

SUSTAINABILITY REPORT

Stockholm 23 March 2017

STATEMENT BY THE CEO

I am pleased to present Kinnevik AB's Communication on Progress for 2016. 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 engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. In this Communication on Progress report, we document the progress within Kinnevik as well as in our investee companies. We are making progress in implementing the Global Compact principles, as this report will demonstrate.

Joakim Andersson



Acting Chief Executive Officer, Chief Financial Officer
Kinnevik AB

Statement by the Chairman of the Board

At Kinnevik, we believe in delivering both shareholder and social value by building well-governed companies that contribute positively to society. Operating in a responsible manner is critical for building value as well as valuation, and is the key to long-term sustainable growth, development and profitability. Moreover, it preserves business integrity and protects our reputation.

For an investment company such as Kinnevik, sustainability centres on exercising our influence and implementing sound values and structures in all our investee companies. We strive to ensure that our companies lead their respective industries – in terms of innovation, market presence, customer offering and sustainability – for many decades to come. Companies that operate in a responsible and ethical manner will be better able to offer products and services that meet the demands of their customers, as well as to recruit the best employees, thereby outperforming their competitors in the long run.

During 2016, we implemented individually tailored sustainability roadmaps for the majority of our larger private companies. This required us to balance the expectations of multiple stakeholder groups and to cooperate closely with each management team. Our key focus area for 2017 is to continue supporting all our investee companies in the development and execution of their sustainability agendas.

As a long-term and responsible owner, Kinnevik needs to lead by example. Sustainability is an integrated part of Kinnevik's operations

and forms part of the agenda in management discussions, annual performance reviews, staff meetings and employee dialogues.

As a clear example of this approach, Kinnevik has a structured program that continuously trains and upskills our investment team in sustainability and responsible investing.

I am pleased to say that this year we have developed our Sustainability Report according to the Global Reporting Initiative (GRI) sustainability reporting guidelines. In addition, we have prepared our first climate report. Sustainability is at the core of our strategy, and we intend to continue developing our reporting over the coming years in order to reflect this commitment.

Tom Boardman

Chairman of Kinnevik's Board of Directors

Purpose and strategy

Kinnevik's objective is to deliver long-term shareholder value, primarily through net asset value (NAV) growth and annual dividends.

Wherever we operate around the world, our focus is on building digital consumer businesses that make a positive difference to people's lives. For us, being at the cutting edge of providing consumer choice also means being ambitious about sustainability. As an active owner and lead investor, we therefore have clear expectations on our investee companies to conduct their operations in a responsible and ethical manner.

In 2011, Kinnevik formally adopted the Ten Principles of the United Nations (UN) Global Compact in the areas of human rights, labour, the environment and anti-corruption. Our Sustainability Report 2016 describes the actions taken to integrate the UN Global Compact and its principles into Kinnevik's business strategy, culture and daily operations. This year's report adheres to the GRI G4 Guidelines (see the reference index on page 26-27) and draws inspiration from the International Integrated Reporting Council's International Integrated Reporting Framework. In 2016, Kinnevik has also implemented a climate reporting system, Our Impacts. The full findings from the climate report can be seen on page 21.

In line with Kinnevik's commitment to conducting our business to the highest ethical standards, we have a Code of Conduct, a Whistleblower Policy and a Corporate Responsibility Policy. All employees and representatives of Kinnevik are expected to comply fully with the Code of Conduct. As outlined in the Whistleblower Policy, Kinnevik also expects all employees, as well as relevant third parties who deal with the company, to come forward and voice all serious concerns about any aspect of Kinnevik's work. In the Corporate Responsibility Policy, we outline Kinnevik's expectations in relation to how our investee companies should manage their social and environmental impact on stakeholders.

For Kinnevik, sustainability, including social responsibility and environment, is closely interlinked with Governance, Risk management and Compliance ("GRC") structures. To support the integration of our sustainability agenda into our business, Kinnevik established a dedicated GRC function in 2014. The purpose of the GRC function is to drive and follow up the implementation of sustainability structures at Kinnevik and within Kinnevik's investee companies. In 2016, Kinnevik also established a GRC Committee, appointed by the Board of Directors, to assist the Board in monitoring the governance and sustainability structures of Kinnevik and our investee companies, including risk management processes and compliance with laws, regulations and codes of conduct.

Principal stakeholders groups and their focus areas

Maintaining a close dialogue with our principal stakeholder groups is a core pillar of Kinnevik's sustainability work. The following table shows the key groups that are most important to Kinnevik. These groups have a high level of influence on Kinnevik, and because they are most affected by Kinnevik's operations, they also have high expectations of us.

