


SUSTAINABILITY REPORT

Stockholm 15 March 2019

STATEMENT BY THE CEO

I am pleased to present Kinnevik AB's Communication on Progress for 2018. 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.

Georgi Ganev



Chief Executive Officer

Kinnevik AB

SUSTAINABILITY REPORT

Statement by the Chairman of the Board

CREATING LONG-TERM VALUE AND VALUATION

Kinnevik's mission is to build digital businesses that address material, everyday consumer needs. To achieve this, Kinnevik's values, active ownership and long-term perspective underpin everything that we do. We know that in order to build companies that create long-term value as well as valuation, sustainability must be an integral part of all decisions that we make. Our commitment to sustainability is not only a means for downside protection, it is also a way of creating value through giving consumers more and better choice.

As Chairman of the Board, I am ultimately responsible for implementing our sustainability agenda within Kinnevik, our investee companies and when making new investments. I also chair our dedicated committee, the Governance, Risk and Compliance (GRC) Committee, which assists the Board in monitoring governance structures of Kinnevik's investee companies, Kinnevik's risk management processes and compliance with applicable laws, regulations and codes of conduct.

SUSTAINABILITY PERFORMANCE

On page 8, you will find an outline of Kinnevik's annual assessment of the sustainability performance of our portfolio companies, based on their performance pursuant to our GRC framework. One of the objectives set out last year was for our companies to show a positive development of their scores during 2018. Based on the most recent assessments, I am pleased to report that the majority of our existing companies have achieved this objective.

AN ACTIVE DIALOGUE

As a part of Kinnevik's active ownership, our GRC Committee meets with relevant representatives within our portfolio companies to gain insight of the various initiatives being implemented in these companies and to provide guidance where appropriate. In 2018, we met with representatives from Global Fashion Group, BIMA and Betterment in a constructive dialogue, and it is rewarding to note that all three companies show improvements in their sustainability efforts. During the year, the risk management frameworks which have been implemented across our large portfolio companies have been enhanced. Specifically, the ability of management teams to better articulate and define their risk appetite has increased in sophistication, and this sets a strong foundation to manage risk within our businesses.

SUSTAINABILITY DUE DILIGENCE

During 2018, Kinnevik invested in 10 new companies. Sustainability due diligence was undertaken for all of these new investments and each company's performance was assessed against our standards. A sustainability "roadmap" is being agreed with the management of these companies to address any material issues identified during the due diligence.



ADDRESSING THE UN SUSTAINABLE DEVELOPMENT GOALS

Being a signatory of the UN Global Compact, Kinnevik is committed to promoting the universal principles on human rights, labour, environment and anti-corruption. We review our investee companies' operations through the filter of the UN Sustainable Development Goals, which you can read more about on page 13.

We have high ambitions and, through the committed and knowledgeable employees of Kinnevik and our investee companies, I am convinced that we will deliver long-term shareholder and social value by building well-governed companies that contribute positively to society.

Dame Amelia Fawcett

Chairman of the Board

Our approach to sustainability

Wherever we operate around the world, our focus is on building digital consumer businesses that make a positive difference to people's lives. As an active owner and lead investor, we have clear expectations on our investee companies to conduct their operations in a responsible and ethical manner.

Sustainability to Kinnevik is about creating long-term shareholder and social value by building well governed companies that contribute positively to society. Consequently, our definition of sustainability includes building sound GRC structures in our investee companies as well as promoting healthy social, environmental and economic systems.

The Board of Directors is responsible for Kinnevik's overall strategy, including how we approach sustainability as an integrated part of our value creation. To support the integration of sound GRC practices and our sustainability agenda into our companies, Kinnevik

has a dedicated GRC function. The purpose of the GRC function is to drive and track the implementation of GRC and sustainability structures in Kinnevik and our investee companies. In 2016, Kinnevik also established a GRC Committee, appointed by the Board of Directors, to assist the Board in monitoring such structures in Kinnevik and our investee companies.

Stakeholder dialogue

Maintaining a close dialogue with our principal stakeholder groups is a central part of Kinnevik's sustainability work. The below table shows the stakeholder groups identified as most important to Kinnevik and the methods we use to engage with them. The key stakeholder groups were identified through board and management discussions as those that are most affected by our operations, as well as have a high degree of influence over Kinnevik's ability to implement its strategies or achieve its objectives. The focus areas for each stakeholder group were raised when engaging with Kinnevik during the year.

