to improve its carbon footprint. The total investment to improve environmental impact of Korsnäs amounts to around SEK 1.5 billion 2009-2013. The construction of a new bio-energy plant in Gävle for electricity as well as district heating, total investment SEK 1.8 billion is ongoing. In total, a new evaporation plant and the bio-plant will reduce oil consumption in Korsnäs Gävle plant from 44,000 to 4,000 m ³ /year. CO ₂ emissions are expected to fall from 125,000 tons to around 10,000 tons.
<i>Principle 9</i>	Encourage the development and diffusion of environmentally friendly technologies	Bioenergy is of strategic interest for Kinnevik given strong European growth expectations in combination with Kinnevik's experience from and activities in agriculture and forestry. Renewable energy production is expected to see substantial growth in coming years, especially in Europe driven by EU commitments to 20% renewable production by 2020. The strategy is focused around two core areas – large scale wood pellets production, and local energy production based on biogas and biomass. Central and Eastern Europe is the main geographical focus where operations are conducted in the two companies Latgran and Vireo Energy.
Anti-corruption		Examples – Kinnevik Group companies
<i>Principle 10</i>	Businesses should work against corruption in all its forms including extortion and bribery	Korsnäs as well as the listed holdings all have policies and reporting lines in place regulating code of ethics as well as reporting lines in case of violations (whistle blower policies). These also extend to suppliers. To ensure efficient supply chain follow-ups. Tele2 for example has developed criteria for supplier selection based on risk, as well as checklists for evaluation of supplier compliance. In December 2011, representatives of Tele2 visited one of the biggest suppliers, a SIM-card producer in Slovakia. Millicom introduced specific guidelines on conflict of interests, fair competition, third party due diligence, and gifts and entertainment as first steps to address high risk areas relating to compliance and corruption. In Tele2, a programme to implement the Code of Conduct, adopted by the Board of Directors in 2010, was initiated in all countries. The Code is available on Tele2's website www.tele2.com and has so far been signed by 92% of the more than seven thousand Tele2 employees. The remaining 8% are expected to sign during the first six months of 2012. As from 2011, all new employees are asked to sign the Code of Conduct as part of their employment contract. The Code of Conduct does not only apply to the company itself, but also to suppliers and others parties representing Tele2. As a first step of implementing the Code of Conduct in the supply chain, the largest suppliers, together constituting 80% of the spending, were asked to sign. By 31 December 2011, 752 out of the 892 suppliers had signed the Code of Conduct. Since 2011, the Code of Conduct is included in the purchasing agreements when Tele2 renews contracts with existing suppliers or contracts new suppliers and agents.



Playing for Change 2011

Playing for Change is a non-profit organisation founded by Kinnevik that invests in social entrepreneurs who help children and youth to a better life. We believe that the best way to create social change is to give business tools to social entrepreneurs who are passionate about improving the lives of children and who has the entrepreneurial drive to make a change.

We support social entrepreneurs with salary funding and an incubator model where advisors from our partner companies play an important role in helping the social entrepreneurs develop and scale their operations. Kinnevik, together with Korsnäs, Metro, MTG, Tele2, Millicom and the Hugo Stenbecks Stiftelse, is senior partners to Playing for Change, contributing their co-workers expertise to create a better, and more playful world, for children and youth.

Vision

Playing for Change envisions a world where all children can play freely – a healthy, just and thriving society with all barriers to play removed.

Goal 2015

Remove barrier to play for 20 million children.

How we do it

- Playing for Change finds the best social entrepreneurs and supports them to scale their social innovations.
- We give social entrepreneurs tools to evaluate and frame the social impact of children and youth.
- We advocate and build awareness about social entrepreneurship as a prime tool to support the United Nation Convention on the Rights of the Child.
- We give strategic CSR-support to our corporate partners to ensure the Child Rights and Business Principles

Results 2011:

Together with our social entrepreneurs, our Playmakers, we have supported 849,074 children during 2011. Also worth noting is that after only two operational years, Playing for Change has removed barriers of play for over 1,1 million children, so far in Sweden, Ghana and Russia. We measure the unique children that we, and our Playmakers interact with and support during a year. It is children that have been participated in the programs and operations, that have been empowered or had their life changed in different ways.



Runners' Academy, managed by Playmaker David Lillo has developed a ten-week-program where long-distance running is used as a tool for personal development. The target group is teenagers in the age of 15-16 years, that come from the suburbs of Stockholm. In addition to running the participants take part in workshops and personal coaching. Runners' Academy also organizes popular races in two Stockholm suburbs.

Meet a Playmaker:

Barnkraft

Åsa Järnhäll Olsson & Johanna Järnhäll, Nyköping, Sweden

The problem

Sexual abuse of children in today's society is still a taboo subject in the public dialogue. Because of this, many victims remain silent and information about the prevalence and nature of sexual abuse is scarce.

The solution

Barnkraft believes that society must recognize and confront the problem of sexual child abuse through education of both children and adults. Barnkraft uses a positive approach and work with strengthening and preventative measures, in schools and with adults – both parents, students and professionals.

The persons

Barnkraft's Åsa and Johanna are two sisters driven by a strong commitment for sexually abused children. They work tirelessly to empower children, educate adults and remove the taboo that surrounds sexual child abuse. Åsa was herself a victim of sexual abuse as a child, and uses her experience to show other adults that it is possible to break the silence and become whole again.

Peter Ndonwie

Pan-African Organisation for Research and Protection of Violence on Women and Children (PAORP-VWC) Ndonwie Peter, Tamale, Ghana.

The problem

Child trafficking and child labour is rampant in Ghana. The worst affected are children and women from the poorer regions in Northern Ghana. Discrimination and abuse against women and children takes place daily. Girls are especially vulnerable, often prevented from going to school and subjected to early marriages.

The Solution

PAORP-VWC promotes the education of all children in all areas where discrimination against women and children takes place. The mission is to research, organize, support, expand and strengthen the activities of human rights organizations as well as women and youth groups. This is done through emancipation and empowerment of women, children and youth within their communities.

The person

Dr. Ndonwie Peter saw the importance of education very early, giving lessons to children in his own neighbourhood.

A professional human rights development worker, he also holds a PhD in Business Management. Peter uses innovative methods and creativity to fight for change in rural villages where the rights of vulnerable women and children have been trampled upon. He believes that "as a social entrepreneur you have to know that you are the only person that can put your dream into action and get what you want in life".



Playmaker Johan Wendt manages Mattecentrum, a non-profit organization that offers free math tutoring and homework assistance for students in grades 7-9 and high school. The Math labs are available in ten cities reaching from Lund to Luleå, and have approximately 2,000 returning students. Mattecentrum also offers online assistance with some 45,000 students as users.