Principal stakeholder groups, their main focus areas and Kinnevik's means of engagement

STAKEHOLDER GROUPS	THE STAKEHOLDER GROUPS' MAIN FOCUS AREAS	KINNEVIK'S ENGAGEMENT
Employees at Kinnevik and in our investee companies	Applying the highest social sustainability standards is critical in order for Kinnevik and its investee companies to attract top-performing employees at all levels. Work-life balance, equal opportunities, diversity, and health and safety are key focus areas. Continuous culture and talent management, including attractive compensation structures and performance reviews based on the company's stated mission, vision and culture are also central.	<ul style="list-style-type: none"> • Annual review of performance and personal objectives • Annual reviews of compensation packages, based on industry benchmarking • Continuous internal and external communication flow
Shareholders	In addition to continuous strong economic performance, investors are increasingly taking sustainability factors into account as a basis for making investment decisions. Many investors recognise a clear link between sustainability and economic performance. The investor community is focused on the full sustainability spectrum, from solid governance, risk management and compliance structures to the implementation of sound social and environmental guidelines.	<ul style="list-style-type: none"> • Regulatory and non-regulatory publications • Annual General Meetings • Road shows and investors meetings, both in groups and one-on-one formats
Investee companies	Sustainability awareness and involvement is becoming increasingly global, both among corporations and the end-consumers. Having sound social, environmental and ethical guidelines in place increases customer loyalty and gives Kinnevik's investee companies a competitive edge as consumers are increasingly raising their expectations with regards to sustainability.	<ul style="list-style-type: none"> • On-going discussions around, and implementation of, processes and guidelines for corporate governance, risk management, compliance and sustainability • Active representation on Boards and in committees • Regular formal and informal communication flow
Authorities and regulators	To achieve long-term sustainable performance, Kinnevik and our investee companies are required to be good corporate citizens and to comply with applicable laws, regulations and standards related to sustainability across all markets where we operate.	<ul style="list-style-type: none"> • Implementation of processes and guidelines for corporate governance, risk management and compliance • Ongoing dialogue with relevant authorities to monitor and prepare for regulatory developments

Kinnevik's sustainability agenda

Our continuous stakeholder dialogue, coupled with intelligence gathering, industry analysis and management discussions, forms the basis for identifying Kinnevik's most material sustainability focus areas. As illustrated in the following table, Kinnevik has identified six key focus areas; economic performance, corporate governance, risk management, compliance, social responsibility and environment.

BOUNDARIES FOR KINNEVIK'S MATERIALITY ASPECTS

In our role as active owners, we have a responsibility to manage sustainability aspects at the parent company and to promote sustainability initiatives in our investee companies. In some cases, our investee companies can in turn influence their suppliers and sub-suppliers. Kinnevik has determined the boundaries for each of our materiality aspects based on the level of control that we can exercise within the organisation (Kinnevik) and outside the organisation (investee companies and their suppliers, distributors etc.). The following table presents an overview of Kinnevik's boundaries with respect to each materiality aspect.

Kinnevik's boundaries for each materiality aspect, within and outside the organisation

MATERIALITY ASPECTS	WITHIN KINNEVIK	OUTSIDE KINNEVIK	
	KINNEVIK	INVESTEES COMPANIES	INVESTEES COMPANIES' SUPPLIERS, DISTRIBUTORS ETC.
I. ECONOMIC PERFORMANCE			
a) Value generated	■	■	
b) Value distributed	■	■	
II. CORPORATE GOVERNANCE			
a) Governance structure and Board composition	■	■	
b) Anti-corruption including Code of Conduct	■	■	■
c) Whistleblower hotlines	■	■	
III. RISK MANAGEMENT			
a) Risk management processes and framework	■	■	
b) Regular risk monitoring and screening	■	■	
c) Mitigating risks through controls	■	■	
IV. COMPLIANCE			
a) Processes to ensure compliance with local laws	■	■	■
b) Management oversight and reporting	■	■	
V. SOCIAL RESPONSIBILITY			
a) Human rights including working conditions, health and safety and non-discrimination	■	■	
b) Diversity, culture and brand and talent management incl. competitive compensation structures	■	■	
VI. ENVIRONMENT			
a) Greenhouse gas emissions	■	■	■

■ High level of control ■ Some level of control

I. ECONOMIC PERFORMANCE

The economic aspect identified as material to Kinnevik is economic performance. Being a financially strong company is necessary in order for us to create long-term value for our stakeholders, and to execute our strategy of supporting our companies in growing and in improving their profitability in a sustainable manner.

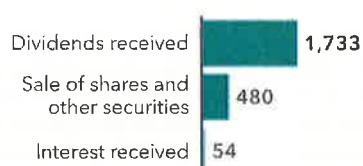
Kinnevik distributed significant value to shareholders in 2016, which was made possible following significant exits in the second half of 2015. As a result, even with a negative cash flow of SEK -8,557m for 2016, including borrowings of SEK 381m, Kinnevik ended the year in a solid financial position with a leverage of 2% of portfolio value.