Summary of Kinnevik's ongoing stakeholder dialogue

STAKEHOLDER GROUPS	METHODS OF ENGAGEMENT	FOCUS AREAS	RESPONSE / OUTCOME
Employees at Kinnevik and in our investee companies	Regular communication and meetings, annual and semi-annual performance reviews, annual reviews of personal objectives and compensation.	Equal opportunities, diversity, work-life balance, economic performance, business ethics, performance management, attractive compensation structures, mission and vision, culture, work environment and safety.	Structured on-boarding for new employees, talent management program, implementation of and training on policies and procedures such as Code of Conduct, Whistleblower Policy, Corporate Responsibility Policy, Talent Management Policy, and Employee Handbook.
Investors and analysts	Annual and Sustainability Report, interim reports and webcasts, website, investor and analyst meetings and road shows, press releases, Annual General Meetings.	Sustainable economic performance, solid governance, risk management and compliance structures, sound social and environmental practices.	Continuous communication on financial development and sustainability work, development of GRC Standards for investee companies, implementation of and training on policies and procedures such as the Code of Conduct, Corporate Responsibility Policy and Whistleblower Policy.
Investee companies	Regular communication and meetings, annual assessment according to the GRC Standards, active representation on Boards and in committees.	Sustainable economic performance, financial and operational support, sound social and environmental structures, and business ethics.	Continuous operational support, review and implementation of GRC workstreams, policies and procedures, participation in financing rounds.
Authorities and regulators	Dialogue and meetings with decision makers in Swedish Government Offices, Annual and Sustainability Report.	Maintain dialogue on relevant policy and business community issues, upholding of good corporate citizenship, complying with applicable laws, regulations and standards related to sustainability.	Implementation of policies and guidelines for corporate governance, risk management, compliance and corporate responsibility.

Significant sustainability issues and scope of reporting

Kinnevik's material topics were identified through an interactive stakeholder dialogue, coupled with peer benchmarking and industry best practice.

MATERIAL TOPICS

When determining our material topics, we have considered influence on stakeholder decisions and significance of economic, environmental and social impacts. The material topics comprise the key sustainability risks and opportunities that we believe are important to focus on, in our own operations and through our influence with our investee companies.

Based on our analysis of the focus areas identified through our stakeholder interactions, we consider the following topics to be material for Kinnevik:

- **Active ownership**
- **Sound governance and business practices**
- **Sustainable economic performance**
- **Team, diversity and well-being**
- **Environmental impact**

On the following pages we describe how we approach each material topic.

The identified material topics reflect our Corporate Responsibility Policy, in which we outline our expectations of our investee companies with regards to sustainability, and which draws reference from international guidelines such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

SCOPE AND BOUNDARIES OF REPORTING

This report covers the sustainability performance of Kinnevik for the period 1 January to 31 December 2018. As Kinnevik is not an operating company, the report does not include performance information on issues that are material only at an investee company level.

Kinnevik aims to have board representation in all its companies and a sizeable minority shareholding. This means that, while Kinnevik can exercise some influence over its investee companies, Kinnevik does not directly control its investee companies.

The issues identified as relevant for investee companies relate to those organisations at Group level, and does not consider issues which may be relevant for their local operations or subsidiaries.

The focus of this report is on sustainability arrangements in place at Kinnevik, and performance relating to issues from Kinnevik's own operations. Additional case study material is provided on specific initiatives at investee company level and further information on investee company performance can be found on the investee companies' websites.

Kinnevik's economic performance is directly influenced by the economic performance of our investee companies, and therefore economic performance is only covered in this report on a parent company level.

Kinnevik has determined the boundaries for each material topic based on where the impact occurs and Kinnevik's level of involvement. Active ownership concerns impact within our investee companies while the remaining material topics concern impacts within Kinnevik's own operations. Kinnevik directly contributes to and/or impacts all material topics through its own operations.

Active ownership - Kinnevik's role as an active owner

Driving an ambitious sustainability agenda in our investee companies is central in Kinnevik's role as an active owner. We believe operating in a responsible manner is the key to achieving long-term profitable growth.

THE GRC STANDARDS

For Kinnevik, sustainability is about creating long-term shareholder and social value by building well governing companies that contribute positively to society. Kinnevik's general expectations in relation to our investee companies' sustainability performance is outlined in our Corporate Responsibility Policy. In 2014, Kinnevik initiated the development of a structured framework to define GRC and sustainability best practices for our companies, to measure performance and to set priorities and roadmaps. Kinnevik's GRC Standards were developed based on stakeholder dialogues, peer benchmarking and industry best practice.

The GRC Standards comprise 64 standards divided into six sections and are weighted according to their importance to our stakeholders, as well as their relevance to our investee companies' performance. An overview of the GRC Standards is provided in the table below.

The scoring process

Kinnevik performs a yearly assessment of all our larger investee companies, public and private, based on the GRC Standards. Larger companies are defined as those stated separately in our NAV reporting, or with a fair value exceeding SEK 100m per 31 December the previous calendar year. Following the completion of the assessment, Kinnevik scores the investee companies on their fulfilment of each standard. The companies are given an aggregate total GRC score which can be tracked over time. The assessments are performed through interviews with the investee companies

and our board representatives and by the GRC function's periodic visits to the companies.

The GRC Standards generally stretch well beyond the legal requirements in the markets where our companies operate. As such, achieving a score of 100 percent across all sections is not feasible, as our investee companies and the conditions under which they operate constantly change.

Assessment of public companies

Our public investee companies perform a yearly self-assessment to evaluate their fulfilment of the GRC Standards. The self-assessment is compared to Kinnevik's assessment and any material gaps are addressed. The management team, together with Kinnevik's representative on the board and the GRC function, identify key risks and set priorities for the coming year. Following approval by the company's board or audit committee, the agreed sustainability agenda is implemented and followed-up by management.

Assessment of private companies

Private investee companies at an earlier stage of development generally benefit from active support on a management level to implement the GRC standards. Their sustainability performance is assessed yearly by Kinnevik's GRC function together with the company's management. A sustainability "roadmap" is defined and adopted by the company's board, where Kinnevik is represented.

Overview of the GRC Standards

SECTION	EXAMPLE STANDARDS	WEIGHTING
Organisation and structure	<ul style="list-style-type: none"> • Structure of responsibilities • Agenda of the Board • Management incentives 	11%
Governance	<ul style="list-style-type: none"> • Membership and committees of the Board • Code of Conduct • Whistleblowing system 	32%
Risk management	<ul style="list-style-type: none"> • Policy and framework • Organisation 	8%
Compliance	<ul style="list-style-type: none"> • Business ethics and anti-corruption • Privacy and data protection • Anti-trust/competition policy 	20%
Corporate responsibility	<ul style="list-style-type: none"> • Supply chain compliance • Employee development, health safety and wellbeing • Human rights • Environment 	23%
Information security	<ul style="list-style-type: none"> • Business continuity 	6%

THE 2018 GRC ASSESSMENT

Outcome of the 2018 GRC assessment

The assessment for 2018 included 24 (18) companies, 6 (5) public and 18 (13) private, corresponding to ca 99% (98%) of Kinnevik's portfolio value. A key reflection from this year's assessment is that most companies have improved their GRC scores. For example, Betterment has implemented a robust risk management framework to monitor all high risks and efficiency of any mitigating actions. Global Fashion Group has mapped their private label supply chain and audited their material suppliers to ensure compliance with the applicable supplier code of conduct.

The main challenge for our investee companies is setting the right tone at the top on GRC and sustainability by active participation by the board and management team. Early stage companies are also generally struggling with balancing GRC development and growth. Further, although information security has been an focus area for 2018 many companies are still in early stages of development and therefore tend to have lower scores. Other topics that are high on our agenda for 2019 are agreeing on sustainability "roadmaps" for our new investee companies and improving business continuity processes across our portfolio.

An overview of the outcome of the 2018 GRC assessment is provided in the table below. The assessed companies have been scored on all standards. To conclude on the total overall scores, the section specific scores have then been weighed in relation to their importance as per below and in relation to the assessed investee companies' NAV contribution. Over the year Kinnevik has invested in 10 new companies. All of the new investments were in early stage companies, which to some extent has affected the overall scores for 2018.

Target for 2019

The targets for the reporting year 2019 are to improve the scores across all sections of the GRC Standards for our existing investee companies and to establish strong foundations for GRC and sustainability performance for any new companies that Kinnevik may choose to invest in during 2019.

Outcome of the 2018 GRC assessment

SECTION	MAXIMUM SCORE	TOTAL SCORE 2017 (weighed by NAV)	TOTAL SCORE 2018 (weighed by NAV)
Organisation and structure	11	10	10
Governance	32	28	28
Risk management	8	6	7
Compliance	20	17	17
Corporate responsibility	23	18	18
Information security	6	4	3
TOTAL	100	81	83

Sound governance and business practices

As a responsible and active owner, Kinnevik aims to be a role model for our investee companies. Important sustainability aspects for us as an investment company includes having a clear organisation, strong policies and structured processes in place, as well as robust governance, risk management and compliance arrangements.

GOVERNANCE

The basis for corporate governance in Kinnevik is Swedish legislation, Nasdaq Stockholm's Rule Book for Issuers, and regulations and recommendations issued by relevant self-regulatory bodies. Kinnevik follows the Swedish Corporate Governance Code (Swe. Svensk kod för bolagsstyrning).

The responsibility for sustainability is split between Kinnevik's Board, GRC Committee, Risk Committee, CEO and General Counsel. The Board is responsible for Kinnevik's overall strategy, including sustainability, and is well familiar with Kinnevik's sustainability policies and procedures.

The GRC Committee constitutes a subset of the Board of Directors and is appointed by the Board to assist in monitoring the governance structures of Kinnevik's investee companies, Kinnevik's risk management process and compliance with laws, regulations and codes of conduct. More information about Kinnevik's governance bodies and their work is available on page 23-26 in the Annual Report 2018.

Kinnevik's key sustainability policies are our Code of Conduct, Whistleblower Policy and Corporate Responsibility Policy. The policies have been communicated to all employees and members of the Board.

All employees and representatives of Kinnevik are expected to fully comply with the Code of Conduct. Kinnevik has an onboarding process for new employees that introduces them to the Code of Conduct, which includes provisions on anti-bribery and business ethics, and other key policies and procedures. As outlined in the Whistleblower Policy, Kinnevik 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.

A part of the investment team's compensation is linked to the development of team members' respective investee companies' GRC performance and scores.

RISK MANAGEMENT

Kinnevik's Board is responsible for internal control in accordance with the Swedish Companies Act (Swe. Aktiebolagslagen) and 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 any mitigating actions. The work of the Risk Committee is presented to the GRC Committee and the Audit Committee on a periodic basis.

COMPLIANCE

Kinnevik's compliance framework is mainly focused on compliance with the laws and regulations that govern listed companies in Sweden, such as Nasdaq Stockholm's Rule Book for Issuers, the European Union Market Abuse Regulation (No 596/2014), the Swedish Companies Act, 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. A compliance review in relation to the laws and regulations that govern Swedish listed companies is performed annually to ensure full compliance and identify potential areas for improvement.