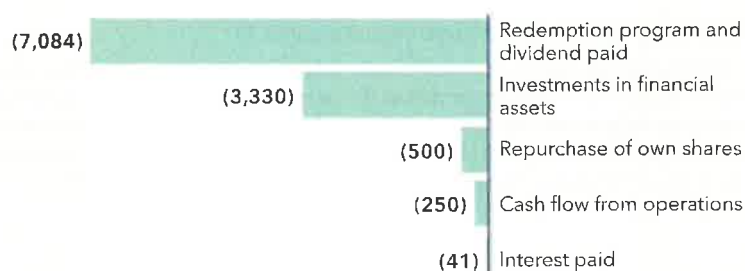
**Kinnevik leverage
in relation to
portfolio value**

Kinnevik's economic value generated and distributed during 2016, SEKm

Economic value generated



Economic value distributed



II. CORPORATE GOVERNANCE

The basis for corporate governance within Kinnevik is Swedish legislation, the Nasdaq Stockholm Rule Book for Issuers, and the regulations and recommendations issued by relevant self-regulatory bodies. Kinnevik follows the Swedish Corporate Governance Code (Swedish: Svensk kod för bolagsstyrning). Kinnevik has an on-boarding process for new employees that introduces them to the Code of Conduct and to other policies and procedures. In addition, Kinnevik conducts mandatory annual Code of Conduct and compliance training for all our employees.

III. RISK MANAGEMENT

Kinnevik's Board is responsible for internal control in accordance with the Swedish Companies Act (Swedish: Aktiebolagslagen) and with the Swedish Corporate Governance Code. Kinnevik's risk framework is outlined in the Risk Management Policy. Kinnevik's management has established a Risk Committee that meets at least once every quarter to review key risks, developments since the previous meeting and the efficiency of mitigating actions. The work of the Risk Committee is presented to the GRC Committee and the Audit Committee on a periodic basis.

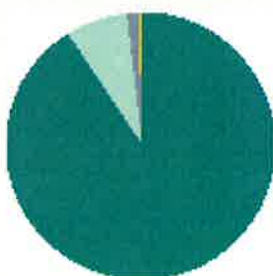
IV. COMPLIANCE

Kinnevik's compliance framework is mainly focused on compliance with the laws and regulations that govern listed companies in Sweden, such as the Nasdaq Stockholm Rule Book for Issuers, the European Union Market Abuse Regulation (No 596/2014), SFSA's Guide for Listed Companies (Swedish: Vägledning för Börs- och MTF-bolag), and other laws and regulations relating to Kinnevik's operations and investment activities. The GRC Committee and the Audit Committee receive periodic updates on compliance status with the material provisions of governing laws, regulations and guidelines.

Kinnevik's CO₂ emissions in 2016

CO₂ emissions by Activity

ACTIVITY	TONNES CO ₂	
Business travel	537	91%
Company-owned / leased vehicles	45	8%
Premises	8	1%
Materials purchased	2	0%
TOTAL	591	100%



V. SOCIAL RESPONSIBILITY

At Kinnevik, we believe that value is created by people. The acquisition and retention of top talent is therefore a key priority. Further information on this topic can be found in the section titled The Kinnevik Team on page 25 in this report.

VI. ENVIRONMENT

All businesses have an environmental impact, and as a global investment company, our impact on the global environment is an important issue for Kinnevik.

In 2016, Kinnevik implemented a climate reporting system for the first time, Our Impacts. The aim of the climate report is to assess the levels of CO₂ emissions generated by our organisation and of which we are in direct control. The report also represents a first step towards reducing our environmental impact. The results of the study are summarized below, and we intend to continue this reporting on an annual basis. The full Climate Report, including methodology and assumptions, is available on our website www.kinnevik.com.

During 2016, Kinnevik generated 14.8 tonnes of CO₂ emissions per employee and 0.8 tonnes of CO₂ emissions per square meter of office space, including both our Stockholm and London premises. Since this is our first climate report, we cannot compare these CO₂ emissions to previous years. However, Kinnevik continuously strives to reduce our environmental impact. Kinnevik's most material environment impact is business travel, which accounts for 91% of our total CO₂ emissions.

CO₂ emissions by Scope

SCOPE	TONNES CO ₂	
1 Company-owned / leased vehicles	37	6%
2 Power consumption and distance heating	7	1%
3 Business trips, paper consumption and waste	547	93%
TOTAL	591	100%



Note: The Greenhouse gas (GHG) Protocol has established a classification of GHG emissions called "Scope". Scope 1 includes direct GHG emissions, Scope 2 includes energy indirect GHG emissions and Scope 3 includes other indirect GHG emissions. For more information see the GRI Index on page 10.