Kinnevik conducts mandatory annual compliance training for all employees, as well as periodic deep-dives on specific matters such as anti-corruption and supply chain.

SUSTAINABILITY DUE DILIGENCE FOR NEW INVESTMENTS

Sustainability and GRC is a separate due diligence work stream for all of Kinnevik's new investments in private companies. All potential new investments are evaluated in terms of their sustainability performance and structures, and the key risks are identified. We use the GRC Standards as a basis for such sustainability due diligence, which is conducted through discussions and interviews with the company's management team. The sustainability due diligence includes, among other aspects, human rights screening and a corruption risk assessment. 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. The sustainability due diligence is performed by the GRC function with support from relevant members of the investment team and, where necessary, external advisers.

During 2018, Kinnevik invested in 10 new companies, all of which were subject to sustainability due diligence. To address material issues identified, sustainability roadmaps are being agreed with all new investee companies.

Sustainable economic performance

Being a financially strong company is necessary to create long-term value for our stakeholders, and to support our companies in achieving profitable growth in a sustainable manner.

2018 PERFORMANCE

During 2018, Kinnevik's Net Asset Value decreased by 22 percent to SEK 70.5bn (90.6), mainly driven by negative share price development in Zalando and other e-commerce assets. Total investments for the year amounted to SEK 2.1bn (4.8). Total divestments amounted to SEK 1.6bn (5.3). Kinnevik ended 2018 in a net debt position of SEK 2.8bn (1.1), corresponding to a leverage of 4 (1) percent of portfolio value.

Kinnevik does not consolidate its operating subsidiaries and has a negative operating result, and is therefore not subject to corporation tax.

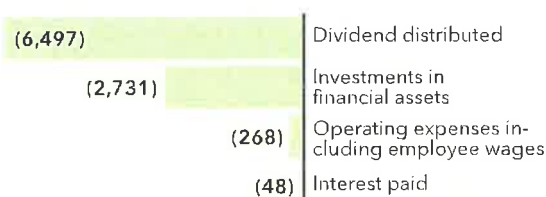


Kinnevik's economic value generated and distributed during 2018, SEKm

Economic value generated



Economic value distributed



PAST 30 YEARS



PAST 10 YEARS



PAST 5 YEARS



PAST 12 MONTHS

Total shareholder return is calculated on the basis of shareholders reinvesting all cash dividends, dividends in kind and mandatory share redemption proceeds into the Kinnevik share.

Team, diversity and well-being

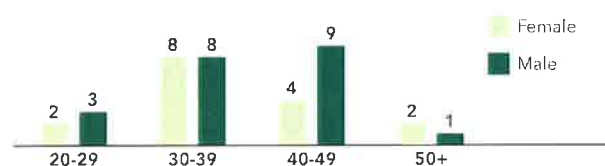
Our greatest asset is and has always been our people and as such, attracting and retaining top talent is a key priority. Kinnevik regards diversity as a lever for value creation, and we make full use of the opportunities that arise from employing a team with different backgrounds and perspectives.

A SMALL AND DIVERSE TEAM

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.

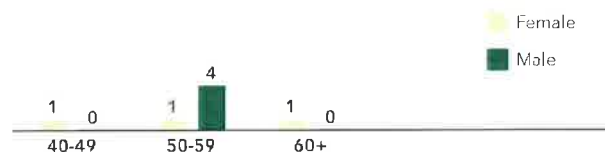
Kinnevik strongly advocates diversity and equal opportunities. This is reflected in the composition of our organisation, where a total of eight different nationalities are represented. Kinnevik's organisation comprised 37 (37) people on average during 2018, with 23 people based in the Stockholm office and 13 people in the London office (full-time equivalents "FTE"). The investment management organisation is mainly based in London and consisted of 11 professionals. In addition, during 2018 Kinnevik employed 26 people across Finance, Legal, GRC, Corporate Communications, Human Resources and Administration. All employees but two, both women, are on permanent contracts. All employees but two, both women, are on full-time contracts.

Age distribution of employees in 2018 (FTE)



The proportion of women employed at Kinnevik was 44 (43) percent (FTE average) for 2018. The proportion of women in Kinnevik's investment organisation was 17 (16) percent, and on the Board of Directors 43 (30) percent. Over the next few years, we aim to increase the proportion of women in both the management team and the investment team, and we know that the Nomination Committee share our ambition in relation to the composition of our Board.

Age distribution of the Board of Directors in 2018 (FTE)



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 investee companies. 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.

Kinnevik added 8 new people to the team during 2018, and 3 people left Kinnevik, excluding termination due to end of fixed-term contract or retirement. We had a total new hire rate of 22 (11) percent and a turnover rate of 8 (13) percent for 2018.

New employee hires and employee turnover during 2018

NEW HIRES					TOTAL	RATE
Sweden	20-29	30-39	40-49	50+		
Women	4	0	0	0	8	22%
Men	1	0	2	1		
UK						
Women	0	0	0	0	0	0
Men	0	0	0	0		
TURNOVER					TOTAL	RATE
Sweden	20-29	30-39	40-49	50+		
Women	0	1	0	0	2	8%
Men	0	0	1	0		
UK						
Women	0	0	0	0	1	1%
Men	0	0	1	0		

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

In 2018, the average parental leave taken was 0 (3) weeks for men and 52 (48) weeks for women. This refers to parental leave that started during 2018 and includes the full number of weeks requested. The leave may therefore be completed during the following year.

The low level of sick leave, below 1 (<1) percent of total working time, highlights Kinnevik's efforts to improve our employees' health through healthcare insurance and other initiatives.



Environmental impact

All companies have a carbon footprint. We believe it is important to track, offset and reduce Kinnevik's footprint in order to be a role model for our investee companies.

GREENHOUSE GAS EMISSIONS ESTIMATE

Kinnevik conducts a yearly greenhouse gas ("GHG") emissions estimate which quantifies the total greenhouse gases produced directly and indirectly by our operations. This is Kinnevik's third yearly estimate and it provides us with a tool to monitor and reduce our climate change impacts. The GHG assessment quantifies all seven Kyoto greenhouse gases where applicable and is measured in units of carbon dioxide equivalence, or CO₂e.

The results of the report are summarized below, and the full Greenhouse Gas Report is available on our website www.kinnevik.com. The report includes Kinnevik AB and Kinnevik Capital Ltd.

Result of the 2018 GHG assessment





During 2018, Kinnevik generated 645 (602) tonnes of CO₂e in total, corresponding to 17.6 (16.1) tonnes per full time equivalent employee.

Summary by Greenhouse Gas

GREENHOUSE GAS	GLOBAL WARMING POTENTIAL	TONNES CO ₂ e
Carbon dioxide (CO ₂)	1	570
Methane (CH ₄)	25	0.032
Nitrous oxide (N ₂ O)	298	2.86
Other gases	1	71.4
TOTAL		645

Kinnevik's 2018 emissions

Summary by Activity

ACTIVITY	TONNES CO ₂ e	
Business travel	613 95%	
Premises	10 2%	
Company-owned / leased vehicles	20 3%	
Materials purchased	2 0%	
TOTAL	645 100%	



Kinnevik continuously strives to reduce its carbon footprint. Our most material environmental impact is business travel, consisting almost entirely of air travel, accounting for 95 (95) percent of Kinnevik's total emissions in 2018.

Methodology and assumptions

The assessment has been carried out in accordance with the World Business Council for Sustainable Development and World Resources Institute's Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard, including the GHG Protocol Scope 2 Guidance. This protocol is considered current best practice for corporate or organisational greenhouse gas emissions reporting.




All use of company owned cars during 2018 has been included in the assessment, although they are primarily used by employees outside of work and for personal purposes. Petrol is subject to fringe benefits tax.

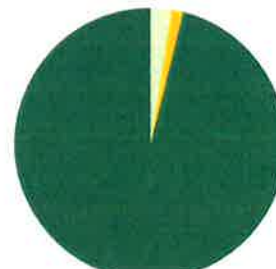
District heating in the Stockholm office is already subject to a carbon offsetting program directly through the supplier.

CARBON OFFSETTING - KINNEVIK IS CARBON NEUTRAL

In order to take responsibility for our carbon footprint, Kinnevik offsets our emissions in full. For every tonne of carbon emission caused by Kinnevik's own operations, we offset one tonne of carbon in order to achieve net carbon neutrality. For 2018, Kinnevik has continued to offset our carbon footprint by contributing to a community-based reforestation initiative in the municipality of San Juan de Limay in Nicaragua. The initiative is designed and verified to the Plan Vivo Standard, the oldest standard for certification of climate protection projects in the field of land usage. The projects have to pursue a holistic approach, fighting deforestation and poverty while focussing on reforestation.

Summary by Scope

SCOPE	TONNES CO ₂ e	
1 Company-owned / leased vehicles	17 3%	
2 Power consumption and distance heating	9 1%	
3 Business trips and waste disposal	619 96%	
TOTAL	645 100%	



Contributing to the UN Sustainable Development Goals

As a signatory of the UN Global Compact, Kinnevik is committed to the promotion of the universal principles on human rights, labour, environment and anti-corruption. In September 2015, the UN introduced its 2030 Agenda for Sustainable Development supported by 17 Sustainable Development Goals (SDGs). The Agenda is a plan of action for people, planet and prosperity adopted by UN General Assembly. In 2018, Kinnevik reviewed how our operations, including our influence through investee companies, can contribute to the SDGs. Below are examples where Kinnevik has identified opportunities and contribute.

SDG 3 - GOOD HEALTH AND WELL-BEING

Scalable solutions that improve access to, and quality of, healthcare is one of Kinnevik's focus areas for new investments. In January 2016 Kinnevik made its first investment in UK based digital healthcare service Babylon. Furthermore, in March 2017 Kinnevik invested in Livongo, a US based consumer digital health company focusing on diabetes management, one of the largest and fastest growing chronic conditions globally. Read more about Babylon in the case study on the next page.