Kinnevik's role as an active owner

In our Corporate Responsibility Policy, we outline Kinnevik's expectations of our portfolio companies with regards to their social and environmental impact on stakeholders. Our role as active owners is to contribute time and resources to support each of our companies in reaching their full value creation potential. Companies can achieve this goal by combining economic performance with solid governance, risk management and compliance structures, as well as social responsibility and care for the environment.

Kinnevik interacts on an ongoing basis in relation to sustainability topics, including environmental and social issues, with 16 of our investee companies, representing 92% of Kinnevik's Portfolio Value per 31 December 2016.

PUBLIC COMPANIES

In our largest public companies, Zalando, Millicom, Tele2, MTG and Qliro Group, we exercise our active ownership role through board representation. In 2016, our public companies made significant progress in their sustainability work through their own dedicated teams. More detailed information can be found in each investee company's Annual Reports and Sustainability Reports.

PRIVATE COMPANIES

We engage regularly with all our larger private companies in relation to various sustainability work-streams, through board representation as well as engagement with management. An interview with

Kinnevik's GRC Director Mathew Joseph, in which he outlines our key sustainability focus areas in 2016 and going forward, is available on page 24 of this report.

NEW INVESTMENTS

Sustainability is a separate due diligence work stream for all new investments made by Kinnevik. All potential new investments are evaluated in terms of its sustainability performance and structures. In instances where potential investments do not adhere to relevant standards, or are not considered to be susceptible to the required improvements, Kinnevik refrains from the investment.

During 2016, Kinnevik made two new investments, Babylon and Betterment. As with all Kinnevik's new investments, both companies were subject to sustainability due diligence to ensure they met our expectations. This sustainability due diligence includes, among other elements, human rights screening, positive and negative environmental and social screening, and corruption risk assessment processes, all of which showed very low risk levels for both companies.

Identified issues were discussed with the management teams and other shareholders, and a sustainability roadmap was agreed in order to address any material gaps. Given the fact that both businesses are in a relatively early stage of development, Kinnevik's investment and sustainability teams will work continuously with the management of these companies to help support the development of sound sustainability structures.

Kinnevik's Corporate Responsibility Policy

KINNEVIK'S POLICY FOR CORPORATE RESPONSIBILITY

A fundamental requirement for all portfolio companies in which Kinnevik invests is that they comply with all applicable laws, regulations, and appropriate standards in the markets in which they operate. In cases where local legislation does not afford adequate protection for core international human rights and ethical business conduct, companies should endeavour to uphold relevant international standards, such as:

- The UN Guiding Principles on Business and Human Rights - with reference to
 - the International Bill of Human Rights
 - the eight core ILO conventions as set out in the Declaration on Fundamental Principles and Rights at Work
 - additional internationally-recognized standards protecting the rights of special groups and populations requiring particular attention
- The OECD Guidelines for Multinational Enterprises.

GOVERNANCE

Kinnevik's portfolio companies should apply a corporate governance structure that meets national and international standards for corporate governance. Portfolio companies should have a Code of Conduct setting out their commitment to conducting business according to the highest ethical standards. Portfolio companies should also adopt a Whistleblower policy in order to ensure that employees and relevant third parties with serious concerns about any aspect of the company's work are able to come forward and voice those concerns without the risk of retaliation, discrimination or disadvantage.

RISK MANAGEMENT

Portfolio companies should have structured risk management processes and frameworks within its businesses. The Board of Directors should be responsible for determining the risk appetite of the company, and for maintaining oversight of key risks that have a material impact on the portfolio company. The management of Kinnevik's portfolio companies

and subsidiaries should ensure that there are appropriate processes for identifying and managing risks as well as escalating them to the portfolio company's Board of Directors when appropriate.

COMPLIANCE

Portfolio companies should ensure they comply with all applicable laws, regulations, and relevant standards. Management should maintain an oversight of compliance across the company's operation and report material non-compliance matters to the portfolio company's Board of Directors.

Competitive behaviour

All Kinnevik portfolio companies should ensure that they carry out their activities in a manner consistent with all applicable competition laws and regulations.

Business ethics

Portfolio companies should develop clear guidelines on anti-corruption: including issues relating to bribery, money laundering, and fraud. These guidelines should be made known to all employees, and employees should be continuously educated and informed of the consequences of the guidelines. These guidelines are particularly significant for companies active in countries where corruption is prevalent. It is also important that the companies are transparent and communicate how they avoid and work against corruption.