SDG 5 - GENDER EQUALITY

Kinnevik's Code of Conduct states that all employees shall have equal opportunities based on competencies, experience and performance, regardless of gender. Kinnevik also encourages all employees to take parental leave. Read more about diversity and equality in Kinnevik's team on page 11 in the Annual Report.

A key focus area in promoting the GRC Standards in our investee companies includes the adoption and implementation of a Code of Conduct containing provisions on gender equality. The GRC Standards state that investee companies should adopt an anti-discrimination policy. In addition, we actively engage with our investee companies to increase the representation of women on their boards.

SDG 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

For Kinnevik, providing consumer choice includes providing sustainable alternatives. By investing in Karma, Kinnevik contributes to a more sustainable approach to consumption and production of food. Karma's mission is to ensure that great food is never wasted and to lead the shift towards a more sustainable society. Read more about Karma in the case study on the next page.

SDG 16 - PEACE, JUSTICE AND STRONG INSTITUTIONS

Kinnevik's Code of Conduct and GRC Standards states that Kinnevik and its investee companies have a zero tolerance to bribery and other forms of corruption. Read more about BIMA's partnership with the Anti-Corruption Unit in Cambodia in the case study on the next page.

SDG 17: PARTNERSHIPS FOR THE GOALS

As a founding partner, Kinnevik is actively engaged in the non-profit organisation Reach for Change and their mission to find outstanding social entrepreneurs and help them develop innovations that improve children's lives on a big scale. Read more about Reach For Change and their work in the case study on the next page.

KINNEVIK'S CODE OF CONDUCT

As evidence of Kinnevik's commitment to conducting its business to the highest ethical standards, we have adopted a Code of Conduct which all officers and employees of Kinnevik are expected to fully comply with. The Code of Conduct includes principles on anti-bribery and business ethics, human rights, equal opportunities, treating colleagues with respect and the upholding of labour standards, among others. In addition, our Corporate Responsibility Policy and the GRC Standards, with which we track and promote sustainability progress in our investee companies, reflect our expectations on our companies and their suppliers in these areas.

The UN Sustainable Development Goals



SDG 3: Babylon - digital healthcare



Babylon is a digital healthcare service operating in the United Kingdom, Ireland and Rwanda. Combining mobile tech and artificial intelligence with medical expertise, Babylon's mission is to make healthcare more accessible and affordable for people everywhere.

Almost half of the global population has little access to quality healthcare. Yet irrespective of where we live, most of us have a mobile phone in our pocket. Babylon combines the latest technology with the knowledge and experience of the best doctors to make healthcare simpler, better, and more accessible and affordable for people everywhere.

SDG 12: KARMA - surplus food



Karma is a marketplace that connects consumers with local restaurants and grocery stores that have surplus food. By letting customers buy unsold food at a discount, Karma is reducing food waste.

Each year, approximately 1/3 of all the food produced ends up rotting. By giving restaurants, cafes and grocery stores the opportunity to sell their surplus food on Karma's app, over 284 tonnes of food have been rescued. Since launch, Karma has attracted 500,000 app users.

SDG 16: BIMA - insurance



Milvik offers, under the brand BIMA, affordable and uniquely designed life and health insurance products via mobile phones. BIMA is active in 14 countries across Africa, Asia, Latin America and the Caribbean.

The largest life-insurance provider in Cambodia, BIMA, and the Anti-Corruption Unit (ACU), officially partnered to increase transparency in business practices, signing a memorandum of understanding at ACU headquarters. In a country where corrupt practices make up everyday life, disassembling Cambodia's culture of corruption is only possible with the cooperation of the private sector.

SDG 17: Reach For Change



Reach for Change is a non-profit organisation founded by Kinnevik to improve children's lives through social innovations. Reach for Change finds and develops Change Leaders - local social entrepreneurs with innovations that solve pressing issues facing children.

Reach For Change's entrepreneurs are helped to scale their innovations through seed funding, access to business expertise and networking opportunities. Launched in Sweden in 2010, Reach for Change is now present in 18 countries on three continents.

GRI Index

Kinnevik's Sustainability Report refers to the calendar year 2018 and is prepared in accordance with the Global Reporting Initiative's ("GRI") Sustainability Reporting Standards: Core option, including the GRI Standards Sector Disclosures for Financial Services. For a description of how we identified the Material Topics, refer to page 6 in the Annual Report. This is Kinnevik's third Sustainability Report, and Kinnevik intends to continue this reporting on an annual basis. The Sustainability Report 2018 has been subject to a limited assurance review, see statement on page 18.

MANAGEMENT APPROACH DISCLOSURES

Kinnevik continuously evaluates our efforts within each material aspect to identify potential improvements and take appropriate actions.

Economic (GRI Material Topic; Sustainable economic performance)

Kinnevik recognizes that the key to long term sustainable growth and profitability is ensuring we operate in a responsible manner. Equally we believe that good sustainability performance is a prerequisite for good economic performance. We have allocated a portion of the short-term incentives of our investment team to be based on the GRC performance of their investee companies. Kinnevik has developed a structured program that continuously trains and upskills our investment team in sustainability and responsible investing.

Emissions (GRI Material Topic; Environmental impact)

Kinnevik conducts a yearly greenhouse gas emissions estimate which quantifies the total greenhouse gases produced directly and indirectly by our operations. This is Kinnevik's third yearly estimate and it provides us with a tool to monitor, raise awareness

and reduce our climate change impacts.

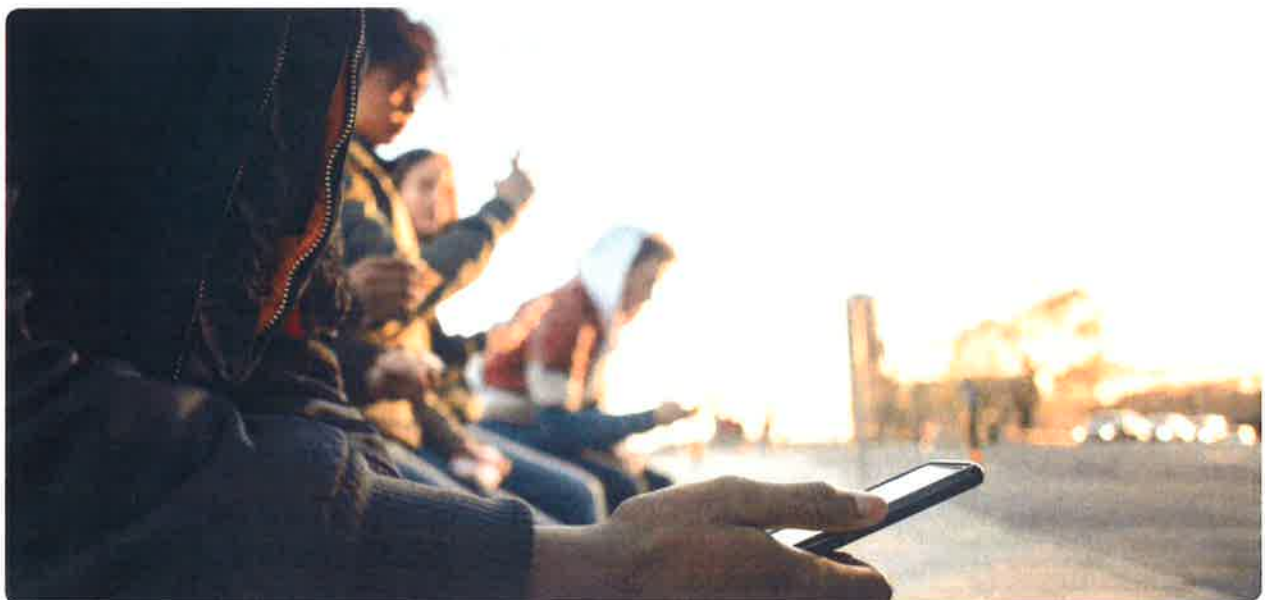
For more information about our emissions, see Kinnevik's Greenhouse Gas Protocol Report 2018 available on www.kinnevik.com.

Employment and Education, Diversity and Equal Opportunity, Investments, Product Responsibility Disclosures for the Financial Services Sector, Anti-corruption and Compliance (GRI Material Topics; Active ownership, Sound governance and business practices and Team, diversity and well-being)

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.

During 2017, we updated our GRC Standards and introduced a new framework to measure GRC performance in our investee companies. The GRC Committee and the Audit Committee receive periodic updates on compliance status with the material provisions of governing laws, regulations and guidelines. A compliance review in relation to the laws and regulations that govern Swedish listed companies is performed annually. Kinnevik conducts mandatory annual compliance training for all employees, as well as periodic deep-dives on specific matters such as anti-corruption and supply chain.

Our Code of Conduct, Whistleblower Policy, Talent Management Policy and Employee Handbook set out both our commitments and expectations towards our employees in the way we do business.



GRI DISCLOSURES		REPORTED (Y/N)	COMMENT	PAGE IN AR
GRI 102-1	Name of the organisation (2016)	Y		19
GRI 102-2	Activities, brands, products, and services (2016)	Y		19
GRI 102-3	Location of headquarters (2016)	Y		19
GRI 102-4	Location of operations (2016)	Y		13, 35-56
GRI 102-5	Ownership and legal form (2016)	Y		19, 21
GRI 102-6	Markets served (2016)	Y		19
GRI 102-7	Scale of the organisation (2016)	Y		11, 19, 38
GRI 102-8	Information on employees and other workers (2016)	Y	Two employees are on temporary contracts and two employees are on part-time contracts (all women)	11
GRI 102-9	Supply chain (2016)	Y	Kinnevik's purchases include services and products to office operations in Stockholm and London and consultancy services in relation to the acquisition and sales processes as well as development procedures. Suppliers operate primarily in the Nordic countries and the UK	
GRI 102-10	Significant changes to the organization and its supply chain (2016)	Y	No significant changes this year	
GRI 102-11	Precautionary Principle or approach (2016)	Y	See Kinnevik's Corporate Responsibility Policy on www.kinnevik.com	
GRI 102-12	External initiatives (2016)	Y	UN Global Compact, GRI Sustainability Reporting Standards, Core option and Our Impacts	
GRI 102-13	Memberships of associations (2016)	Y	Stockholm Chamber of Commerce, Stockholm School of Economics, Brilliant minds and Reach for change	
GRI 102-14	Statement from senior decision-maker (2016)	Y		4
GRI 102-16	Values, principles, standards and norms of behavior (2016)	Y		7, 9, 15
GRI 102-18	Governance structure (2016)	Y		23
GRI 102-40	List of stakeholder groups (2016)	Y		5
GRI 102-41	Collective bargaining agreements (2016)	Y	No (zero) employees are covered by such agreements. However, freedom of assembly and association is clearly stated in our Code of Conduct	
GRI 102-42	Identifying and selecting stakeholders (2016)	Y		5
GRI 102-43	Approach to stakeholder engagement (2016)	Y	Stakeholders have not been specifically consulted in preparation of the Sustainability Report 2018	5
GRI 102-44	Key topics and concerns raised (2016)	Y		5
GRI 102-45	Entities included in the consolidated financial statements (2016)	Y		35
GRI 102-46	Defining report content and topic boundaries (2016)	Y		36, 15
GRI 102-47	List of material topics (2016)	Y		6
GRI 102-48	Restatements of information (2016)	Y	No restatements have been made	
GRI 102-49	Changes in reporting (2016)	Y	No significant changes have been made	
GRI 102-50	Reporting period (2016)	Y		6, 35
GRI 102-51	Date of most recent report (2016)	Y	The Sustainability Report 2017 covers the sustainability performance of Kinnevik for the period 1 January to 31 December 2017	