Trade sanctions

Portfolio companies should adopt policies and procedures in order to ensure compliance with international trade sanctions and export control legislation. Such procedures should include risk management processes for identifying high-risk jurisdictions, business areas and products, routines for the screening of counterparties, and should set out the responsible functions for compliance and escalation of matters within the company.

Privacy and data protection

Portfolio companies should have clear policies regarding privacy and data protection and design internal systems to comply with national and international legislation in the area.

84%

Proportion of our companies where sustainability is on the agenda of the Board or a sub-committee

84%

Proportion of our companies where Kinnevik has proportionate board representation

7

Number of material compliance issues that were escalated to a Board or sub-committee in 2016

The above KPIs are calculated based on our larger private companies, defined as those stated separately in our NAV reporting. For a full account of which companies are included, refer to the sections Fair Value of Financial Assets and Valuation of Unlisted Assets on page 33-34 in Kinnevik's Annual Report 2016.

SOCIAL RESPONSIBILITY

Portfolio companies should continuously monitor their compliance with applicable laws, regulations, and relevant international standards.

In particular, they must respect human rights, such as those relating to labour: offering safe and healthy working conditions, upholding the freedom of assembly and association, ensuring non-discrimination and promoting diversity at work; and not accepting any form of forced or child labour.

In cases where the portfolio companies are active in countries that do not afford adequate protection for human rights, it is particularly important that the companies also seek to promote human rights to increase the standard in the company in question.

ENVIRONMENTAL RESPONSIBILITY

Portfolio companies should establish an environment policy and continuously analyse and improve the impact of their operations on the environment. Environmental work should be followed up continuously and reported to the portfolio company's Board of Directors. Portfolio companies should also collect information on the environmental impact of their suppliers and encourage them to achieve continuous improvements.

In cases where scientific knowledge of environmental risks is insufficient, the companies should apply the precautionary principle and take measures at an early stage to ensure that preventable permanent damage to the environment does not occur. They must also take initiatives to promote greater environmental responsibility and encourage the development and application of environmentally friendly technology.

Where relevant, portfolio companies are encouraged to develop an environmental management system according to certified standards (e.g. ISO 14001) and to educate employees in issues relating to respect for the environment.

MANAGING THE SUPPLY CHAIN

All portfolio companies should develop a Supplier Code of Conduct in which the company's suppliers pledge to act in accordance with the recommendations of the UN's Global Compact. Companies are

expected to promote the Supplier Code of Conduct and take reasonable measures to ensure compliance of their supply chain to this code.

POLICY FOR CORPORATE RESPONSIBILITY IN NEW INVESTMENTS

Evaluation prior to new investments

Prior to any acquisition, an evaluation is always performed to determine if the company complies with Kinnevik's CR Policy. Kinnevik also assesses the situation in the country with respect to human rights and corruption and evaluates the extent to which the company upholds the principles of the UN Global Compact in relation to anti-corruption, labour standards, human rights, and environmental standards.

When potential investments do not adhere to Kinnevik's CR Policy, and it is not deemed possible to influence and improve the company's operations, Kinnevik refrains from making the investment.

Development of CR in new investments

Our new investments tend to be in smaller, newly-started companies, and developing a CR policy is part of developing these companies. Even if companies may comply with Kinnevik's requirements for responsibility at the investment occasion, CR work is long term and represents an improvement process that is constantly in progress. Kinnevik actively works with management teams of these companies to help develop their CR policy and related work streams.

FOLLOW-UP ON PORTFOLIO COMPANIES' CR WORK

In order to integrate CR work in daily operations, each company should appoint an employee who is responsible for CR. This employee should report his or her work and its effects to a member of the portfolio company's Board of Directors or its sub-committee that is responsible for pursuing the company's CR issues. Furthermore, CR work should be an agenda item at every Board meeting.

Each company should follow up annually on its CR policy. Over time, portfolio companies are encouraged to prepare a separate sustainability report reviewed and approved by external auditors and based on an internationally-recognised framework e.g. the Global Reporting Initiative (GRI) Framework.

Meet Mathew Joseph, GRC Director at Kinnevik

Mathew Joseph set up the GRC function at Kinnevik and was appointed GRC Director in September 2014. He joined the Group as an Internal Auditor in 2003, and moved to an operational CFO/COO role in an investee company in 2005. Mathew works closely with the management teams and Board members in each investee company to develop and integrate structured sustainability environments that meet Kinnevik's sustainability ambitions. Mathew is a Chartered Accountant (India) and a Certified Public Accountant (US). He is originally from India and is based in our London office.



Q&A with Mathew

What does being GRC Director at Kinnevik entail?

Being the GRC Director is one of the best jobs you can have at Kinnevik. Typically, you are involved in every part of the lifecycle of an investee company. The role requires me to be flexible and to accommodate operational challenges within each company, while striving to achieve a common set of sustainability objectives in the long term. My operational experience from previous roles helps me understand challenges from the management's perspective, which is critical in developing sustainability initiatives within a company. The role also entails considering various stakeholder interests and taking a balanced approach to developing initiatives that reflect those interests.

How important is sustainability for Kinnevik?

Sustainability is a fundamental element in Kinnevik's investment thesis. All new investments are subject to rigorous sustainability due diligence processes. Kinnevik accepts that the sustainability environment in a company is, in general, directly proportionate to its level of maturity. Kinnevik will not invest in a business if we are not confident that the management team will be able to develop a sustainability environment that is in line with Kinnevik's expectations. We strongly believe that companies with more developed sustainability environments will provide better long-term returns to their shareholders.

Can you give some examples of your work during 2016?

During the year, Global Fashion Group (GFG) signed up to the Ethical Trading Initiative, an organisation that works closely with GFG's Head of Sustainability to design supply chain compliance programs for the company. Kinnevik also worked closely with BIMA during 2016 to develop a Code of Conduct for BIMA's employees and business partners. In the same period, BIMA's management conducted a corruption risk analysis across their high-risk markets to improve controls around high-risk transactions in those markets. Another example is Quirk, where we worked together with the management team to develop a compliance reporting structure across their operations in India.

What were the big sustainability challenges - and wins - for Kinnevik in 2016?

Kinnevik is invested in a diverse set of businesses operating across a wide variety of geographies. The biggest challenge during 2016 was balancing the expectations of different stakeholder groups when developing sustainability roadmaps, taking into consideration the overall ambitions and operational challenges in the companies' respective markets. We are convinced that the best way of doing this is by working actively with management teams to create roadmaps that are tailored specifically for each company. In our experience, a checklist or a one-size-fits-all approach is not effective.

The biggest win in 2016 was that the majority of our larger private companies now have sustainability roadmaps that are relevant to their business. This has been an interesting journey for all parties involved in the process - management, the investment team, the Boards and me personally. We were able to anchor the key sustainability focus areas with various stakeholders and, together with the management teams, defined a clear sustainability journey that is individually tailored for each company.

What are the sustainability challenges and opportunities for Kinnevik in 2017?

The biggest challenge is always balancing the expectations of various stakeholders. Sustainability awareness has increased significantly in the last few years. However, it can sometimes be challenging to convince stakeholders of the true value of sustainability initiatives, and to assure them that investing in the development of sustainability structures and processes can contribute positively to financial results. This is particularly true when they consider sustainability to be an independent work-stream that is not directly linked to the core business.

The biggest opportunity in 2017 is to continue monitoring the development of the sustainability efforts that we have implemented in our investee companies. Now that most companies have implemented sustainability roadmaps that have been formally adopted by Audit Committees and Boards, there is a real opportunity to improve the sustainability environment across all our investee companies.

The Kinnevik Team

Achieving sustainable performance in a world of change is not easy. As in every business, value is created by people. The acquisition and retention of highly talented people is therefore a top priority for Kinnevik.

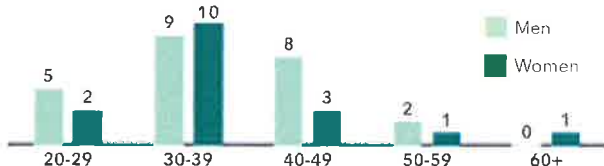
While the nature of our work changes frequently, our core values do not. Kinnevik's team members share an entrepreneurial spirit, as well as a belief in long-term business building, long-lasting partnerships, accountability, adaptability and responsible investing.

A SMALL AND DIVERSE TEAM

Kinnevik strongly advocates diversity and equal opportunities. This is reflected in the composition of our organisation, where a total of 10 different nationalities are represented. Kinnevik regards diversity as an asset and a lever for value creation, and we make full use of the opportunities that arise from employing a team with different backgrounds and perspectives.

Kinnevik has a small and diverse organisation based in Stockholm and London with 40 people employed on average during 2016, with 27 people based in the Stockholm office and 13 people in the London office (full-time equivalents). The investment management organisation is mainly based in London and consisted of 14 professionals committed to the development of our existing investee

Age distribution of employees in 2016



companies, and to the identification of new potential investments. In addition, Kinnevik employed 26 people across Finance, Legal, GRC, Corporate Communications, Human Resources and Administration.

The proportion of women employed at Kinnevik was 42 percent (on average) for 2016. The proportion of women in Kinnevik's investment organisation was 17 percent, and on the Board of Directors 22 percent. Over the next few years, we aim to increase the proportion of women in both the investment team and on the Board.

AN ATTRACTIVE EMPLOYER

Kinnevik offers our employees continuous opportunities for personal growth in order to develop their professional skill set and to take increasing responsibility for value creation at Kinnevik and our assets. The small size of our organisation enables us to personalise career development and training opportunities for each employee. Ongoing assessments of employees' performance and success in meeting their objectives are key in order to ensure that Kinnevik offers the right personal development tools at an individual and group level. All employees participate in yearly performance reviews and have individual objectives that are reviewed twice a year.

In 2016, Kinnevik added six new professionals to our team: one Investment Director and five Corporate professionals, of whom one joined as General Counsel (replacement hire). Over the same period, five professionals left Kinnevik, excluding termination due to end of fixed-term contract or retirement.

New employee hires and employee turnover during 2016

NEW HIRES					TOTAL	RATE
Sweden	20-29	30-39	40-49	50+		
Women	1	3	0	0	5	19%
Men	0	0	1	0		
UK						
Women	0	0	0	0	1	8%
Men	0	1	0	0		
TURNOVER					TOTAL	RATE
Sweden	20-29	30-39	40-49	60+		
Women	1	1	0	0	5	19%
Men	0	2	1	0		
UK						
Women	0	0	0	0	0	0%
Men	0	0	0	0		

Note: New hire and turnover rate is calculated in relation to the average number of employees in each region during the year.

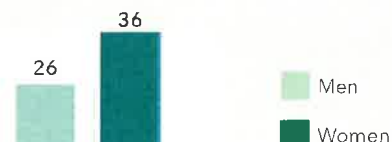
WORK SAFETY

All Kinnevik operations in Sweden follow the intentions and regulations stipulated in the Work Environment Act (Swedish: Arbetsmiljölagen) and the regulations published by the Swedish Work Environment Authority (Swedish: Arbetsmiljöverket). All Kinnevik operations in the United Kingdom follow the intentions and regulations stipulated in the Health and Safety at Work Act 1974 and the regulations published by the Health and Safety Executive.

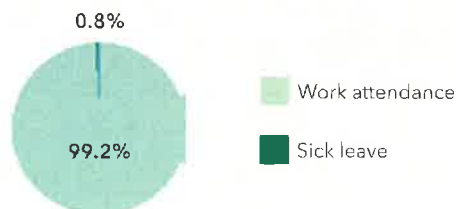
Kinnevik is responsible for maintaining a good and healthy work environment. All employees are required to follow the rules and regulations set up by Kinnevik, and to cooperate in maintaining and developing a good work environment. Appropriate steps are taken to prevent accidents and injury to health include minimizing hazards inherent in the working environment, and providing appropriate safety equipment. No accidents or injuries have occurred during 2016.

Kinnevik encourages employees to take parental leave. In 2016, the average parental leave taken was 26 weeks for men and 36 weeks for women. The low level of sick leave, below 1% of total working time, highlights Kinnevik's efforts to improve our employees' health through healthcare insurance and other initiatives.

Average time on parental leave during 2016 (number of weeks)



Average sick leave during 2016 (% of total time)



Note: Average time on parental leave refers to parental leave that started during 2016 and includes the full number of weeks requested. The leave may therefore be completed during the following year.

GRI Index

Kinnevik's Sustainability Report refers to the calendar year 2016 and is prepared in accordance with the GRI guidelines for sustainability reporting, specifically Version G4 at the Core level. Kinnevik has used relevant sections of GRI G4 Sector Disclosures, Financial Services. This is Kinnevik's first Sustainability Report prepared in accordance with the GRI guidelines, and Kinnevik intends to continue this reporting on an annual basis.

GENERAL DISCLOSURES		COMMENT	PAGE IN SUSTAINABILITY REPORT	PAGE IN ANNUAL REPORT
STRATEGY AND ANALYSIS				
G4-1	Chairman's statement about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability		1	18
ORGANISATIONAL PROFILE				
G4-3	Name of the organisation		-	42
G4-4	Primary brands, products and services		-	6-9
G4-5	Location of the organisation's headquarters		-	42
G4-6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report		-	10-11
G4-7	Nature of ownership and legal form		-	31-32, 42
G4-8	Markets served		-	6, 10-11
G4-9	Scale of the organisation		8	25, 33, 42
G4-10	Breakdown of workforce	Kinnevik does not have seasonal or part-time employees. During 2016 we had one fixed-term employee. Consultants and advisors are not included in employee data.	8	25
G4-11	Percentage of total employees covered by collective bargaining agreements	Kinnevik's employees are not covered by collective bargaining agreements. However, as stated in our Code of Conduct, freedom of assembly and association is a core pillar of our sustainable business practices.		
G4-12	Organisation's supply chain	Kinnevik's purchases include services and products to office operations in Stockholm and London and consultancy in acquisition and sales processes, as well as development procedures. These take place primarily in the Nordic countries and the United Kingdom.		
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain	No significant changes during the year. This is Kinnevik's first Sustainability Report prepared in accordance with GRI.		
G4-14	Whether and how the precautionary principle is addressed by the organisation	In cases where scientific knowledge of environmental risks is insufficient, our investee companies should apply the precautionary principle and take measures at an early stage to ensure that preventable permanent damage to the environment does not occur.	6	23
G4-15	External developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	UN Global Compact, GRI G4 Sustainability Reporting Guidelines and Our Impacts.	1	18
G4-16	Memberships of associations and national or international advocacy organisations	Stockholm Chamber of Commerce (Swedish: Stockholms handelskammare) and Stockholm School of Economics (Swedish: Handelshögskolan i Stockholm).		
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents		-	73-74
G4-18	Process for defining the report content and the Aspect Boundaries		2-3	19-20
G4-19	Material Aspects identified in the process for defining report content		2-3	19-20
G4-20	For each material Aspect, the Aspect Boundary within the organisation		3	20
G4-21	For each material Aspect, the Aspect Boundary outside the organisation		3	20
G4-22	The effect of any restatements of information provided in previous reports	This is Kinnevik's first Sustainability Report prepared in accordance with GRI.		
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	See above.		
STAKEHOLDER ENGAGEMENT				
G4-24	Stakeholder groups engaged by the organisation		2	19
G4-25	Basis for identification and selection of stakeholders with whom to engage		2	19
G4-26	Approach to stakeholder engagement	Stakeholders have not been specifically consulted for the preparation of the Sustainability Report 2016.	2	19
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns		2-4	19-21
REPORT PROFILE				
G4-28	Reporting period for information provided		9	26
G4-29	Date of most recent previous report	This is Kinnevik's first Sustainability Report prepared in accordance with GRI.		
G4-30	Reporting cycle		9	26
G4-31	Contact point for questions regarding the report or its contents	Torun Litzén, Director of Corporate Communication, phone: +46 8 562 000 83.		
G4-32	The 'in accordance' option the organisation has chosen; the GRI content index for the chosen option		9-10	26-27
G4-33	Policy and current practice with regard to seeking external assurance for the report	The Sustainability Report 2016 has neither been audited nor verified.		
GOVERNANCE				
G4-34	Governance structure of the organisation, including committees of the highest governance body; any committees responsible for decision-making on economic, environmental and social impacts		-	37-40
ETHICS AND INTEGRITY				
G4-56	Organisation's values, principles, standards and norms of behaviour		1, 8	18, 25

SPECIFIC STANDARD	DISCLOSURES	COMMENT	BOUNDARY	PAGE IN SUSTAINABILITY REPORT	PAGE IN ANNUAL REPORT
ECONOMIC					
Economic Performance					
G4-DMA			Kinnevik	3	20
G4-EC1	Direct economic value generated and distributed		Kinnevik	3	20
ENVIRONMENTAL					
Emissions					
G4-DMA		For more information on CO ₂ emissions, see Kinnevik's Climate Report 2016 available on www.kinnevik.com/sustainability	Kinnevik	4	21
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Includes company-owned or long-term leased vehicles.	Kinnevik	4	21
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Includes power consumption and district heating.	Kinnevik	4	21
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Includes business trips by plane, train, taxi; office material/paper consumption; and waste from properties.	Kinnevik	4	21
LABOUR PRACTICES AND DECENT WORK					
Employment					
G4-DMA			Kinnevik	8	25
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region		Kinnevik	8	25
Training and Education					
G4-DMA			Kinnevik	8	25
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		Kinnevik	8	25
Diversity and Equal Opportunity					
G4-DMA			Kinnevik	8	25
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		Kinnevik	8	25, 37-40
HUMAN RIGHTS					
Investment					
G4-DMA			Kinnevik/ Outside	5	22
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All investments in excess of SEK 100m are considered significant investment agreements.	Kinnevik/ Outside	5	22
Sector Specific Indicators: Product Responsibility Disclosures for the Financial Services Sector					
G4-DMA			Kinnevik/ Outside	5	22
G4-FS10	Percentage and number of companies held in the organisation's portfolio with which the organisation has interacted on environmental or social issues		Kinnevik/ Outside	5	22
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening		Kinnevik/ Outside	5	22
SOCIETY					
Anti-corruption					
G4-DMA			Kinnevik/ Outside	5	22
SO3	Operations assessed for risks related to corruption		Kinnevik/ Outside	5	22
SO4	Communication and training on anti-corruption policies and procedures		Kinnevik	4	21
Compliance					
G4-DMA			Kinnevik	4	21
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	During 2016, Kinnevik has not been issued material fines or received any other sanctions due to violations of laws or regulations.	Kinnevik		