GRI DISCLOSURES		REPORTED (Y/N)	COMMENT	PAGE IN AR
GRI 102-52	Reporting cycle (2016)	Y		6
GRI 102-53	Contact point for questions regarding the report (2016)	Y	Forun Eitzen, Director of Corporate Communications; +46 8 567 000 83	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Y		15
GRI 102-55	GRI content index (2016)	Y		16-17
GRI 102-56	External assurance (2016)	Y	The Sustainability Report 2019 has been subject to a limited assurance review	18
GRI 103-1	Explanation of the material topic and its Boundary (2016)	Y	Active ownership concerns our investee companies and Kinnevik's contribution to such. All other topics concern Kinnevik's own operations and contributions and actions in relation to such	6, 15
GRI 103-2	The management approach and its components (2016)	Y	Given the nature of Kinnevik's material topics, we have not implemented any specific grievance mechanisms for such. To the extent relevant components are applicable to Kinnevik's material topics these have been included under the respective sections describing each topic	7-12, 15
GRI 103-3	Evaluation of the management approach	Y		15
ACTIVE OWNERSHIP				
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening (2016)	Y	All Kinnevik's new investments in private companies are subject to a sustainability due diligence process based on our GRC Standards which includes compliance with relevant human rights laws	10
GRI-FST0	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Y	All Kinnevik's larger investee companies are covered by the GRC Standards	7-8
GRI 205-1	Operations assessed for risks related to corruption (2016)	Y	All Kinnevik's larger investee companies are covered by the GRC standards	7-8
SOUND GOVERNANCE AND BUSINESS PRACTICES				
GRI 205-2	Communication and education about anti-corruption policies and procedures (2016)	Y	The Code of Conduct covers anti-corruption and is communicated to all employees and members of the Board. Given Kinnevik's very limited proprietary operations we only engage with very few but well-known suppliers and therefore do not communicate our anti-corruption policies and procedures to such suppliers There is no data accessible on how many employees have received anti-corruption training	4
GRI 419-1	Non-compliance with laws and regulations in the social and economic area (2016)	Y	No units or non-monetary sanctions were received during 2018	
SUSTAINABLE ECONOMIC PERFORMANCE				
GRI 201-1	Direct economic value generated and distributed (2016)	Y		10
TEAM, DIVERSITY AND WELL-BEING				
GRI 401-1	New employee hires and employee turnover (2016)	Y		11
GRI 404-3	Percentage of employees receiving regular performance and career development reviews (2016)	Y	100% of employees	11
GRI 405-1	Diversity of governance bodies and employees (2016)	Y		11, 24-27
ENVIRONMENTAL IMPACT				
GRI 305-1	Direct (Scope 1) GHG emissions (2016)	Y	Company-owned or long-term leased vehicles	10
GRI 305-2	Energy indirect (Scope 2) GHG emissions (2016)	Y	Power consumption and district heating	10
GRI 305-3	Other indirect (Scope 3) GHG emissions (2016)	Y	Business trips by plane, train and taxi, office material/paper consumption and waste from properties	12

AUDITOR'S LIMITED ASSURANCE REPORT ON KINNEVIK AB'S SUSTAINABILITY REPORT

This is the translation of the auditor's report in Swedish.

TO KINNEVIK AB (PUBL)

Introduction

We have been engaged by the Board of Directors of Kinnevik AB (publ) ("Kinnevik AB") to undertake a limited assurance engagement of the Kinnevik AB Sustainability Report for the year 2017. The Company has defined the scope of the Sustainability Report in the GRI index on pages 39-40 in the Annual Report.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 15 in the Annual Report, and are the parts of the Sustainability Reporting Guidelines (published by The Global Reporting Initiative (GRI)) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Kinnevik AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm 28 March 2019

Deloitte AB

Jan Berntsson
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR