SUSTAINABILITY REPORT

Stockholm 7 April 2021

Statement by the CEO

I am pleased to present Kinnevik AB's Communication on Progress for 2020. 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 the Global Goals and the 2030 Agenda for Sustainable Development. In this Communication on Progress report, we document the progress within Kinnevik as well as in our portfolio companies. We are making progress in implementing the Global Compact principles, as this report will demonstrate.

Georgi Ganev
Chief Executive Officer
Kinnevik AB

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders, 2020 was a year unlike any other we have experienced. Despite the positive news surrounding vaccines, as of today, COVID-19 continues to have a devastating impact on human lives and economies worldwide. For Kinnevik, it has been a trying year in many ways, but also one of the most successful ever. The pandemic has forced people to change their lifestyles and, in order to access vital services such as food and healthcare, many have turned to digital alternatives. This has benefitted our portfolio of digital consumer-focused companies, and we have seen our investment theses being proven more quickly than we originally expected. This strong operational development in the portfolio was further underpinned by the equity market's re-rating of digital consumer companies, supporting the net asset value development. During the year, we also intensified the focus on sustainability by introducing ambitious climate targets and continued our work to improve diversity and inclusion at Kinnevik and in our portfolio.

Full Year Results

Kinnevik's Net Asset Value amounted to SEK 111.7bn, or SEK 402 per share at the end of 2020, up by SEK 38.4bn or 52 percent in the full year. A broad-based revaluation in our private portfolio, which was up 22 percent in the year, adjusting for investments and divestments, together with strong share price performance in Zaland, Livongo and Global Fashion Group, supported the growth. The strengthened Swedish krona had a negative effect of SEK 6.4bn for the full year. Our financial position remained strong with a net cash position of SEK 4.8bn.

Customer Retention Key For The Future

The pandemic has fast-forwarded digital adoption and our companies have attracted new customer groups that were previously difficult and expensive to reach. We are convinced that the step-change in digital penetration is here to stay, and that a large share of the customers have changed their behaviours for the long term. This provides a strong foundation from which our companies can continue to build.

At its peak, our two Nordic online grocers saw customer intake grow tenfold compared to before the pandemic. Kolonial continued to make important improvements on its path to profitability with efficiency levels in line with global leaders. MatHem continued to grow faster than the overall market, but the new warehouse, planned to be operational in 2022, is a prerequisite for profitable growth.

Zalando showed strong progress in all key strategic initiatives, accelerating its growth year-on-year driven by an outstanding intake of new customers and strong Partner Program performance. On the back of the strong performance, Zalando significantly upgraded its growth ambitions for the coming years.

We are convinced that the step-change in penetration is here to stay, and that a big part of the new customers will remain loyal for the long term.

Global Fashion Group has also weathered the storm in an impressive way and accelerated its marketplace business model, allowing global brands to reach its customers. 2020 was GFG's first profitable year, on an adjusted EBITDA basis. This milestone and the continued like-for-like growth in Net Merchandise Value is a testament to GFG's leading position as the only online fashion and lifestyle-focused platform operating at scale in its markets.

Last mile delivery is key to customer satisfaction in e-commerce, and Budbee has solved the last mile challenge through a purpose-built technology platform offering a new level of convenience. Merchants who choose the service as their default delivery method have seen customers increasing their average order value and purchase frequency; and the service is used by major brands such as ASOS, Zalando, and H&M. In the fourth quarter, Budbee closed a funding round led by Swedish pension fund AMF, expecting to deploy the new capital into continued international expansion and product development.

Digital Healthcare For Safety And Accessibility

The pandemic has shown the critical role of digital healthcare in avoiding physical consultations and in relieving some of the burden on hospitals operating at maximum capacity. With a healthcare portfolio ranging from value-based care providers VillageMD and Cityblock, to virtual care champions

Babylon and Teladoc, and to the patient payment ecosystem manager Cedar, we have seen very strong operational trends and value creation across the board during 2020.

With the merger of Livongo and Teladoc Health, Kinnevik became the second largest institutional shareholder in the global leader in virtual care. The merger established the only consumer-centered virtual care platform that caters to a person's entire health journey.

VillageMD and Walgreens Boots Alliance established a partnership during the year which was accelerated in December with Walgreens now supporting the roll-out of up to 700 primary care clinics within the next four years. The strategic, financial and operational relationship with Walgreens unlocks an opportunity for VillageMD to scale nationally under the Village Medical brand and thereby make a larger dent in the total cost of care.

In June, we invested in Cityblock, a US value-based care provider focused on underserved urban populations with complex health needs. The investment is stemming from our conviction in the transformative power of value-based tech-enabled care as an investment theme. Cityblock experienced a strong momentum since our first investment, and closed a funding round in December valuing the company at more than USD 1bn.

For Babylon, 2020 was transformational as many of the company's strategic initiatives began to deliver strong growth. The company now has 20 million members and it added coverage in eight new countries, including the launch of a digital health service in the US. The company is also is making inroads into value-based care through i.a. the acquisition of FirstChoice in California. In the UK, Babylon is the largest primary care practice of any kind.

Travel and Emerging Markets Headwinds

Our travel companies, TravelPerk and Omio, had a very challenging year and these businesses continue to be in the eye of the COVID-19 storm. The near-complete halt in travel resulted in a dramatic drop in revenues. A potential recovery will be weighted to the second half of 2021 and dependent on the pace of the vaccine roll-out. We also saw headwinds in our emerging markets businesses as macroeconomic conditions deteriorated and regional lock downs caused a slump in demand for companies such as Quikr and BIMA.

52%

Kinnevik's Net Asset Value increased by 52% during 2020

In the autumn, we received external recognition as sustainability leaders in our sector by institutions such as Aktuell Hållbarhet, AllBright and Diversity VC.

Complementing Our Food Portfolio with HungryPanda and Simple Feast

Kinnevik complemented its food portfolio during the year with investments in HungryPanda and Simple Feast. HungryPanda provides a specialist online ordering platform for Chinese customers living abroad, with a tailored user experience. The founder, Eric Liu, wanted to fix a problem he experienced first-hand – getting hold of authentic Chinese food on-demand away from home. The investment furthers Kinnevik's food strategy and complements our existing investments by adding exposure to the out-of-home space.

We also invested in Simple Feast, a plant-based food company offering convenient, fresh, sustainable and healthy products in categories that have not been able to go direct-to-consumer before. Led by CEO and co-founder Jakob Jønck – a serial entrepreneur and proven business builder – Simple Feast is on a mission to create food for a new era.

Taking Sustainability to the Next Level

During the year, we accelerated our efforts to drive sustainability in our companies across the environmental, social and governance arenas. We continued to promote our Diversity and Inclusion agenda by transforming the gender representation in our management team and adding eight female board directors to our private companies. Our climate targets, launched in May 2020, are pushing us and our companies to measure our climate impact and set clear targets and strategies to become leaders in a new, low-carbon economy. In the autumn, we received external recognition as sustainability leaders in our sector by institutions such as Aktuell Hållbarhet, AllBright and Diversity VC.

Concluding Remarks

I would like to thank all our shareholders for your continued support, and the employees at Kinnevik and in our companies for your hard work during the exceptional circumstances that have characterised 2020. We remain humble as the pandemic continues to have a fundamental impact globally, but are confident that Kinnevik and our companies stand strong with solid growth prospects.

I hope that you will stay safe and that we will soon see better times ahead!

Georgi Ganev,
CEO of Kinnevik

STATEMENT BY THE CHAIRMAN OF THE BOARD

It was an extraordinary year in many ways and the world will likely spend a long time recovering from the events of 2020. People and economies around the globe are suffering greatly from the spread of the Coronavirus and the pandemic has forced us to reconsider almost every aspect of how we live our lives. While presenting enormous challenges, the pandemic also represents a significant opportunity to achieve Agenda 2030 and the Sustainable Development Goals, particularly related to climate change and social inequality. We are already seeing signs that the global economic rebuild will include considerable investments toward achieving Agenda 2030. As a backer of the leading digital businesses of tomorrow, Kinnevik has defined the role we want to play in creating a more sustainable and resilient future.

Leading the Way Towards Net Zero

The past five years have been the five warmest on record and we are seeing the devastating effects of climate change globally. However, with 2020 marking the fifth anniversary of the Paris Agreement, many positive developments are sparking hope. Japan and South Korea have pledged carbon neutrality by 2050 and China by 2060, the UK has imposed a mandatory climate-disclosures mandate, the US is seeing more climate-oriented leadership and the EU is making a great push to define its Green Deal through the EU Taxonomy. Crowned by the COP26 summit in Glasgow in November this year, 2021 likely will be a year of significant and coordinated climate action.

In May 2020, Kinnevik set climate targets in line with the Paris Agreement to significantly reduce greenhouse gas emissions from our own operations and portfolio. Our ambition is to develop our companies into long-term sustainable businesses and to future-proof them for a new, low-carbon economy. We are targeting a 50% reduction in greenhouse gas emission intensity across our portfolio by 2030 compared to 2020. This means all our companies are to measure their emissions and set relevant climate targets across their operations and value chains to align with the 1.5°C pathway. Our climate targets are ambitious, and we are spending significant time and resources rolling out the climate strategy in our portfolio. Read more on pages 17-19 and 27-28.

To better understand the actual and potential impact of climate-related risks and opportunities on our business, strategy and financial planning, we have implemented the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Read more about our TCFD efforts including how we have developed a scenario analysis under different climate futures on page 33.

Our ambition is to develop our companies into long-term sustainable businesses and to future-proof them for a new, low-carbon economy.

Clear Progress in Diversity & Inclusion

In May 2019, we launched a Diversity & Inclusion Framework for gender equality. In addition to our fundamental belief in equal rights for all employees, Kinnevik believes diversity and inclusion is business critical as it leads to improved financial performance, higher degree of innovation, better decision-making and creation of value over the long-term. During 2020 we have made significant progress including improving our management team composition by 23 percentage points to 43% females, incorporating diversity and inclusion aspects into all stages of our investment process, adding eight female board members to the Boards of our private portfolio companies, and tying our D&I targets to the remuneration of our teams. We remain firmly focused on and committed to this agenda. Read more about our work on pages 20-22 and 28.

My Sincerest Thanks

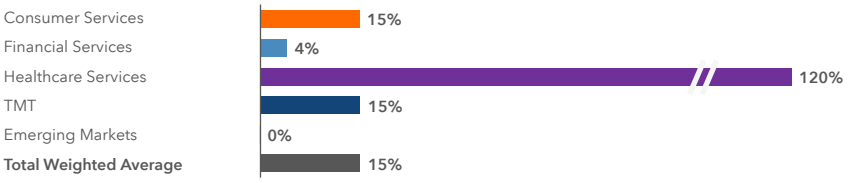
As previously announced, I will not stand for re-election at the Annual General Meeting in 2021. It has been an honour and a privilege to serve on Kinnevik's Board for ten years. During this time, Kinnevik has undergone a significant strategic transformation, and today, the company has an exciting portfolio of growth companies, delivering significant value to shareholders by building long-term sustainable businesses. I would like to thank all shareholders for their support, and for giving me the opportunity to play a small part in the great story that is Kinnevik. I would also like to thank Georgi and the team at Kinnevik, and in all our portfolio companies, for your support, great collaboration and for all you do and will continue to do to make Kinnevik the remarkable company that it is.

Dame Amelia Fawcett
Chairman of the Board of Kinnevik

KINNEVIK IN SUMMARY

Kinnevik is an industry focused investment company with an entrepreneurial spirit. Our purpose is to make people's lives better by providing more and better choice. In partnership with talented founders and management teams we build challenger businesses that use disruptive technology to address material, everyday consumer needs. As active owners, we believe in delivering both shareholder and social value by building long-term sustainable businesses that contribute positively to society. We invest in Europe, with a focus on the Nordics, the US, and selectively in other markets. Kinnevik was founded in 1936 by the Stenbeck, Klingspor and von Horn families. Kinnevik's shares are listed on Nasdaq Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.

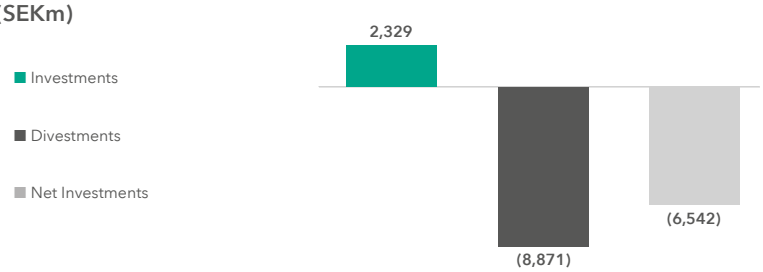
Five Year Annualised IRR per Sector



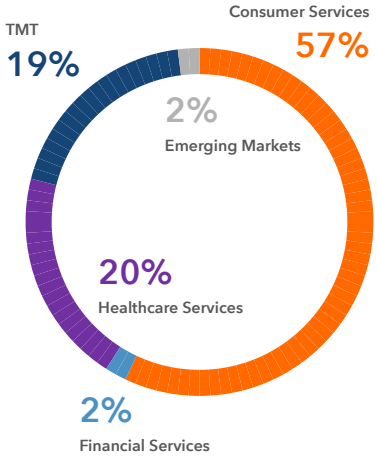
Annualised Total Shareholder Return

4.5% *Net Cash to Portfolio Value*

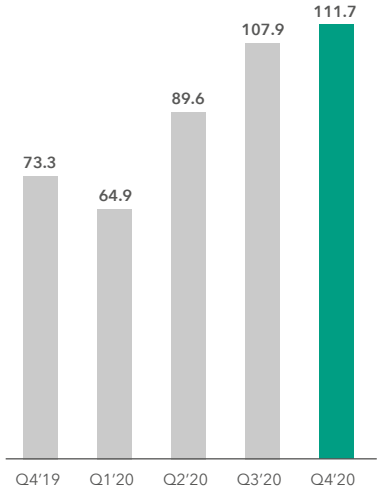
Investment Activity during 2020 (SEKm)



Composition of Portfolio Value



NAV Development (SEKbn)



Note: The annualised total shareholder return includes reinvested dividends.

KINNEVIK'S BUSINESS MODEL AND VALUE CREATION PROCESS

OUR VALUE CREATION PROCESS. Kinnevik applies a holistic view to value creation. We back digital businesses and provide hands-on operational support to our companies, as well as a high-level strategic perspective. To create value for our key stakeholder groups, we draw on various types of resources.

Resources We Draw On

Financial
Funds available through investment activities, dividends from investee companies and debt financing

Intellectual
Organisational capital such as systems, policies, processes and tools

Human
Our employees' and advisors' competencies, capabilities, experience, loyalty and motivation

Social
Relationships and interactions with our stakeholders and networks, as well as our brand and reputation

Natural
Environmental resources we draw on to enable for example business travel and offices

CONNECTION TO THE GLOBAL GOALS

The value we create for our stakeholders through our active ownership is clearly connected to the UN Sustainable Development Goals. Read more about our stakeholder dialogue on page 12, and about the most relevant Global Goals for Kinnevik and our portfolio on pages 15-16. Furthermore, some of our companies contribute to the Global Goals by virtue of their core business models, read more on page 32.

Shareholders

8.1: Sustainable economic growth

13.2: Integrate climate change measures into policies and planning

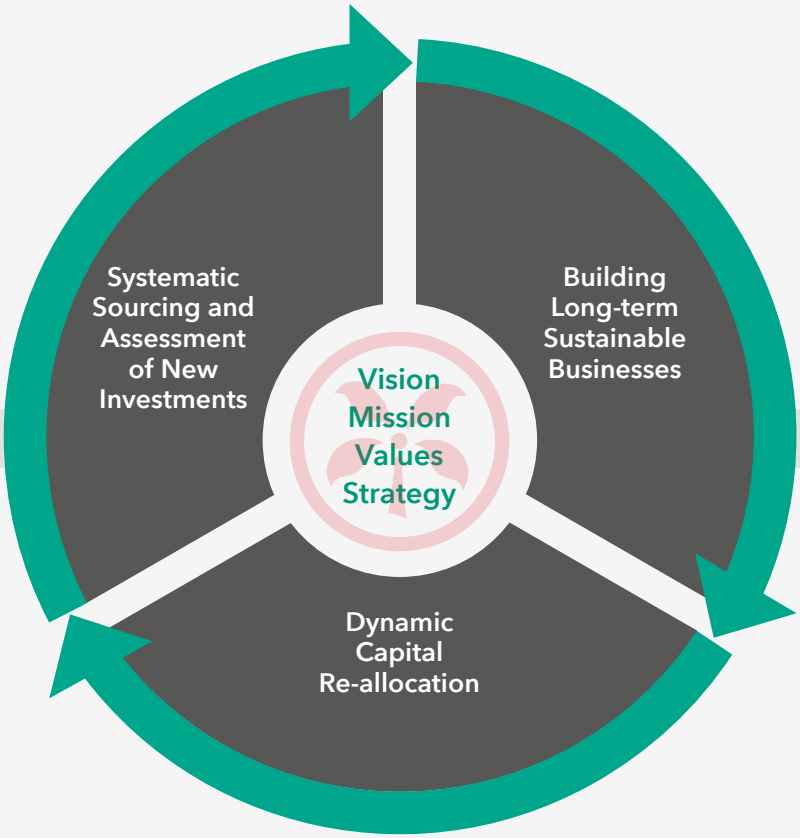
16.5: Substantially reduce corruption and bribery

16.6: Develop effective, accountable and transparent institutions

Employees

5.5: Ensure women's full participation in leadership and decision-making

8.8: Protect labour rights and promote safe working environments



Our vision and mission identify our purpose as an organization. Our strategy defines how we maximize opportunities and allocate resources, and our values guide us in how to implement our strategy. Read more about how sustainability is integrated in our value creation process on pages 8-9, and about our vision, mission, values and strategy on page 10.

Value We Create for Our Stakeholders

Shareholders and the Financial Community
Long-term economic and sustainability performance

Employees
Strong corporate culture, improved skills and knowledge, equal opportunities, compensation, diversity, inclusion and work-life balance

Portfolio Companies and Entrepreneurs
Economic and sustainability performance, financial and operational support, network and knowledge sharing. Through our digital companies, we make consumers' lives better in the digital age

Society and Authorities
Well-governed companies that contribute positively to society. Good corporate citizenship and increased transparency

Investee Companies and Entrepreneurs

5.5: Ensure women's full participation in leadership and decision-making

8.1: Sustainable economic growth

8.2: Diversify, innovate and upgrade for economic productivity

8.8: Protect labour rights and promote safe working environments

12.5: Substantially reduce waste generation

12:6: Encourage companies to adopt sustainable practices and sustainability reporting

13.2: Integrate climate change measures into policies and planning

16.5: Substantially reduce corruption and bribery

16.6: Develop effective, accountable and transparent institutions

17.16: Enhance the global partnership for sustainable development

Society and Authorities

16.6: Develop effective, accountable and transparent institutions

17.16: Enhance the global partnership for sustainable development

SUSTAINABILITY IS INTEGRATED INTO OUR VALUE CREATION PROCESS

We believe that to be a long-term successful company, you need to contribute to making the world a better place. We back digital businesses that contribute to a more sustainable future by combining strong economic growth with a positive impact on people and the planet. These companies will be able to offer better products and services that meet the demands of their customers, as well as recruit the best employees, thereby outperforming their competitors in the long run.

Sustainability is an integrated part of our business model and investment process, from sourcing and assessment of new business opportunities to ongoing development of our companies and re-allocation of capital into new opportunities.

Systematic Sourcing and Assessment of New Investments

Kinnevik has a structured process to source and assess potential new investments involving Kinnevik's Board of Directors, Management Team, Investment Team and Sustainability Team. The Executive Investment Committee (the "EIC") is chaired by Kinnevik's CEO and comprises the Management Team, the Sustainability Director and the Investment Directors.

The basis of Kinnevik's investment activities is our strategy, which is set by the Board. The Board also resolves on Kinnevik's annual investment budget, capital allocation framework, return target and leverage policy, all of which frame Kinnevik's investment activities. All EIC materials are shared with the Board on a transparent and recurring basis to enable the Board to exercise its oversight over the EIC and the Kinnevik team and for the team to benefit from their experience, expertise and insights. The Board also conducts an annual evaluation of the EIC process. Investment and divestment decisions are generally made by the EIC, with support from the Board depending on the size and strategic fit of the opportunity.

In pipeline meetings, the EIC together with the full Investment Team provide initial feedback on investment opportunities and assess strategic fit. A small selection of companies is brought to stage one of the EIC and evaluated against Kinnevik's key investment criteria, product-market fit and scalability.

Kinnevik's Sustainability Team is represented at each of these stages and only companies that fit our investment ethos, including subscribing to our sustainability principles, are brought to the EIC. Ahead of stage one of the EIC the Investment Team prepare a memo which includes an initial assessment of the company's sustainability risks and opportunities.

The most promising opportunities move on to stage two of the EIC where companies are evaluated based on a refined understanding of the market, potential of the business and potential returns. Ahead of this stage, the Sustainability Team together with the Investment Team perform an ESG desktop review. A key evaluation criteria is the "tone at the top" and the passion, drive and values of the founders and their management team. Companies that move on from stage two of the EIC are subject to a thorough due diligence process covering, among other areas, finance and tax, legal, commercial and sustainability.

The Sustainability due diligence is performed by the Sustainability Team together with members of the Investment Team and covers the three ESG dimensions. Companies are evaluated on their approach and implemented structures in relation to ESG aspects, and a more thorough analysis of the key sustainability risks and opportunities is performed. This due diligence helps Kinnevik assess the companies' long-term vision and how well they understand their consumers' preferences. It also enables us to assess whether the company's values are aligned with ours. The main objective is to understand the tone at the top set by the board and management team, and identify the base from which we can build. The basis for the sustainability due diligence is the Kinnevik Standards (read more on page 26), tailored to the specific sector and development stage of the company. In instances where potential investments do not meet our expectations, or are not considered likely to undertake the required improvements, Kinnevik refrains from proceeding with the investment.

In 2020 Kinnevik invested in five new companies which all passed through this sustainability due diligence: Cityblock, Joint Academy, Common, HungryPanda and Simple Feast. These did not result in any material issues which prevented us from proceeding with the investment and we have not had any instance during the year where unsatisfactory findings from the sustainability due diligence has prevented us from proceeding with an investment.

After an investment is made, a roadmap is agreed with the company to address any identified issues from the due diligence, set annual objectives and track progress. From 2021 onward, the roadmap will be replaced by a sustainability dashboard which serves the same purpose as the roadmap, but which also outlines the key ESG risks and opportunities for each company and tracks specific targets and KPIs.

When a portfolio company seeks additional funding, they are evaluated again in the EIC and a key condition for follow-on investments is that the company has shown clear sustainability progress across ESG aspects in accordance with their agreed objectives.

THE KINNEVIK PLATFORM

As part of our efforts to add value to and develop our companies, we provide them access to the Kinnevik Platform. It enables our companies to tap into the shared expertise, tools, resources and network of the Kinnevik Group. Read more on page 26.

MORE →

Starting in 2021, Kinnevik will add a People & Culture due diligence process for all new investments. It will assess the companies' approach and implemented structures in relation to leadership & culture, talent & performance, and diversity & inclusion, and more. The due diligence will be performed by Kinnevik's Chief People & Platform Officer together with the Sustainability Team and Investment Team. As there is some overlap in scope, the Sustainability and People & Culture due diligence processes will be co-ordinated.

Building Long-Term Sustainable Businesses

While investing in the best companies is critical, how we contribute to the development of our companies after investment is essential in creating value. We provide hands-on operational support as well as a high-level strategic perspective.

Kinnevik has a structured Annual Sustainability Cycle which is a set of workstreams and collaborations between the Sustainability Team and the Investment Team. Investment Reviews are conducted twice a year for all companies, at which the Investment Team and the Sustainability Team discuss the companies' development across several parameters, including ESG aspects. The sustainability dashboard is updated and discussed at these reviews.

Further, Kinnevik's Sustainability Team conducts an Annual ESG Assessment of all portfolio companies at the end of each year. This is divided into two workstreams; a quantitative assessment based on the Kinnevik Standards (read more on page 26), and a more qualitative assessment of the companies' tone at the top, competences and progress according to their annual objectives.

The results of the Annual ESG Assessment are presented to, and discussed with, the Investment Team at an Annual ESG Performance Update at the beginning of each year. Based on this assessment, an updated dashboard is created and new annual ESG targets are set for each company.

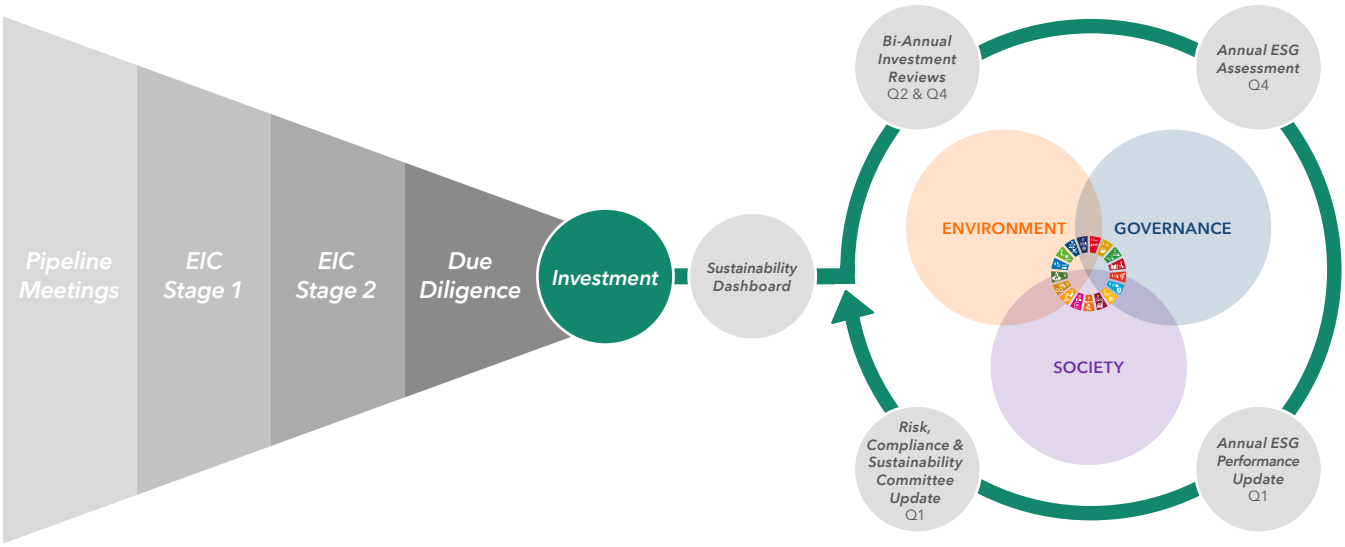
As sustainability progress is part of Kinnevik's overarching corporate objectives, the results of the Annual ESG Assessment are tied to the Investment Team's remuneration.

The results of the Annual ESG Assessment are presented to the Risk, Compliance & Sustainability Committee, which concludes the Annual Sustainability Cycle. This Committee regularly reviews th performance throughout the year. Read more about the sustainability performance of our companies during 2020 on pages 27-29.

Dynamic Capital Re-Allocation

Kinnevik systematically re-allocates capital from companies where we believe our tenure as owner is over into new venture and growth companies in our focus sectors. With a distribution of companies along the growth and maturity curve, we benefit from a unique system of companies spanning from venture and growth businesses that are not accessible on the public markets, to more mature listed companies providing stability to the portfolio.

Overview of Kinnevik's Investment Process and Annual Sustainability Cycle



VISION

To be Europe's leading listed growth investor

MISSION

We back passionate founders who are building transformative digital companies that make people's lives better. We work actively with our companies through every stage of their journey, growing them into long-term successful and sustainable businesses delivering significant returns.

VALUES

Integrity
Boldness
Excellence

STRATEGY

- Back digital challenger businesses that harness the power of technology to address vital, everyday needs
- Be a bold, stage-agnostic and long-term investor, partnering with talented entrepreneurs
- Focus on Healthcare Services, Consumer Services, Food and Financial Services, large sectors in the process of significant technological disruption
- Invest in Europe, with a focus on the Nordics, and in the US
- Leverage our experience and expertise to support our companies in building long-term successful and sustainable businesses

SUSTAINABILITY STRATEGY AND TARGETS

Kinnevik's sustainability strategy is based on the UN 2030 Agenda for Sustainable Development and balances three dimensions of sustainability - environment, society and governance ("ESG").

EXTERNAL FRAMEWORKS

Kinnevik is a signatory of the UN Global Compact, the world's largest corporate sustainability initiative. A part of this initiative's multi-year strategy is to drive business awareness and action in support of achieving the Global Goals by 2030. This Sustainability Report serves as Kinnevik's annual Communication on Progress to the UN Global Compact, containing our implementation of its principles on human rights, labour, environment and anti-corruption. Kinnevik also recognises the special importance of international standards on responsible business conduct, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Sustainability Report 2020 is prepared in accordance with the Global Reporting Initiative's ("GRI") Standards: Core option, including the GRI Sector Disclosures for Financial Services. The GRI index is available on pages 38-40.

Agenda 2030 and the Sustainable Development Goals

Sustainable development has been defined by the UN as *"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

Sustainability is the foundation of today's leading global framework for international cooperation – the 2030 Agenda for Sustainable Development and its Sustainable Development Goals. Adopted by all United Nations Member States in 2015, the 2030 Agenda is a broad and universal policy agenda with 17 Global Goals split into 169 associated targets to be achieved by 2030. The Global Goals are integrated, indivisible and balance economic, social and environmental sustainability.

Kinnevik has evaluated the SDGs and identified those most relevant to our business and stakeholders, and on which we can have the most impact. We have classified each of the 169 targets into one of four categories depending on their relevance to us - central, meaningful, general or irrelevant. The targets identified as central or meaningful were further categorised as relevant for either Kinnevik and/or our portfolio in general or for specific portfolio companies, as well as whether we or our companies should actively contribute to them or not. The targets categorised as central, relevant to Kinnevik and/or our portfolio in general and which we should contribute to actively, a total of ten targets, are listed on pages 6-7. These targets also form the basis from which we have developed our material topics and sustainability targets on page 13.

The UN Sustainable Development Goals

STRATEGY AND TARGETS

Organisation

Kinnevik's Board of Directors is responsible for our overall strategy, including how sustainability is integrated into our value creation. To assist the Board in monitoring the implementation of our sustainability agenda Kinnevik has established a Risk, Compliance & Sustainability ("RCS") Committee, appointed by the Board of Directors. To drive the integration on a day-to-day basis, at a Kinnevik level and in relation to our investee companies, Kinnevik has established a dedicated Sustainability Team. The Sustainability Team, together with the Investment Team, is responsible for implementing the Kinnevik Standards across our portfolio companies and for driving our sustainability agenda.

Sustainability Strategy

Kinnevik's sustainability strategy is a framework set up to focus our resources on the most relevant environmental, social and governance issues, drive performance and to engage internal and external stakeholders. The framework consists of Kinnevik's material topics, targets, objectives and key performance indicators ("KPIs"). Kinnevik addresses sustainability on two levels, *Kinnevik: A Responsible Company*, and *Portfolio: Our Active Ownership*. The material topics are the same on both Kinnevik and Portfolio level, with specific targets and objectives for each level, as well as a set of KPIs for the Portfolio level.

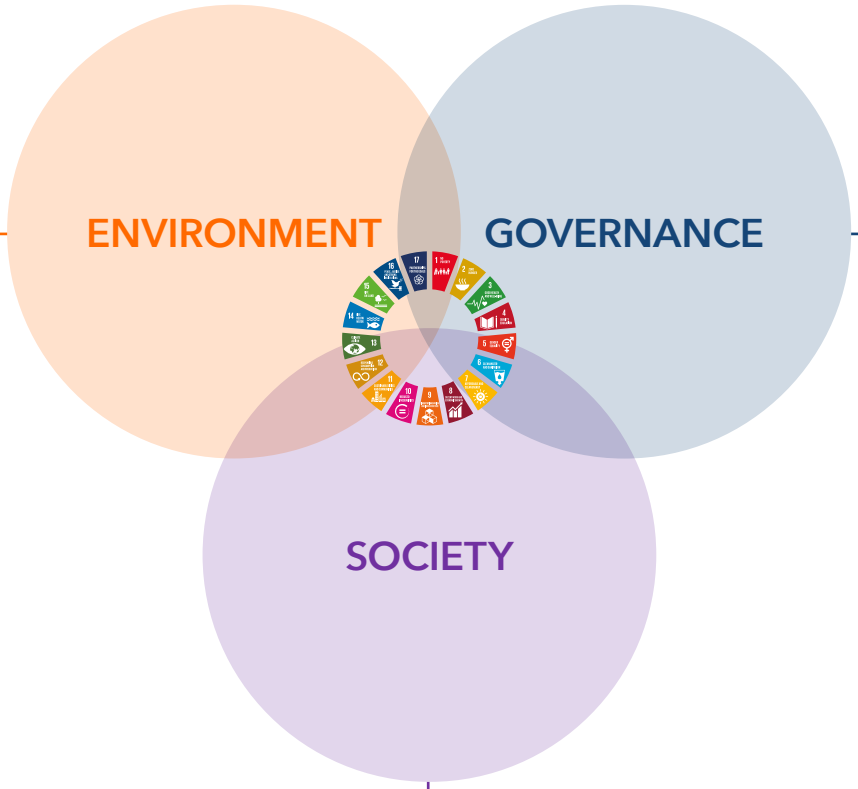
Stakeholder Dialogue

Maintaining a close dialogue with our principal stakeholder groups is central to defining and confirming our material aspects. The key stakeholder groups have been identified through board and management discussions as those that are most affected by our operations, and have a high degree of influence over Kinnevik's ability to implement our strategies and achieve our objectives. Focus areas for each stakeholder group have been raised in ongoing dialogues throughout the year.

Key Stakeholder Groups	Focus Areas	Methods of Engagement	Response/Outcome
Shareholders and the Financial Community	Strong and long-term economic and sustainability performance including solid governance structures and sound social and environmental practices.	Investor meetings, road shows and sell-side analyst meetings, interim reports and webcasts, interviews in the media, corporate website, press releases, annual general meetings and annual and sustainability reports.	Continuous communication across multiple channels regarding Kinnevik's strategy, financial development and sustainability progress.
Employees	Corporate culture, performance management, equal opportunities, diversity and inclusion, work-life balance, attractive compensation structures and strong economic and sustainability performance.	Townhall meetings, local staff meetings, team conferences, bi-annual reviews of performance and personal objectives.	Structured on-boarding for new employees, bi-annual reviews and objective setting, annual compensation review, training of key policies and implementation of the Diversity & Inclusion Framework.
Portfolio Companies and Entrepreneurs	Strong and long-term economic and sustainability performance, financial and operational support, network and knowledge sharing.	Ongoing communication through the Investment Team, Annual ESG Assessment, active representation on Boards and in committees.	Continuous operational and financial support, support in implementing sound sustainability practices and access to the Kinnevik Platform.
Society and Authorities	Upholding social responsibility, good corporate citizenship and overall transparency.	Dialogues with local governments, authorities and key policy makers. Corporate website and annual and sustainability report.	Active engagement in open dialogues to contribute to and improve the policy landscape. Participation in public consultations in areas of importance to Kinnevik and our companies.

Material Topics and Sustainability Targets for Kinnevik and Our Portfolio

Three dimensions of sustainable development



Material Topics

Environmental Responsibility and Reduced Climate Impact

- Greenhouse Gas Emissions
- Use of Resources

Social Equality and Good Corporate Citizenship

- Human Rights
- Business Ethics
- Well-being & Personal Development
- Health & Safety
- Diversity & Inclusion
- Community Outreach

Sound Governance Structures and Economic Growth

- Corporate Governance
- Risk Management
- Compliance
- Economic Growth

Sustainability Targets

- Net zero greenhouse gas emissions from Kinnevik's own operations and business travel from 2020 and onward
- 50% reduction in greenhouse gas emission intensity in Kinnevik's portfolio by 2030 compared to 2020

- 40/60 gender composition in all Kinnevik teams by 2022
- Measure all managers on inclusive leadership
- 10% capital allocation to female founded or led companies
- Follow-on investments conditional upon clear D&I progress

- Deliver an annual total shareholder return of 12-15% over the business cycle

Material Topics
Kinnevik's material topics have been identified through interactive stakeholder dialogues, Board and management discussions, peer benchmarking and industry best practices. When determining our material topics, we consider topics that are the most important to us and our stakeholders, as well as the significance of Kinnevik's environmental, social and governance impacts. The material topics reflect the key risks and opportunities we focus on, both on a Kinnevik and Portfolio level. The material topics have not changed significantly from last year, but environmental responsibility and social equality (particularly diversity and inclusion) have risen in importance.

Targets, Objectives and KPIs
On the next two pages is an overview of Kinnevik's targets and objectives for each of our material topics on a Kinnevik and Portfolio level, as well as our Portfolio level KPIs. The sustainability targets are part of Kinnevik's overarching corporate targets and as such directly linked to the remuneration of our teams. The objectives aim to further elaborate on our ambitions within each material aspect and to guide our efforts and priorities.

The Portfolio level KPIs are a quantitative representation of our portfolio's sustainability performance and a tool to measure progress. They do not however cover the full extent of Kinnevik's efforts. Many of our companies are in the early stages of their operational and sustainability development, which is reflected in the outcome of the KPIs. We cannot expect all companies to fully meet our expectations with regards to sustainability at the point of investment, and we define a clear roadmap for our companies with key priorities and objectives each year (read more on page 16).

As Kinnevik re-allocates capital dynamically, the composition of our portfolio changes over time which has an impact on the KPIs. The KPIs are based on the Kinnevik Standards and during 2020 we have done a comprehensive review of the Standards to reflect our increased focus on environmental and social (particularly diversity and inclusion) aspects. Read more about the Kinnevik Standards on page 26. A full account of the Portfolio level KPIs, including comparative numbers for 2020 and 2019, is available on page 36.

Scope and Boundaries of Reporting
This report covers the sustainability performance of Kinnevik for the period 1 January to 31 December 2020.

Our strategy involves being a leading shareholder in our companies with a sizeable minority shareholding which provides us influence over outcomes. This means that while we can exercise influence over our companies mainly through board representation, we do not have direct control over them. The issues identified as relevant for investee companies relate to those organisations at group parent level.

The focus of this report is on the sustainability performance, structures and initiatives in Kinnevik's own operations. Additional information on the portfolio companies is provided on an aggregated level and in the form of case studies on specific initiatives. More information on portfolio companies' performance can be found on their respective websites.

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

SUSTAINABILITY FRAMEWORK AND TARGETS: KINNEVIK

Dimension	ENVIRONMENT	SOCIETY	GOVERNANCE
Most Relevant Global Goals	**13.2:** Integrate climate change measures into policies and planning	**5.5:** Ensure women's full participation in leadership and decision-making **8.8:** Protect labour rights and promote safe working environments **17.16:** Enhance the global partnership for sustainable development	**8.1:** Sustainable economic growth **16.5:** Substantially reduce corruption and bribery **16.6:** Develop effective, accountable and transparent institutions
Material Topics	**Environmental Responsibility and Reduced Climate Impact**	**Social Equality and Good Corporate Citizenship**	**Sound Governance Structures and Economic Growth**
Targets	• **Net zero greenhouse gas emissions from Kinnevik's own operations and business travel by 2020 and onward**	• **40/60 gender composition in Kinnevik's Management Team, Investment Team and Corporate Team by 2022** • **All Kinnevik's managers are measured on inclusive leadership and the results are linked to their remuneration**	• **Deliver an annual total shareholder return of 12-15% over the business cycle**
Objectives	• Reduce greenhouse gas emissions from Kinnevik's own operations and business travel to as close to zero as possible • Offset unavoidable emissions through a permanent carbon dioxide removal program	• Attract, recruit and retain the most talented employees • Be an attractive employer with diversity & inclusion, well-being and personal development in focus • Community outreach engagement through Reach for Change	• Maintain sound corporate governance structures including risk management and compliance in Kinnevik's own operations
Targets Fulfilment 2020	• Greenhouse gas emissions from from Kinnevik's own operations and business travel have decreased by 82% in 2020, the result of significantly reduced air travel due to the Coronavirus • Full permanent removal through direct air capture has been ordered for unavoidable emissions • Read more on pages 17-19	• Share of women in Kinnevik's Management Team has increased from 20% at year-end 2019 to 43% at year-end 2020. For the Investment Team, the share has decreased from 25% to 23%. The Corporate Team ended the year with 73% women • Our four overarching D&I targets have been incorporated into Kinnevik's overall corporate objectives for 2020, thereby tying them to the remuneration of our teams • Read more on pages 20-22	• Kinnevik's total shareholder return ("TSR") amounted to 85% for 2020. The five-year annualised TSR was 22% and the ten-year annualised TSR was 20%, per 31 December 2020 • Read more on pages 23-25

SUSTAINABILITY FRAMEWORK AND TARGETS: PORTFOLIO

Dimension	ENVIRONMENT	SOCIETY	GOVERNANCE
Most Relevant Global Goals	**12.5:** Substantially reduce waste generation **12:6:** Encourage companies to adopt sustainable practices and sustainability reporting **13.2:** Integrate climate change measures into policies and planning	**5.5:** Ensure women's full participation in leadership and decision-making **8.8:** Protect labour rights and promote safe working environments **16.5:** Substantially reduce corruption and bribery **16.6:** Develop effective, accountable and transparent institutions **17.16:** Enhance the global partnership for sustainable development	**8.1:** Sustainable economic growth **8.2:** Diversify, innovate and upgrade for economic productivity **16.5:** Substantially reduce corruption and bribery **16.6:** Develop effective, accountable and transparent institutions
Material Topics	**Environmental Responsibility and Reduced Climate Impact**	**Social Equality and Good Corporate Citizenship**	**Sound Governance Structures and Economic Growth**
Targets	• **50% reduction in greenhouse gas emission intensity in Kinnevik's portfolio by 2030 compared to 2020**	• **At least 10% of the capital invested on an annual basis by Kinnevik into new companies should be invested in female founded or led companies** • **Follow-on investments are conditional upon clear diversity and inclusion progress**	• **Deliver an annual total shareholder return of 12-15% over the business cycle**
Objectives	Ensure all our portfolio companies: • Measure their emissions in Scope 1, 2 and relevant parts of Scope 3 according to the GHG Protocol • Set relevant climate targets across their operations and value chains to align with the 1.5˚C pathway • Define roadmap to target fulfilment	Ensure all our portfolio companies: • Build responsible business relationships with suppliers • Attract and retain the most talented employees • Have committed community outreach programs	Ensure all our portfolio companies: • Have sound governance, risk management and compliance structures in place • Achieve long-term sustainable economic growth, i.e. reach Kinnevik's annual return target as well as our climate and D&I targets
Targets Fulfilment 2020	• As the climate targets were set in May 2020, we will follow-up on target fulfilment related to our portfolio in next year's Sustainability Report • Read more on pages 27-28	• Since May 2019, 13% of the value of Kinnevik's investments into new companies has been invested in a female founded company • All potential follow-on investments are being evaluated on D&I performance as part of the EIC process • Read more on page 28	• Kinnevik's economic performance is directly influenced by the economic performance and the valuation of our investee companies, and therefore economic performance is only covered in this report on a Kinnevik level • Read more on page 29

KPIs

The KPIs are derived from our Annual ESG Assessment of the portfolio companies based on the Kinnevik Standards, read more on page 26.

	PV	#COs
Measures GHG emissions for scope 1 and 2	74%	23%
Measures GHG emissions for relevant scope 3 categories	74%	19%
Has set relevant GHG reduction targets in line with 1.5 degree pathway/ Paris Agreement	47%	8%
Integrates climate change into overall strategy discussions with the Board and/or relevant sub-committees	46%	4%
Has a process for efficient measurement and management of waste and hazardous waste	73%	23%

	PV	#COs
Has implemented a Supplier Code of Conduct	87%	35%
Has incorporated anti-corruption principles	98%	81%
Reports on occupational health incidents to Board	67%	46%
Conducts periodic employee surveys	99%	88%
Has incorporated anti-discrimination principles	98%	88%
Has conducted/provided training for management on D&I related topics	91%	38%
Has set time-based D&I targets and KPIs	87%	27%
Has implemented a community outreach or philanthropic program	88%	38%

	PV	#COs
Has implemented a Code of Conduct	98%	85%
Has implemented a Whistleblowing system	93%	42%
Has conducted a risk assessment including rating risks based on likelihood and impact	93%	42%
Has a defined risk limits statement to monitor risk levels	74%	19%
Sustainability is a standing item on the Board agenda	97%	65%
Senior management is incentivised based on sustainability performance	20%	8%
Conducts regular compliance training	99%	81%

Note: A full account of the KPIs is available on page 36. PV = Share of Portfolio Value, #COs = Share of Number of Companies.

KINNEVIK
A RESPONSIBLE COMPANY

As a responsible and active owner, Kinnevik aims to be a role model for our investee companies across environmental, social and governance aspects.

ENVIRONMENTAL RESPONSIBILITY AND REDUCED CLIMATE IMPACT

The effects of climate change are already causing acute harm to societies and economies globally, and expectations on businesses from the investor community and consumers are rapidly increasing. Being leaders in combating climate change is a significant opportunity for Kinnevik and our portfolio, which involves measuring our full climate impact, setting targets in line with the 1.5˚C pathway and defining clear roadmaps to reach those targets.

KINNEVIK'S CLIMATE TARGETS

In May 2020, Kinnevik set two climate targets to reduce greenhouse gas ("GHG") emissions in line with the Paris Agreement and the 1.5˚C ambition. The targets are:

- **Net zero greenhouse gas emissions from Kinnevik's own operations and business travel from 2020 and onward (Scope 1, 2 and from business travel in Scope 3)**
- **50% reduction in greenhouse gas emission intensity in Kinnevik's portfolio by 2030 compared to 2020 (Scope 3 from Investments)**

To reach our first climate target, we firstly reduce our GHG emissions to as close to zero as possible in Scope 1, 2 and from business travel in Scope 3 (read more about the scopes on page 18). Secondly, we permanently remove unavoidable emissions through direct air capture to achieve net zero emissions.

The second target entails all our portfolio companies setting relevant climate targets across their operations and value chains to align with actions needed to limit global temperature rise to maximum 1.5˚C above pre-industrial levels. It also entails our companies measureing their emissions according to the GHG Protocol and define a clear roadmap to reach their climate targets.

Due to the high growth nature of many of our companies, Kinnevik's portfolio target is set as an intensity target, i.e. the emissions from our portfolio companies will be measured in relation to the development of relevant economic and physical metrics. We will report on progress according to our climate targets on a yearly basis, with adjustments made for changes in portfolio composition.

We are planning to evaluate the possibility to have our climate targets approved by the Science Based Targets Initiative.

Climate Targets Fulfilment in 2020

As we set our climate targets in May 2020, we will be able to follow-up on target fulfilment related to our portfolio in next year's Sustainability Report. To reach the climate target for our portfolio we are rolling out a three-step climate strategy across our companies, read more on pages 27-28. Per end of 2020, companies representing 74% of Kinnevik's portfolio value measure their emissions and 47% have set reduction targets in line with science.

During 2020, we have decreased our emissions in Scope 1, 2 and from business travel in Scope 3 by 421 tonnes of CO2e, or 82%, compared to 2019. The reduction in emissions is the result of significantly less business travel due to the spread of the Coronavirus. Business travel accounts for 76% of Kinnevik's emissions excluding the portfolio.

In order to reduce our emissions in Scope 1, 2 and from business travel in Scope 3, we launched an internal review of our emissions in early 2020 and set out two concrete action plans. The first is to update our business travel policy with more restrictions on air travel, and the second is to update our car policy to include environmental aspects. Because of the COVID-19 pandemic and the steep decrease in business travel that followed, these actions were temporarily paused and will be implemented in 2021.

For its 2020 emissions in Scope 1, 2 and from business travel in Scope 3, 91 tonne CO2 in total, Kinnevik has ordered and paid to have it permanently removed through Climeworks' direct air capture technology. Read more about Climeworks below.

CLIMEWORKS

Climeworks is one of the world's leading direct air capture companies. Climeworks' technology permanently removes carbon dioxide from the air and stores it underground. The carbon dioxide is mixed with water and pumped deep underground where it turns into stone within a few years. The amount of removed carbon dioxide can be exactly measured. Leading scientists believe direct air capture will play a vital role in achieving the goals of the Paris Agreement.

MORE →

KINNEVIK'S GREENHOUSE GAS EMISSIONS DISCLOSURE

Kinnevik conducts a yearly GHG emissions disclosure quantifying our total CO_2 emissions. The disclosure serves as a base from which we have set and can follow-up on our climate targets in our effort to align our portfolio to a low-carbon future.

The GHG disclosure has been carried out in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This protocol is considered current best practice for corporate and organisational GHG emissions reporting.

Kinnevik's GHG emissions disclosure for 2020 is summarised below and on the next page, and the full report is available on our website. The report includes Kinnevik AB and Kinnevik Capital Ltd.

Methodology

In 2020 we have reported our GHG emissions in the sustainability reporting software tool Position Green, the same tool we have engaged for our portfolio companies. The change has resulted in a few smaller changes in the data comparedto previous years due to updated emissions factors and methodology to better align with the GHG Protocol. Kinnevik uses publicly available emission factors where the majority comes from databases such as ICAO (2020), BEIS (2019) and AIB (2019), but also specific sources such as Fortum värme, Vattenfall and Taxiförbundet have been used.

The electricity in Kinnevik's premises in both Stockholm and London are sourced from renewable energy, and thus have a close to neutral climate impact. District heating in the Stockholm office is sourced from 90% renewable energy and it already is subject to a carbon offsetting program directly through the supplier.

All use of company owned cars has been included in the assessment, although they are primarily used by employees outside of work and for personal purposes. All company cars are subject to benefit tax according to the Swedish Tax Agency's rules and regulations.

Kinnevik's Emissions in 2020

In 2020, we have included the emissions from Kinnevik's portfolio companies in our Scope 3. We have included the companies' emissions in Scope 1, 2 and 3, and adjusted for our ownership share in each company. With a portfolio consisting mostly of early growth companies, many of our companies have not yet measured their emissions. However, it is our ambition to include all our companies in our GHG disclosure in next year's Report. The five portfolio companies included in our 2020 GHG disclosure are Zalando, Tele2, Global Fashion Group, MatHem and Kolonial, together representing 74% of portfolio value. Emissions data for 2020 is not yet available for these companies and therefore 2019 data has been used as a proxy. These five companies operate across the generally emissions heavy sectors of fashion, TMT and food and likely contribute a large share of Kinnevik's total portfolio emissions.

During 2020, Kinnevik generated 1 386 784 tonnes of CO_2e in total across Scope 1, 2 and 3 including the portfolio. Our largest climate impact was in Scope 3 related to emissions from the portfolio which accounted for 1 386 693 tonnes of CO_2e, or close to 100 percent of total emissions. As this is the first year that we include emissions from the portfolio in our GHG disclosure, we do not have any historical data to compare.

Kinnevik's emissions excluding emissions from the portfolio amounted to 91 (511) tonnes of CO_2e, corresponding to 2.3 (16.6) tonnes per full time equivalent employee. Read more about how we have had these emissions permanently removed on the previous page. Business travel (which consists almost entirely of air travel) accounted for 76 percent of Kinnevik's total 2020 emissions excluding emissions from the portfolio. Read more about the conflict between economic growth and reducing Kinnevik's carbon emissions on page 34.

CDP and TCFD

In 2020, Kinnevik has disclosed our environmental impact through CDP and received a B- score. We believe that environmental transparency and accountability is vital in tracking progress, increasing our credibility and driving the effort to align our portfolio with a low-carbon future.

We also implemented the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") in 2020 and published our inaugural TCFD report. Read more on page 18.

Kinnevik's 2020 Total Emissions in Scope 1, 2 and 3

Scope	Tonnes CO_2e	
1. Direct emissions	12	0%
2. Indirect emissions - Energy	5	0%
3. Indirect emissions - Other	74	0%
3. Indirect emissions - Portfolio companies	1 386 693	100%
Total	**1 386 784**	**100%**

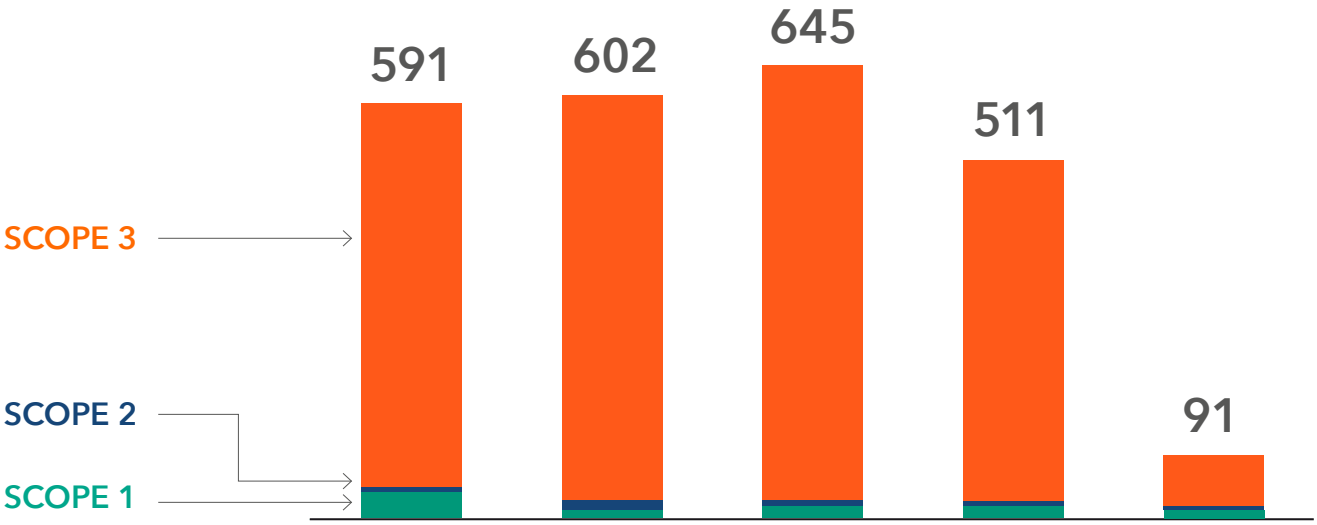
Kinnevik's 2020 Emissions in Scope 1, 2 and 3 Excluding the Portfolio

Activity	Tonnes CO_2e	
Business travel	69	76%
Company operated vehicles	14	16%
Energy	7	7%
Purchased goods and services	1	1%
Waste	0	0%
Total	**91**	**100%**

Note: The climate calculations are made using the operational approach and Scope 2 calculations are made using the market-based method.

Overview of Kinnevik's greenhouse gas emissions excluding the portfolio 2016-2020

The GHG Protocol classifies a company's GHG emissions into three "scopes". Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream. The below overview of Kinnevik's GHG emissions for 2016-2020 does not include our portfolio companies' emissions, and therefore scope 3 emissions consists mainly of business travel.



Kinnevik's GHG emissions (tonnes CO2e)	2016	2017	2018	2019*	2020
Scope 1	37	11	17	17	12
Specification:					
Company operated vehicles	*37*	*11*	*17*	*17*	*12*
Scope 2	7	15	9	7	5
Specification:					
Energy	*7*	*15*	*9*	*7*	*5*
Scope 3	547	577	619	487	74
Specification:					
Company operated vehicles	*1*	*1*	*1*	*2*	*2*
Energy	*2*	*2*	*2*	*2*	*1*
Purchased goods and services	*7*	*2*	*4*	*4*	*3*
Waste	*0*	*0*	*0*	*0*	*0*
Business travel	*537*	*572*	*612*	*479*	*68*
Total	**591**	**602**	**645**	**511**	**91**
Per full time equivalent employee	14.8	16.1	17.6	12.8	2.3
Per square metre office space	0.766	0.78	0.835	0.662	0.118

* 2019 data restated due to updated emissions factors and methodology to better align with the GHG Protocol.

Note: The climate calculations are made using the operational approach and Scope 2 calculations are made using the market-based method.

SOCIAL EQUALITY AND GOOD CORPORATE CITIZENSHIP

Kinnevik's greatest asset is and has always been our people. As such, attracting and retaining top talent is a key priority. Kinnevik regards diversity and inclusion as core levers for value creation, and we make full use of the opportunities that arise from employing a team with different backgrounds and perspectives. We also have a strong belief in contributing to the wider community, which we have done for many years through the Kinnevik-founded non-profit organisation Reach for Change.

KINNEVIK'S DIVERSITY & INCLUSION FRAMEWORK AND TARGETS

In May 2019, Kinnevik launched a diversity and inclusion ("D&I") framework with four targets to drive the important change we want to see at Kinnevik, in our portfolio and the broader industry. The targets are:

- **40/60 Composition in all Kinnevik Teams by 2022** By end of 2022 Kinnevik shall have a 40/60 composition (at least 40% of the underrepresented gender) in the Management Team as well as in the Investment and Corporate Teams
- **Measure all Managers on Inclusive Leadership** All Kinnevik managers are to be measured on diversity and inclusion, and the results shall be linked to their remuneration
- **10% Capital Allocation to Female Founded or Led Companies** On an annual basis from 2019, at least 10% of the capital we invest in new companies should be invested in female founded or led companies. If we do not invest 10% in a given year, the amount will roll over to the next year. To be considered a female founded or led company, the company should have a founder team or management team consisting of at least 50% women
- **Follow-On Investments Conditional Upon Clear D&I Progress** Kinnevik will only consider making follow-on investments in companies that it believes have made progress in relation to diversity and inclusion

Besides our fundamental belief in equal rights for everyone, Kinnevik believes diversity and inclusion is business critical as it leads to improved financial performance, higher degree of innovation, better decision-making and creation of value over the long-term. In order to deliver on our vision of providing more and better choice we need to leverage the full talent base available. To truly understand our customers, our own organisation and portfolio company teams need to reflect their customer base.

"With an increased commitment to diversity and inclusion, Kinnevik will build stronger and better companies. I am convinced that clear ambitions and measurable performance indicators will increase our focus on diversity and inclusion even further and create shareholder value."
– Georgi Ganev, Kinnevik's CEO

While diversity may be measured by many different characteristics, we have initially chosen to focus our actions on gender diversity. Gender diversity is widely considered to be a good starting point, relatively easy to measure and an important entry way into working with other diversity aspects. In 2021, we aim to identify and define additional diversity aspects we would like to accentuate and work with as part of our D&I Framework.

Diversity & Inclusion Targets Fulfilment in 2020
During 2020, we have made clear progress on our four D&I targets:

- **40/60 Composition in all Kinnevik Teams by 2022** With the addition of two new executives to Kinnevik's Management Team, Erika Söderberg Johnson as CFO and Anna Stenberg as CPO, we have achieved our 2022 target of a 40/60 composition in the Management Team already per end of 2020. We are yet to achieve a 40/60 composition in our Investment and Corporate Teams which now comprise 23% and 73% women, respectively. However, we are confident that we will be able to achieve a 40/60 composition in all our teams by 2022

- **Measure all Managers on Inclusive Leadership** All four D&I framework targets were incorporated into Kinnevik's overall corporate objectives for 2020 and thereby tied to the remuneration of all our teams, including Senior Executives. Further, we implemented a new 360 performance review process and employee engagement tool which both include D&I metrics and feeds into a leadership index to evaluate our managers. In February 2020, Kinnevik's Management Team participated in inclusive leadership training centred around feedback received from a D&I review of the organisation including individual interviews and team-wide surveys

- **10% Capital Allocation to Female Founded or Led Companies** Since the launch of our D&I framework in May 2019, 13% of the value of our new investments has been invested in a company co-founded by a woman, Cityblock. Therefore, there are no roll over effects into 2021

- **Follow-On Investments Conditional Upon Clear D&I Progress** By incorporating D&I into our EIC process (read more on pages 8-9), all potential follow-on investments are being evaluated on D&I performance. In the instance that a company has not made sufficient progress on D&I in accordance with their roadmap and in relation to the stage of the business and the relevant sector, the EIC have rejected the offer of a follow-on investment

While we are proud of the progress made so far, we are by no means satisfied. We will continue to drive this agenda and look forward to reporting back to our stakeholders as we progress further. Read more about the progress made on diversity and inclusion in our portfolio companies on page 28.

Diversity & Inclusion Taskforce
In 2019 Kinnevik formed an internal D&I Taskforce to drive our agenda forward by providing input on the D&I framework and other initiatives, set goals and action plans as well as to track progress. The taskforce comprises a group of six employees across different genders, locations, functions and seniority and rotates in October each year. In 2020, the Taskforce has organised unconscious bias training for the full Kinnevik team, created a D&I Toolkit to guide and support our portfolio companies on their D&I journeys (read more on page 28), identified relevant KPIs and targets for board diversity in our portfolio companies and articulated Kinnevik's 2021 strategy and objectives within D&I which focuses on broadening our approach to diversity by expanding our scope, KPIs and targets to include additional diversity aspects.

D&I Certification
During 2020, Kinnevik participated in the Diversity VC Standard assessment and thereby became the first investor globally to be awarded a level 2 certification, the highest certification level available. The standard was developed by Diversity VC, a UK non-profit partnership promoting diversity in venture capital investing, and Diversio, the world's leading D&I solution provider for investors.

The standard is an assessment and certification process that sets a benchmark for best practice on diversity and inclusion within venture capital and shows that an investor follows best D&I practices within inter alia recruitment, equal opportunities, deal flow sourcing, portfolio support and investment assessment. The standard was launched in September 2020 and assessed approximately 15 leading venture capital funds during 2020, across Europe and Canada. The standard provides investors with tools and recommendations to open their networks and make funding available to underrepresented founders, as well as resources to promote an inclusive environment for both founders and employees.

A SMALL AND DIVERSE KINNEVIK TEAM

Kinnevik has a firm set of core values. Our team members share an entrepreneurial spirit, as well as a belief in building long-term sustainable businesses.

Kinnevik's organisation comprised 40 (40) people on average during 2020 (full-time equivalents "FTE", including wholly owned subsidiaries), with 29 people based in the Stockholm office and 11 people in the London office. The investment team consisted of 12 professionals, whereof eight based in London and four in Stockholm. The other 28 employees worked across Finance, Legal, Strategy, Sustainability, Corporate Communications, HR and Administration. All employees but three were on permanent contracts.

In a voluntary survey sent to the full Kinnevik team in the first weeks of 2021, 32% of our team members self-identified as being of foreign background. This means that 32% of Kinnevik's employees work in a country in which they or their parents were not born.[1] The response rate of the survey was 86%.

Being an Attractive Employer
Kinnevik offers its employees continuous opportunities for personal and professional growth in order to develop their skillset and to take increasing responsibility for value creation at Kinnevik and our portfolio companies. The small size of our organisation enables us to personalise career development and training opportunities for each employee. These include

[1] This definition is in line with Statistics Sweden's definition, e.i. foreign background includes foreign-born and native-born with two foreign-born parents.

educational programs such as leadership courses and topic specific training sessions, as well as hands-on operational experience through secondment at a portfolio company.

Ongoing assessments of employees' performance and success in meeting their objectives are central 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. Individual objectives are set based on the overarching corporate objectives set each year for the entire organisation.

Kinnevik is committed to promoting a good, safe and healthy work environment for all employees across physical, organisational and social aspects, where the risks of occupational injuries and work-related ill-health are prevented. The goal is to strengthen the employees' motivation, effectiveness, health and well-being. As stated in Kinnevik's Work Environment Handbook, if an employee is involved in an incident, accident or any other situation of ill-health they need to immediately inform their manager. During 2020, Kinnevik did not report any incidents to the Swedish Work Environment Authority (Swe: Arbetsmiljöverket). The low level of sick leave, below 1 percent of total working time, highlights Kinnevik's efforts to improve our employees' health through healthcare insurance, fitness subsidies and other initiatives.

In order to assess how our employees feel about working for Kinnevik, we conduct an annual employee satisfaction and engagement survey. The results of the survey in 2020 did not indicate any significant issues with regards to human rights, equal opportunities or work environment.

Out of the 86% of employees that responded to Kinnevik's 2020 employee survey, Kinnevik received an eNPS score of 52 (scale of -100 to +100, where a score above +30 is considered excellent) when asked if the employees would recommend Kinnevik as an employer to a friend.

Kinnevik encourages parental leave for both men and women. In 2020, the average parental leave taken was 27.5 (39) weeks for men and 39 (46) weeks for women. This refers to parental leave that started during 2020 and includes the full number of weeks requested. The leave may therefore be completed during the following year.

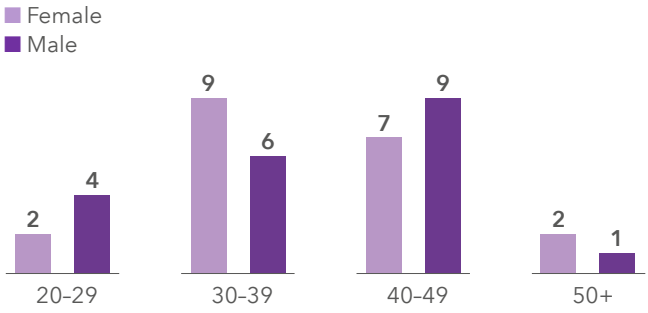
Kinnevik's parental leave policy stipulates that every permanent employee is eligible for nine months paid parental leave with 100 percent of their fixed salary. The policy reflects our ambition to be at the forefront regarding equal opportunities and to promote well-being and a healthy work-life balance.

Read more about Kinnevik's community outreach efforts through Reach for Change on page 37.

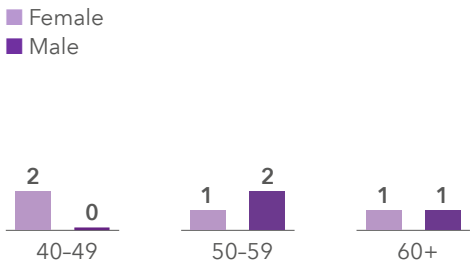
Employee well-being our top priority

The safety and well-being of our people have been our number one priority following the outbreak of COVID-19. Kinnevik established a Corona Taskforce responsible for overseeing how government gui-

Age distribution of employees in 2020 (FTE)



Age distribution of the Board of Directors in 2020 (FTE)



New employee hires and turnover during 2020 (FTE)

New Hires	20-29	30-39	40-49	50+	Total	Rate
Stockholm						
Women	-	-	1.4	-	**1.4**	**3.5%**
Men	0.8	0.6	-	-	**1.4**	**3.5%**
London						
Women	0.3	-	-	-	**0.3**	**0.8%**
Men	-	-	-	-	-	-
Total					**3.1**	**7.8%**

Turnover	20-29	30-39	40-49	50+	Total	Rate
Stockholm						
Women	0.1	0.5	-	-	**0.6**	**1.5%**
Men	-	-	-	-	**-**	**-**
London						
Women	-	-	0.1	-	**0.1**	**0.2%**
Men	-	-	-	-	**-**	**-**
Total					**0.7**	**1.7%**

Note: New hire and turnover rate is stated in FTE equivalents and calculated in relation to the FTE average number of employees in 2020.

delines evolve and providing internal policies and guidlines on e.g. travel, events, self quarantine and office openings as well as offering tests to employees.

Kinnevik has facilitated working from home through the use of existing IT infrastructure and provided work from home allowances for employees to ensure ergonomic work spaces. In addition, regular surveys have been conducted to monitor wellbeing and work-life balance and team building sessions as well as personal trainer sessions have been conducted virtually.

SOUND GOVERNANCE STRUCTURES AND ECONOMIC GROWTH

Being a financially strong company is imperative in Kinnevik's role as active owners, enabling us to drive our sustainability strategy in an efficient way and support our companies in becoming long-term successful and sustainable businesses. For Kinnevik as a company it is important to have sound governance, risk management and compliance structures in place, including clear structures, policies and processes across functions.

ECONOMIC PERFORMANCE AND TARGET FULFILMENT IN 2020

Kinnevik's sustainability target related to the governance aspect is to deliver an annual total shareholder return ("TSR") of 12-15% over the business cycle. Kinnevik's TSR amounted to 85% for the full year 2020, the five-year annualised TSR was 22% and the ten-year annualised TSR was 20%, per 31 December 2020.

In terms of financial performance more broadly, during 2020 Kinnevik's Net Asset Value increased by 55%, adjusted for dividends paid, to SEK 111.7bn (73.3). Kinnevik ended 2020 in a net cash position of SEK 4.8bn (net debt of 0.9), corresponding to 4.5% (leverage of 1.3) of portfolio value.

During 2020, Kinnevik divested a 4.4 percent stake in Zalando, representing 17.2% of our total shareholding in the company prior to the transaction, generating gross proceeds of SEK 6.7bn. Following the divestment, Kinnevik paid an extraordinary cash distribution of SEK 7.00 per share, equivalent to SEK 1.9bn in aggregate, to shareholders.

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

Governance

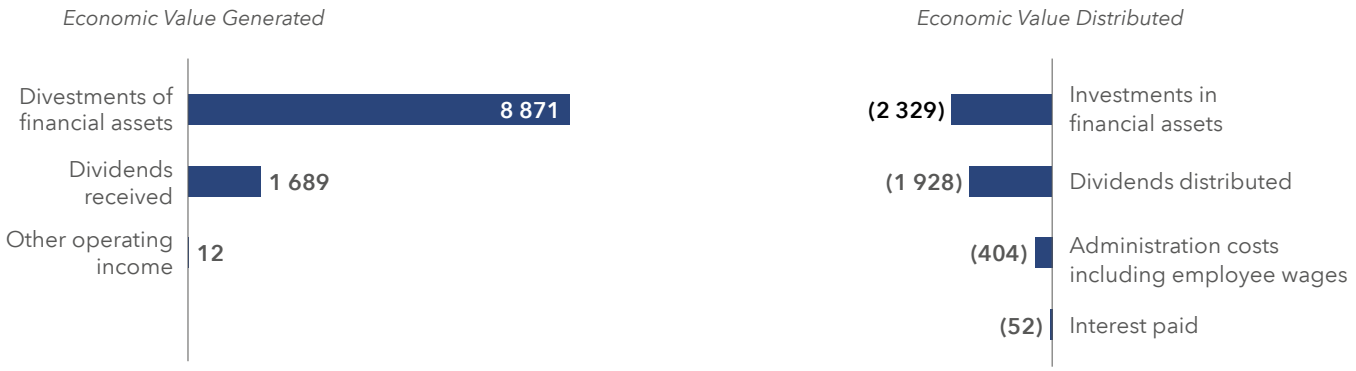
The basis for corporate governance in Kinnevik is Swedish legislation, Nasdaq Stockholm's Rule Book for Issuers, and regulations and recommendations issued by relevant self-regulatory bodies. Kinnevik also follows the Swedish Corporate Governance Code.

Kinnevik's Board of Directors is responsible for our overall strategy, including how sustainability is an integrated part of our value creation, and is well informed about Kinnevik's policies and procedures. To assist the Board in fulfilling its responsibilities, it has appointed a Risk, Compliance & Sustainability ("RCS") Committee which is a subset of the Board. The RCS Committee assists the Board in monitoring the governance structures of Kinnevik's investee companies, Kinnevik's risk management process and compliance with laws, regulations and codes of conduct. It also specifically monitors the implementation of the Kinnevik Standards (read more on page 26) across our portfolio companies, including the Annual ESG Assessment. The Board is further assisted by the Risk Committee consisting of Kinnevik's Management Team and Investment Directors. More information about Kinnevik's governance bodies and their work is available in the Corporate Governance Report 2020.

Kinnevik's key governance related policies are our Code of Conduct, Sustainability Policy, Lobbying Policy and Whistleblower Policy. These policies have been communicated to all employees and members of the Board and are available on our website https://www.kinnevik.com/sustainability/key-policies. Kinnevik's policies, processes and rules relating to diversity and inclusion are outlined in Kinnevik's corporate policies, including the Employee Handbook, Talent Management Policy and Work Environment Handbook and are summarized on our website https://www.kinnevik.com/team/diversity--inclusion.

All employees, representatives of Kinnevik and third parties engaged with Kinnevik are expected to fully comply with our 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

Overview of economic value generated and distributed by Kinnevik during 2020, SEKm



other key policies and procedures. Kinnevik conducts mandatory annual Code of Conduct training for all employees. The Code of Conduct is shared with all relevant suppliers on a yearly basis.

As outlined in the Whistleblower Policy, Kinnevik expects all employees, as well as relevant third parties engaged by Kinnevik, to come forward and voice all serious concerns about any aspect of Kinnevik's work, including the areas of human rights, labour, environment, anti-corruption and anti-discrimination. Kinnevik's whistleblowing service is managed by the external party WhistleB. In October 2020, Kinnevik received a whistleblower report through WhistleB questioning whether WhistleB was GDPR compliant in light of recent case law from the European Court of Justice. Kinnevik and WhistleB put together a response outlining why their system remains GDPR compliant. We therefore consider this matter to be resolved.

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. To identify, assess and manage risks for Kinnevik on an ongoing basis, the Board of Directors has adopted a Risk Management Policy. To facilitate the implementation of the policy, Kinnevik has a detailed risk assessment process which is run by the Risk Team, comprising members of the Sustainability Team and the Investment Team. The process is overseen by the Risk Committee

A material level of Kinnevik's risk exposure sits within our portfolio and thus the risk assessment process is performed both on a Kinnevik and on a portfolio level. To record the results of the assessment process, a Kinnevik Risk Register and Portfolio Risk Register are kept.

To conduct the assessment, the Risk Team meet with the relevant internal teams to identify Kinnevik and portfolio risks which are then documented in the Risk Registers. Based on a qualitative analysis, all risks are awarded a risk score based on likelihood and impact, which classifies the risk as either a "high", "medium" or "low" risk. Based on this score, all risks are assigned a relevant risk response and/or mitigation actions.

Kinnevik's risk exposure changes regularly and therefore the risk assessment process is performed and updated at least three times a year. Following each assessment, the updated Kinnevik and Portfolio Risk Registers are presented to the Risk Committee. The Risk Committee reviews key risks, developments since the previous meeting, the efficiency of any mitigating actions and overall risk appetite. The work of the Risk Committee is presented at each meeting of the RCS Committee and to the Audit Committee on a periodic basis.

The Classification of Risks

Likelihood is calculated as:

Score	Likelihood	Description
1	< 5%	Very Unlikely
2	5% - 10%	Unlikely
3	10% - 20%	Maybe
4	20% - 25%	Possible
5	> 25%	Likely

Impact is calculated as:

Score	Impact (EURm)	Description
1	< 25	Immaterial
2	25 – 50	Low
3	50 – 100	Medium
4	100 – 250	High
5	> 250	Critical

Based on the combined risk score (likelihood x impact), risks are classified as:

Classification	Risk Score	Suggested actions
Low	< 7	Monitor development to ensure exposure remains low
Medium	≥ 7 and ≤ 15	Mitigate and monitor risks to maintain current level of risk exposure
High	> 15	Implement mitigating actions to reduce exposure

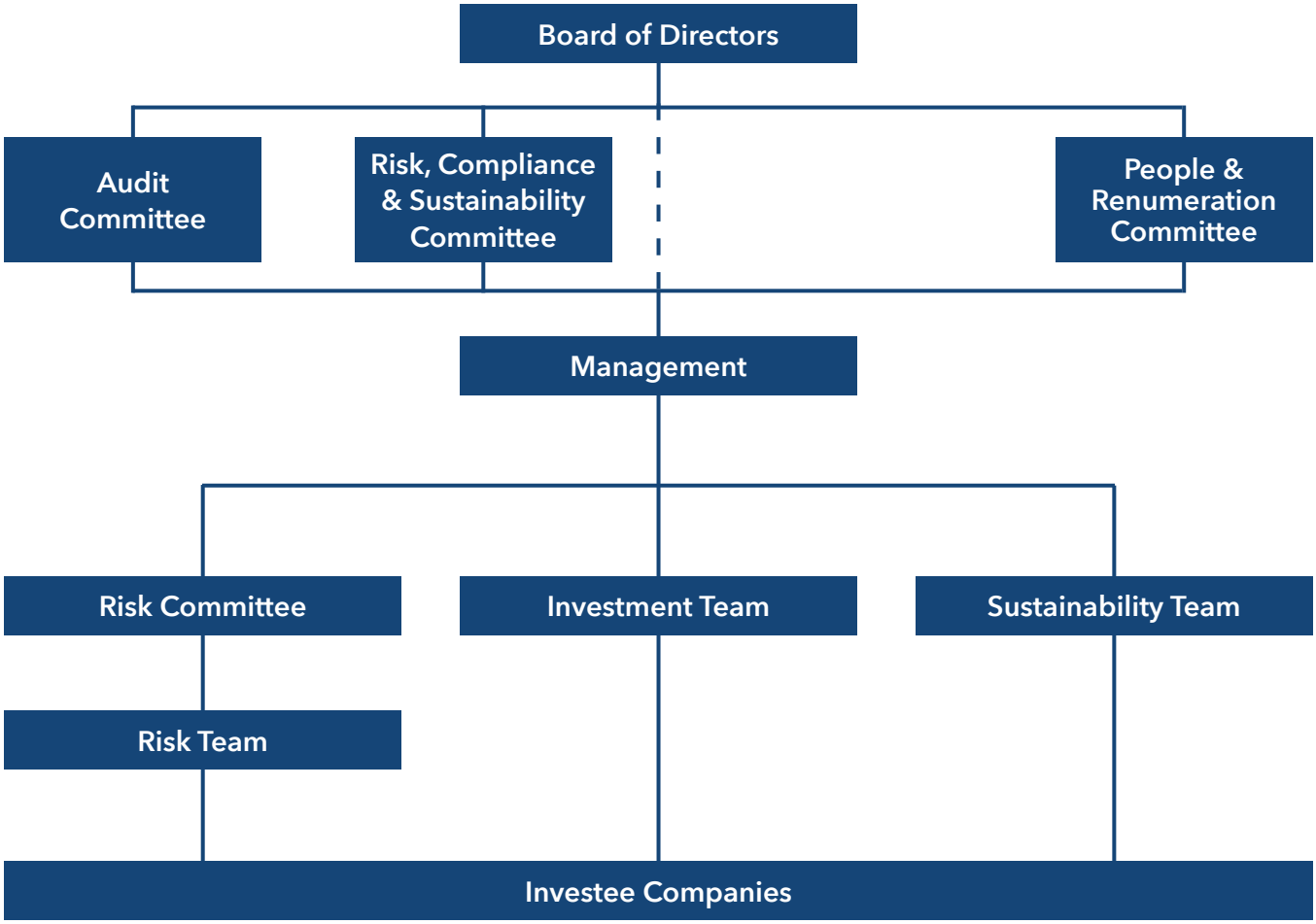
Compliance

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 RCS 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, including Code of Conduct and Insider Trading Rules, for all employees, as well as periodic deep dives on specific matters such as anti-corruption and supply chain management.

Kinnevik's risk assessment process

Overview of Kinnevik's Governance and Sustainability Organisation



OUR CORPORATE GOVERNANCE

The basis for corporate governance within Kinnevik is Swedish legislation, the NASDAQ Stockholm Rules for Issuers and Issuer Agents and the regulations and recommendations issued by relevant self-regulatory bodies. Click here to read more about corporate governance at Kinnevik.

MORE →

PORTFOLIO
OUR ACTIVE OWNERSHIP

Kinnevik has significant influence over its investee companies through capital allocation, board representation and the operational support we provide. We believe that driving an ambitious sustainability agenda in our companies across environmental, social and governance aspects will build better businesses that generate stronger economic returns and contribute to a more sustainable future.

THE KINNEVIK STANDARDS

Kinnevik's general expectations in relation to our portfolio companies' ESG performance is outlined in our Sustainability Policy. To measure performance, set annual objectives and define best practices for our companies, Kinnevik has developed a structured framework called the Kinnevik Standards (the "Standards"). These were developed based on stakeholder dialogues, peer benchmarking and industry best practice and comprise 84 measurement points across environmental, social and governance aspects. These are further set up in two versions, one for smaller companies and one more challenging for larger companies. The larger companies are expected to adhere to both the small and large company Standards.

Kinnevik's Sustainability Team is responsible for developing the Standards and for conducting an annual assessment of our portfolio companies in accordance with the Standards. Based on the outcome, the Investment Team and Sustainability Team together agree priorities and annual objectives for each company. After these have been set, the Investment Team is responsible for driving progress and reaching the objectives in their respective companies.

In 2020 we have launched a new 3.0 version of the Standards to raise the bar generally and to better reflect our increased focus on environmental and social aspects (primarily diversity and inclusion). The new version of the Standards has been subject to review by external parties such as auditors, subject matter experts and independent ESG specialists. The 3.0 Standards have also been approved by the Kinnevik Board and presented to the full Kinnevik team. To allow for comparison, we have conducted this year's annual assessment according to both the 2.0 and 3.0 version of the Standards.

Example of Content in the 3.0 Standards:

ENVIRONMENT
- Emissions reporting
- Reduction targets and roadmap
- Climate change part of strategy discussions
- Waste management process

SOCIETY
- Supply chain compliance
- Human rights
- Employee development
- Health and safety
- Community outreach
- D&I strategy and targets

GOVERNANCE
- Tone at the top
- Board representation and committees
- Risk structures
- Privacy and data protection
- Code of Conduct
- Whistleblowing system
- Management incentives

The Assessment Process

Kinnevik's Sustainability Team conducts an annual assessment of all material portfolio companies, public and private, based on the Standards. Material 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 companies on their fulfilment of each standard. The development of the scores can be tracked over time for the total portfolio and for individual companies. The assessments are performed through interviews with the investee companies and our board representatives and through periodic visits to the companies.

The assessment for 2020 included 26 (26) companies, 4 (6) public and 22 (20) private, corresponding to close to 100 (100) percent of Kinnevik's portfolio value per 31 December 2020.

Our public investee companies perform a yearly self-assessment to evaluate their fulfilment of the Standards. Our private investee companies' annual assessment is conducted by Kinnevik's Sustainability Team based on dialogue with the companies.

Kinnevik's Sustainability Team and representatives from the company discuss the assessment at a yearly performance meeting and priorities are set for the coming year. Together with the Investment Team, annual objectives for each company are thereafter set. The priorities and objectives are approved by the company's board or audit committee and thereafter implemented by the company and Kinnevik's Investment Team. Private companies that are at an earlier stage of development generally benefit from more active support in implementing the agreed priorities.

The results of the annual Standards assessment for all portfolio companies are presented to Kinnevik's Risk, Compliance & Sustainability Committee which also tracks progress regularly during the year.

SUSTAINABILITY PERFORMANCE IN OUR PORTFOLIO COMPANIES 2020

A cornerstone of our sustainability efforts is an active engagement with our companies. During 2020 we have initiated the roll-out of a climate strategy across our portfolio, focusing on measuring emissions. We have developed a Diversity & Inclusion Toolkit to provide our companies with inspiration and a practical guide on how to create more diverse and inclusive workplaces. We have expanded the scope of the Kinnevik Platform, a network of events and people aimed at sharing knowledge and best practices and to support the development of our companies. We have also continued to improve the governance structures across the portfolio, with a particular focus on the new companies. Below is a summary of the sustainability performance and progress in our companies during 2020 and how Kinnevik has supported them in their efforts.

ENVIRONMENT

As the climate crisis escalates, Kinnevik and our portfolio companies are responding. With our active support, our companies are increasingly taking action to reduce their environmental impact.

Climate Strategy Roll-Out in the Portfolio

To reach our climate target for our portfolio we are rolling out a three-step climate strategy across our companies. Read more about our climate targets on page 17. The roll-out is done in cooperation with our portfolio companies and is an important step in their path to a low-carbon customer offering.

The first step is measuring the portfolio companies' emissions in accordance with the GHG Protocol. To support them, we have engaged sustainability reporting software tool Position Green which we are offering free of charge to all companies for the first year. Furthermore, we are assisting all companies in conducting a materiality analysis to identify their key categories of emissions across scope 1, 2 and 3. We also provide ongoing support during the data collection and tool setup phase and provide quality assurance on reported emissions prior to finalising the GHG disclosure report.

Per end of 2020, five of our portfolio companies (representing 74% of portfolio value) have measured their emissions across Scope 1, 2 and 3 in accordance with the GHG Protocol: Zalando, Tele2, Global Fashion Group, MatHem and Kolonial. As relatively mature and publicly listed companies, Zalando, Tele2 and Global Fashion Group have been working longer on measuring their environmental footprint and are conducting their efforts independently of Kinnevik.

For selected companies, we are extending our engagement to provide hands-on support and resources throughout the entire three-step process. MatHem and Kolonial are two such companies in our portfolio which we believe have a lot to gain from driving an ambitious environmental agenda, and we have been working closely with them throughout 2020 to complete their respective GHG measurements. These projects have provided us with a good process and set-up for continuing the emissions measurement across all our portfolio companies during 2021.

Kinnevik has compiled a set of Reporting Guidelines to outline our expectations regarding methodology and quality of GHG reporting for our companies. Furthermore, to aggregate the full portfolio's emissions to Kinnevik's Scope 3 in a structured manner, our companies are required to fill out an online questionnaire which covers the environment topics in the Kinnevik Standards.

The second step in the climate strategy is for our companies to set relevant reduction targets in line with science and the 1.5°C ambition. Targets "in line with science" are to be set according to the Carbon law, i.e., halving CO_2 emissions every decade from 2020 to 2050. Per end of 2020, three of our portfolio companies (representing 47% of portfolio value and 60% of emissions in Kinnevik's Scope 3 from Investments) had set reduction targets in line with science. We will continue working with our companies on target setting during 2021 and plan to complete this step across the majority of our portfolio during 2022.

The third step is defining a roadmap to target fulfilment. This includes identifying and quantifying actions and initiatives with clear responsibilities across the organisation. The roadmap can be set in connection with the reduction targets or afterwards. Per end of 2020, two of our portfolio companies (representing 65% of portfolio value and 66% of emissions in Kinnevik's Scope 3 from Investments) had defined a roadmap to target fulfilment.

The three steps of Kinnevik's portfolio climate strategy, and the optional fourth step

We plan to complete this step across the majority of our portfolio during 2022.

Kinnevik believes that the focus of the roadmap should be on efforts to reduce emissions in line with the Paris Agreement. Climate compensation can be used to offset remaining emissions, provided that the compensation projects are certified by an internationally recognised standard. Longer-term, and as the technology becomes more available, we believe neutralisation of emissions through for example bio-energy carbon capture and storage or direct air capture should gradually replace climate compensation.

The optional fourth step is validating the climate targets through the Science Based Targets Initiative. Kinnevik does not require the portfolio companies to seek external validation as this can be a cumbersome process for early-stage growth companies.

In 2020, Zalando became the first online platform worldwide to set Science-Based Targets and have them approved by the Science Based Targets initiative. Both Tele2 and Global Fashion Group have committed to setting Science Based Targets during 2021. As part of setting Science Based Targets, companies define a roadmap of actions to reach their climate targets.

SOCIETY

In 2020, the focus on diversity and inclusion has continued. Many of our companies have implemented or initiated the process of creating company-wide and management-led D&I strategies focusing on the integration of D&I into all parts of the business.

Diversity & Inclusion Initiatives

As an active owner, it is Kinnevik's responsibility to put diversity and inclusion at the top of the agenda of our portfolio companies. During 2020 we have conducted diversity workshops and trainings with the management teams and/or Boards at ten of our portfolio companies. We have also provided proactive and ongoing support to our companies' boards and HR teams regarding talent mapping and recruitment.

To support our portfolio companies and their management teams in their diversity efforts, Kinnevik has created a Diversity & Inclusion Toolkit. It is meant to inspire and serve as a practical guide on how to drive successful D&I efforts, and it caters primarily to our companies but also to Kinnevik's Investment Team. The Toolkit is structured around eight sections covering key topics to address when designing a D&I strategy, and each section includes examples, suggested actions, tools, case studies and relevant research, as well as useful templates. The Toolkit has been shared with all our portfolio companies and serves as the foundation of the new D&I section in the Kinnevik Standards.

The sections of Kinnevik's D&I Toolkit:

1. Purpose and Communication
2. Data, data, data
3. Leading from the top
4. Incentives and Accountability
5. Positive Policies
6. Initiatives and Actions
7. Hiring for Diversity and Inclusion
8. Fix the Leaky Pipeline

Since the launch of our D&I framework in May 2019, the share of women in our portfolios' management teams' have increased from 20% to 29% and the share of women in our private portfolio boards have increased from 10% to 13%. We have added eight female board members in the Boards of our private portfolio companies during 2020. We have also cut the number of portfolio companies with all male management teams by half.

The Kinnevik Platform

Providing our companies access to the Kinnevik Platform allows them to tap into the shared expertise, tools, resources and network of the full Kinnevik Group. By facilitating interaction and knowledge sharing, the aim is to support each company's development in key business areas and processes, and thereby contribute to Kinnevik's overall value creation. As part of our platform initiatives in 2020, we have hosted a series of events for our portfolio companies focused on different corporate functions such as legal, people & HR, finance and corporate development. We have also expanded our network of advisors within different fields and sectors which our companies can access. Furthermore, we have set up the Kinnevik Greenhouse which is a talent network containing around 8,000 top leaders in our key markets, of which around 70% are women. The network enables us to provide our companies with strong long-lists of candidates to fill vacancies on management and board level. This is a service which is in high demand among our companies and ensures that the Kinnevik portfolio has the best leadership and the most high-performing teams in place.

GOVERNANCE

Because of our long-term investment horizon, we have continued to improve the governance structures across all our portfolio companies in 2020, with a particular focus on the new companies in our portfolio.

For the four new relatively early-stage businesses we invested in during 2020, we have focused on setting up more structured governance processes. This involves working with the Boards and management teams to improve governance and controls. We also continued to work with all our companies to improve their internal control environment, risk management and compliance frameworks.

During the year, most companies improved their internal governance to oversee the development of sustainability initiatives. This included setting up internal risk committees, audit committees of the board and rolling out frameworks and policies to formalise risk and compliance oversight within companies.

With most employees working from home during a significant part of the year due to the pandemic, we saw an increased focus on cyber security initiatives across our portfolio companies. The pandemic provided an opportunity for companies to test their crisis management and internal communication practices. Most companies had resilient business continuity processes when it came to their technology platforms. However, a few companies had to improve processes related to e.g. employees' health and safety especially related to work from home and delegation of authority.

Case studies from our portfolio highlighting some of the sustainability work and progress made in our companies during 2020

MatHem and Kolonial Completed Full GHG Disclosure

Measuring the GHG emissions across a company's own operations and value chain is the first step in setting a climate strategy and targets. During the year, MatHem and Kolonial have completed a full GHG measurement in Scope 1, 2 and relevant parts of Scope 3. Operating in the food sector, both companies have a rather complex and wide-ranging carbon footprint. The results of the measurements have been presented to the companies' respective Boards and management teams and serve as a base to set reduction targets and a roadmap. The measurement shows that the bulk of emissions relates to the food purchased and sold. For MatHem, the categories Meat and Dairy represent around 50% of the company's total emissions, while contributing only around 30% of revenues.

Zalando Announced Science Based Targets and Received an A rating by CDP

In 2020, Zalando became the first online platform worldwide to set Science Based Targets and have them approved by the independent organisation the Science Based Target initiative, which assesses companies' targets and ensures that they are in line with the Paris Agreement.

By 2025, the company will reduce its operational carbon emissions by 80 percent and carbon emissions coming from the production of private label products by 40 percent. Zalando has also committed to having 90 percent of its key partners set Science Based Targets to reduce carbon emissions themselves. Due to the company's platform model and scale, the targets have the potential to affect a large share of the fashion industry and the majority of Zalando's partners.

The company's efforts have been recognized, and Zalando was among the 270 high-performing companies worldwide on CDP's "A List" for tackling climate change. The CDP Climate Change Report annually scores 5,800+ companies on corporate environmental ambition, action and transparency. These achievements result from Zalando's do.MORE sustainability strategy launched in 2019, announcing its vision to become a sustainable fashion platform with a net-positive impact for people and the planet.

Global Fashion Group Launched More Sustainable Shopping in Multiple Markets

Following the launch of its first sustainable shopping edit in Australia and New Zealand in early 2019, Global Fashion Group delivered sustainable shopping edits in South East Asia, the CIS and Latam during 2020, meaning that an edit is now available in every GFG region. The initiative allows customers to filter and find products holding sustainability credentials, allowing them to seamlessly shop by their personal sustainability values. This highlights Global Fashion Group's commitment to helping empower customers to make informed purchasing choices through education and accessibility. It aims to demystify the complex and sometimes confusing world of sustainable fashion.

Cedar Has Integrated Diversity and Inclusion in Its Core Processes

Cedar's mission is to enable exceptional patient experiences by providing a smarter way for hospitals, health systems and medical groups to manage patient payments. But as every patient's experience is different, having a diverse workforce is crucial for Cedar in navigating this complex and shifting landscape. Cedar applies a process integrated approach to D&I. E.g. the company offers recruiting managers interview training to mitigate unconscious bias, conducts reviews to ensure pay equity and offers flexible benefit policies recognizing employees' specific personal situations. To keep the conversation going they share a quarterly Diversity & Inclusion Newsletter as a reminder, call-to-action and celebration of how Cedar aims to become a more diverse and inclusive place to work.

Tele2 Put a Multi-Step Plan in Place to Increase Diversity

When Tele2 merged with Com Hem in 2018, only 9% of the new global leadership team were women. To tackle the issue, Tele2 put in place a 16-step plan (later expanded to 30 steps) including a new "2+1 principle" – hiring two women for every one man. The principle applies to all gender imbalanced teams and has resulted in 55% of new recruits in 2020 being women. With the "2+1 principle", Tele2 is not lowering their expectations on candidates but rather working harder to attract a more diverse pool of candidates. As a result, the company is no longer rushing to hire the most easily available candidate but is spending more time finding the best candidate.

OUR COMPANIES ARE CONTRIBUTING TO THE GLOBAL GOALS

Many of our portfolio companies contribute to the Global Goals by virtue of their core business models. The 2030 Agenda and sustainable business development is an exciting business opportunity as it represents unmet demand across the globe.

ENVIRONMENT

GOAL 12.3: Halve global per capita food waste
By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

- **Karma:** Marketplace platform that connects consumers with local restaurants and grocery stores that have surplus food. By letting customers buy unsold food at a discount through the app, Karma is reducing food waste
- **Simple Feast:** Provide inspiring and delicious plant-based meal kits, helping to move people's eating habits in a more sustainable direction

SOCIETY

GOAL 3.7: Universal access to sexual and reproductive care, family planning and education
By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.

- **Livongo:** Pregnancy and Early Parenting program, an evidence-based behavioural health program offering personalized digital support

GOAL 3.8: Achieve universal health coverage
Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

- **Livongo:** Consumer digital health company that empowers people with chronic conditions to live better and healthier lives
- **Babylon:** Digital healthcare service company that combines mobile tech and artificial intelligence with medical expertise. Babylon's mission is to make healthcare more accessible and affordable for people everywhere
- **VillageMD:** Provider of primary care and a pioneer in the delivery of value-based care. The company transforms the healthcare experience for consumers by enabling primary care physicians to operate higher quality, risk bearing clinical models
- **Cityblock:** A value-based healthcare provider in the US focused on underserved urban populations with complex care needs
- **Joint Academy:** Digital health company that connects patients with physical therapists to deliver an online evidence-based treatment for chronic joint pain

GOVERNANCE

GOAL 1.4: Equal rights to ownership, basic services, technology and economic resources
By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including micro-finance.

- **Bayport:** Financial solutions for formally and informally employed individuals in emerging markets
- **BIMA:** Affordable and uniquely designed life and health insurance products via mobile phones in emerging markets
- **Monese:** Fully mobile current account service with a technically advanced KYC solution that enables people across Europe to open a current account within minutes

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Understanding our climate-related risks and opportunities is key. The effects of climate change are clearly visible and will have an increasingly tangible impact on Kinnevik and our portfolio. Implementing the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") enables us to identify, assess and manage our most material climate-related risks and opportunities.

The Task Force has structured its recommendations around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. The four overarching recommendations are supported by recommended disclosures that build out the framework with information that help investors and others understand how reporting organisations assess climate-related risks and opportunities.

Kinnevik are official supporters of the TCFD and have implemented its recommendations. Our climate-related financial disclosures are collected in our TCFD Report 2020, which is available on our website https://www.kinnevik.com/sustainability/tcfd. For ease of reference, below is an overview of the TCFD recommendations and page number where this information can be found in Kinnevik's Sustainability Report 2020 and TCFD Report 2020.

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
Disclose the organization's governance around climate-related risks and opportunities.	**Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.**	**Disclose how the organization identifies, assesses, and manages climate-related risks.**	**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

RECOMMENDED DISCLOSURES

a) Describe the board's oversight of climate-related risks and opportunities.		a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.		a) Describe the organization's processes for identifying and assessing climate-related risks.		a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	
Document	**Page**	**Document**	**Page**	**Document**	**Page**	**Document**	**Page**
Sustainability Report 2020	-	Sustainability Report 2020	-	Sustainability Report 2020	-	Sustainability Report 2020	-
TCFD Report	3-4	TCFD Report	5-6, 11	TCFD Report	8	TCFD Report	9

b) Describe management's role in assessing and managing climate-related risks and opportunities.		b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.		b) Describe the organization's processes for managing climate-related risks.		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
Document	**Page**	**Document**	**Page**	**Document**	**Page**	**Document**	**Page**
Sustainability Report 2020	-	Sustainability Report 2020	-	Sustainability Report 2020	-	Sustainability Report 2020	17-19
TCFD Report	3-4	TCFD Report	5-7	TCFD Report	8	TCFD Report	10

	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	
	Document	**Page**	**Document**	**Page**	**Document**	**Page**
	Sustainability Report 2020	-	Sustainability Report 2020	-	Sustainability Report 2020	17
	TCFD Report	7, 12-17	TCFD Report	8	TCFD Report	9

KINNEVIK'S NEGATIVE IMPACT AND OUR METHODS OF MITIGATION

Sustainable development is about doing good while doing no harm. Kinnevik recognises that our activities have environmental, social and governance impacts on many levels. Most of Kinnevik's impact is positive and happens via the work that we do supporting our portfolio companies becoming long-term sustainable businesses. Read more about the value we create for our stakeholders on pages 6-9. Beyond these positive impacts, we recognise that our activities can have a negative impact, and we try to minimise and mitigate these wherever possible.

This is not a comprehensive overview but a representation of Kinnevik's key areas of actual or potential negative impact. With our increasingly ambitious sustainability agenda, risks related to potential inability to reach our climate and diversity & inclusion targets have become more prominent. Kinnevik believes that future-proofing our portfolio through driving an ambitious sustainability agenda is business critical.

Kinnevik focuses its investments primarily in Europe and the US and our exposure to emerging markets has decreased significantly in recent years. As such, risks relating to political changes or instability, human rights and business ethics across the portfolio have generally become less prominent.

ENVIRONMENT

Kinnevik's ability to create value by driving an ambitious environmental agenda may be negatively affected by inability to deliver on our climate targets for the portfolio.

Kinnevik's Sustainability Team together with the Investment Team are working closely with the management teams of the portfolio companies to raise awareness around and drive Kinnevik's climate strategy. To reach our portfolio climate target we are rolling out a three-step climate strategy across our companies. Read more about our climate targets on page 13 and about the roll-out of our climate strategy on page 17 and 27-28. Furthermore, we have updated the Kinnevik Standards to reflect our increased climate ambitions, read more on page 26.

Kinnevik has a negative climate impact through business travel, primarily air travel, which accounted for 76 percent of our emissions excluding the portfolio in 2020.

During 2020, we have decreased our emissions from business travel by 86% compared to 2019, resulting from significantly reduced air travel due to the Coronavirus. Kinnevik's emissions in Scope 1, 2 and from business travel in Scope 3, 91 tonne CO2e in total in 2020, have been permanently removed through Climeworks' direct air capture technology, read more on page 17.

Kinnevik's investment focus on Europe and the US means we will likely invest more in those regions in the coming years. We believe being physically present is important in active ownership and that the benefits of actively driving our sustainability agenda on site largely outweighs the negative impact of business travel. Read more about the sustainability performance and progress in our companies on pages 27-29. However, it is our ambition to continue creating value for our shareholders in accordance with our financial targets while decreasing our relative impact on the environment, in essence decoupling economic growth from climate impact. As part of this we aim to update our business travel policy during next year with more restrictions on air travel.

SOCIETY

Kinnevik's ability to create value by driving an ambitious diversity and inclusion agenda may be negatively affected by:

- **Inability to source female-founded or female-led companies and achieving our annual 10% investment target**
- **Inability to source female talent to portfolio companies' boards and management teams**

Kinnevik is actively working to expand our existing pipeline of potential investments and to broaden our exposure to female founded and led businesses through conferences, sponsorships and a wide variety of networks.

Kinnevik's Chief People & Platform Officer provides our companies with hands-on support related to recruitment and screening of candidates. We have also created the talent database, the Kinnevik Greenhouse, read more on page 28.

For some of Kinnevik's companies, particularly in fashion e-commerce and food, certain employee groups' work environment is characterised by more monotonous tasks and a lower level of influence. Therefore, some employee groups are at higher risk of psychosocial health issues, for example in warehouse operations. In addition to the moral and ethical aspects, this also poses a reputational risk for Kinnevik.

Our portfolio companies have structured onboarding programs for new employees and periodic mandatory health and safety training. Hours worked are actively monitored and the companies have controls to ensure that employees are not overworked. Middle and lower-level managers are offered leadership development programs. Most of our companies have active whistle-blower hotlines where employees can address issues that are being overlooked by their immediate managers. Kinnevik continuously works with portfolio companies to keep health and safety on the agenda of the Board and management teams.

Some of Kinnevik's companies, particularly in fashion e-commerce, due to the global nature of their operations have an elevated risk of human rights violations in their supply chain. In addition to the moral and ethical aspects, this also poses a reputational risk for Kinnevik.

All Kinnevik's companies are in the process of rolling out, or already have in place, supplier Codes of Conduct. In addition, all companies perform a risk-based audit of compliance with the Code of Conduct. For high-risk suppliers where portfolio companies have significant influence over practices within the supply chain (for example with private label suppliers), the suppliers are audited periodically to ensure that they comply with the Company's Code of Conduct. Corrective Action Plans are put in place for material gaps that are identified during such audits which are followed-up periodically by the supply chain compliance team. Commercial agreements are terminated if suppliers are unable to demonstrate satisfactory progress.

GOVERNANCE

Kinnevik's economic performance may be negatively impacted by portfolio concentration in terms of the relative size of specific companies and sectors.

Through our investment management activities and a dynamic allocation of capital, Kinnevik seeks to maintain a balanced portfolio across stages and maturity, sectors, share of public vs. private and geographies. Portfolio concentration is monitored regularly by the Board of Directors.

Kinnevik's economic performance may be negatively impacted by a global economic downturn affecting the liquidity, volatility and valuation of tech stocks.

Having conducted a stress test on our portfolio and financial position during Q4 2019, Kinnevik was well-prepared going into the COVID-19 pandemic. We continue to track the impact of the COVID-19 crisis and our companies' ability to cope with a potential prolonged downturn. During 2020 we made two follow-ups on the stress test to assess any material changes to the macro environment. We aim to continue conducting stress test follow-ups during 2021.

PORTFOLIO LEVEL KPIs

The 2020 and 2019 actual KPIs include the companies in Kinnevik's portfolio per 31 December 2020 and 2019, respectively. The 2020 comparable KPIs exclude Joint Academy, Cityblock, HungryPanda, Common and Simple Feast as Kinnevik invested in these companies during 2020. N/A indicates KPIs that are new and for which we have no comparable data.

	% of Portfolio Value				% of Number of Companies			
	2020 Actual	2020 Comp	2019 Actual[1]	2019 Comp	2020 Actual	2020 Comp	2019 Actual[1]	2019 Comp
ENVIRONMENT								
Measures GHG emissions for scope 1 and 2	74%	75%	N/A	N/A	23%	24%	N/A	N/A
Measures GHG emissions for relevant scope 3 categories	74%	75%	N/A	N/A	19%	24%	N/A	N/A
Has set relevant GHG reduction targets in line with 1.5 degree pathway/ Paris Agreement	47%	48%	N/A	N/A	8%	10%	N/A	N/A
Integrates climate change into overall strategy discussions with the Board and/or relevant sub-committees	46%	47%	N/A	N/A	4%	5%	N/A	N/A
Has a process for efficient measurement and management of waste and hazardous waste	73%	74%	N/A	N/A	23%	24%	N/A	N/A
SOCIETY								
Has implemented a Supplier Code of Conduct based on international standards	87%	88%	85%	84%	35%	43%	46%	33%
Has incorporated anti-corruption principles in the Company's policies	98%	98%	91%	91%	81%	86%	62%	62%
Reports on occupational health incidents to the Board	67%	68%	N/A	N/A	46%	52%	N/A	N/A
Conducts periodic employee surveys	99%	99%	95%	94%	88%	86%	77%	71%
Has incorporated anti-discrimination principles in the Company's policies	98%	98%	95%	100%	88%	86%	73%	71%
Has conducted/provided training for management on D&I related topics	91%	92%	N/A	N/A	38%	43%	N/A	N/A
Has set time-based D&I targets and KPIs	87%	88%	N/A	N/A	27%	33%	N/A	N/A
Has implemented a community outreach or philanthropic program	88%	89%	84%	84%	38%	43%	31%	33%
GOVERNANCE								
Has implemented a Code of Conduct across its organisation	98%	98%	94%	95%	85%	86%	69%	67%
Has implemented a Whistleblowing system	93%	94%	94%	95%	42%	48%	54%	57%
Has conducted a risk assessment including rating risks based on likelihood and impact	93%	94%	87%	88%	42%	52%	46%	43%
Has a defined risk limits statement to monitor risk levels	74%	75%	42%	41%	19%	24%	23%	24%
Sustainability is a standing item on the Board agenda	97%	99%	90%	90%	65%	81%	46%	52%
Senior management is incentivised based on sustainability performance	20%	20%	37%	37%	8%	10%	23%	14%
Conducts regular compliance training	99%	99%	98%	98%	81%	86%	81%	81%

1) Values in columns "2019 Actual" have been re-stated since the 2019 Sustainability Report, why values above may not corresponds to the values included in the 2019 Sustainability Report.

Reach for Change

CELEBRATING 10 YEARS OF IMPACT AND CHANGE

At Kinnevik we believe that entrepreneurship is a catalyst of change, which is one of many reasons we became co-founders of Reach for Change 10 years ago. Together we empower social entrepreneurs with innovative ideas, brave enough to change the world.

Since 2010 we have supported

1200

social entrepreneurs who improved

OVER 4.3M

lives of children and youth in 18 countries

90%

of our Change Leaders are still in business

CHANGE LEADER CASE: TILIA

Annesofie Blixt - the founder of TILIA - joined the incubator in 2016. TILIA provides youth with compassionate listening support through online chat and in person meeting spaces, as well as, educational resources for adults to combat mental illness among young people, ages of 16 and 24.

Annso believes that **Reach for Change came into her life exactly when she needed it most**: "We were at risk of losing quality, and the team was worn out". **During their time in the incubator, TILIA scaled from 1 office to 5 offices** around Sweden and became a strong organization with a solid core team.

LOOKING AHEAD

There is a lot to be accomplished in the next 10 years **to reach Agenda 2030**. We are proud to support the ambitious goals of Reach for Change:

- reach **30 million children and youth**, turning ideas into actions
- support those who are fighting **poverty, inequality and climate change** with their innovative solutions

"To leverage our expertise, with Reach for Change's ability to source the local Change Leaders, the grassroots heroes and grow them, empower them to create even bigger impact - that's what makes this partnership so strong and so unique."

Georgi Ganev
CEO Kinnevik, Board Member of Reach for Change

GRI INDEX

Kinnevik's Sustainability Report refers to the calendar year 2020 and is prepared in accordance with the GRI Standards: Core option, including the GRI Sector Disclosures for Financial Services. A description of how we identified the Material Topics is available on pages 13-14.

The Sustainability Report 2020 has been subject to a limited assurance review, see statement on page 41. Kinnevik intends to continue our sustainability reporting in accordance with the GRI Standards on an annual basis.

MANAGEMENT APPROACH DISCLOSURES

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

Environment
(GRI Material Topics: Environmental Responsibility and Reduced Climate Impact)

All businesses have an impact on the environment. An area which has become increasingly important for Kinnevik is measuring, reducing and offsetting our carbon footprint.

Kinnevik conducts a yearly greenhouse gas emission estimate which quantifies the total greenhouse gases produced directly and indirectly by our own operations. This is Kinnevik's fifth yearly estimate and it provides us with a tool to monitor, raise awareness and reduce our climate change impacts. More information about our emissions is available on Kinnevik's website where you can also download our Greenhouse Gas Protocol Report for 2020 and reports for previous years. During 2020 Kinnevik also set a target of reaching net zero in emissions from its own operations and business travel from 2020 and onwards.

Society
(GRI Material Topics: Social Equality and Good Corporate Citizenship)

Our greatest asset is and has always been our people, within Kinnevik and in our companies. As such, attracting and retaining top talent is a key priority. Kinnevik regards diversity and inclusion as core levers for value creation, and we make full use of the opportunities that arise from employing a team with different backgrounds and perspectives. We also have a firm belief in contributing to the wider community through community outreach or philantropic programs.

Kinnevik offers its employees continuous opportunities for personal and professional growth in order to develop their skill set and to take increasing responsibility for value creation at Kinnevik and our investee companies. Ongoing assessments of employees' performance and success in meeting their objectives are central 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 is committed to promoting a good, safe and healthy work environment for all employees across physical, organisational and social aspects, where the risks of occupational injuries and work-related ill-health is prevented. In order to assess how employees feel about working for Kinnevik, we conduct regular employee satisfaction surveys.

In May 2019, Kinnevik launched a D&I framework to drive the important change we want to see in our portfolio and the broader industry. Besides our fundamental belief in equal rights for all employees, Kinnevik believes diversity and inclusion brings clear business benefits inclduing improved financial performance, higher degree of innovation, better decision-making and creation of value over the long-term.

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

Governance
(GRI Material Topics: Sound Governance Structures and Economic Growth)

We believe it is important for any company to have sound governance, risk management and compliance structures in place, including clear structures, policies and processes across functions. Being a financially strong company is imperative to our role as active owners, supporting our portfolio companies towards achieving long-term sustainable and profitable growth.

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.

Kinnevik's risk framework is outlined in the Risk Management Policy. Kinnevik's management regularly reviews the risk profile and in addition, Kinnevik's management has established a Risk Committee that meets three times a year to review key risks, developments since the previous meeting, the efficiency of any mitigating actions and our overall risk appetite.

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, including Code of Conduct and Insider Trading Rules, as well as periodic deep-dives on specific matters such as anti-corruption and supply chain management.

Kinnevik recognizes that the key to long-term successful business development is ensuring we operate in a sustainable manner. Equally we believe that good sustainability performance is a prerequisite for good economic performance.

GRI DISCLOSURES		REPORTED (Y/N)	COMMENT	PAGE
GRI 102-1	Name of the organisation (2016)	Y		44
GRI 102-2	Activities, brands, products, and services (2016)	Y		44
GRI 102-3	Location of headquarters (2016)	Y		44
GRI 102-4	Location of operations (2016)	Y		70, 83-84
GRI 102-5	Ownership and legal form (2016)	Y		44-46
GRI 102-6	Markets served (2016)	Y		44
GRI 102-7	Scale of the organisation (2016)	Y		21-22, 44, 63
GRI 102-8	Information on employees and other workers (2016)	Y		21
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 Sustainability Policy on www.kinnevik.com.	-
GRI 102-12	External initiatives (2016)	Y	UN Global Compact, GRI Standards: core option and Position Green.	-
GRI 102-13	Memberships of associations (2016)	Y	Stockholm Chamber of Commerce, Stockholm School of Economics, Di Female Founders, Innovate Finance and Reach for Change.	-
GRI 102-14	Statement from senior decision-maker (2016)	Y		2-4
GRI 102-16	Values, principles, standards and norms of behavior (2016)	Y		9-10, 23-24, 26, 38
GRI 102-18	Governance structure (2016)	Y		48-49
GRI 102-40	List of stakeholder groups (2016)	Y		6-7, 12
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		12
GRI 102-43	Approach to stakeholder engagement (2016)	Y	Stakeholders have not been specifically consulted in preparation of the Sustainability Report 2020.	12
GRI 102-44	Key topics and concerns raised (2016)	Y		12
GRI 102-45	Entities included in the consolidated financial statements (2016)	Y		83
GRI 102-46	Defining report content and topic boundaries (2016)	Y		12-14, 38
GRI 102-47	List of material topics (2016)	Y		13-14
GRI 102-48	Restatements of information (2016)	Y	2019 Actual KPIs have been restated since the 2019 Sustainability Report and the values published here may not correspond to those included in the 2019 Sustainability Report.	36
GRI 102-49	Changes in reporting (2016)	Y	No significant changes have been made.	-
GRI 102-50	Reporting period (2016)	Y		14, 38
GRI 102-51	Date of most recent report (2016)	Y	The Sustainability Report 2019 covers the sustainability performance of Kinnevik for the period 1 January to 31 December 2019.	-

Note: Publication year is indicated in parenthesis.

GRI DISCLOSURES		REPORTED (Y/N)	COMMENT	PAGE
GRI 102-52	Reporting cycle (2016)	Y		14, 38
GRI 102-53	Contact point for questions regarding the report (2016)	Y	Torun Litzen, Director of Corporate Communications: +46 8 562 000 83.	-
GRI 102-54	Claims of reporting in accordance with the GRI Standards (2016)	Y		38
GRI 102-55	GRI content index (2016)	Y		39-40
GRI 102-56	External assurance (2016)	Y	The Sustainability Report 2020 has been subject to a limited assurance review.	41
ECONOMY				
GRI 103-1	Explanation of the material topic and its Boundary (2016)	Y	All topics concern Kinnevik's own operations as well as our portfolio and contributions and actions in relation to such.	13-14, 38
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.	23-24, 26, 29
GRI 103-3	Evaluation of the management approach (2016)	Y		38
GRI 201-1	Direct economic value generated and distributed (2016)	Y		23
GRI 205-1	Operations assessed for risks related to corruption (2016)	Y	All Kinnevik's larger investee companies are covered by the Kinnevik Standards.	26
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 Board members. Kinnevik conducts mandatory annual Code of Conduct training for all employees. Given Kinnevik's very limited proprietary operations, the Code of Conduct applies to and we only engage with relevant suppliers. There is no data accessible on how many employees in the portfolio companies that have received anti-corruption training.	23
SOCIETY				
GRI 103-1	Explanation of the material topic and its Boundary (2016)	Y	All topics concern Kinnevik's own operations as well as our portfolio and contributions and actions in relation to such.	13-14, 38
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.	20-22, 26, 28
GRI 103-3	Evaluation of the management approach (2016)	Y		38
GRI 401-1	New employee hires and employee turnover (2016)	Y		22
GRI 404-3	Percentage of employees receiving regular performance and career development reviews (2016)	Y	100% of employees.	22
GRI 405-1	Diversity of governance bodies and employees (2016)	Y		20-22, 50-52
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 the Kinnevik Standards which includes compliance with relevant human rights laws.	9
GRI 419-1	Non-compliance with laws and regulations in the social and economic area (2016)	Y	No fines or non-moneraty sanctions were received during 2020.	-
GRI-FS10	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 Kinnevik Standards.	10-13
ENVIRONMENT				
GRI 103-1	Explanation of the material topic and its Boundary (2016)	Y	All topics concern Kinnevik's own operations as well as our portfolio and contributions and actions in relation to such.	13-14, 38
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.	17-19, 26-27
GRI 103-3	Evaluation of the management approach (2016)	Y		38
GRI 305-1	Direct (Scope 1) GHG emissions (2016)	Y	Company-owned or long-term leased vehicles.	18
GRI 305-2	Energy indirect (Scope 2) GHG emissions (2016)	Y	Power consumption and district heating.	18
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. Portfolio companies' emissions.	18

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), CORPORATE IDENTITY NUMBER 556047-9742

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 2019. The Company has defined the scope of the Sustainability Report on page 38-40 in this document.

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 38 in the Annual Report, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative) 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. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

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 International 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 6 April 2021

Deloitte AB

Kent Åkerlund
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. For ease of reference, below is an overview of the SASB standards relevant to Kinnevik's industry (Asset Management & Custody Activities) and page number where the information can be found in Kinnevik's Sustainability Report 2020.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CODE	COMMENT	PAGE
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings[1]	FN-AC-270a.1	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers[2]	FN-AC-270a.2	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Description of approach to informing customers about products and services	FN-AC-270a.3	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees[3]	FN-AC-330a.1	Kinnevik measures gender representation on all levels and foreign background for all employees.	20-22
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	Sustainability, including environment, social aspects and governance, is an integrated part of our business model and investment process, from sourcing and assessment of new business opportunities to ongoing development of our companies and re-allocation of capital into new opportunities.	8-9
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations[4]	FN-AC-510a.1	Kinnevik did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with the conduct as described above.	-
	Description of whistleblower policies and procedures	FN-AC-510a.2	Kinnevik has an external whistleblowing service. The service is managed by the external party WhistleB and is available 24 hours a day. Reports can be made in Swedish or English and are handled confidentially by Kinnevik's Whistleblowing Team, comprising the Chairman of the Audit Committee and Kinnevik's General Counsel.	24
Systemic Risk Management	Percentage of open-end fund assets under management by category of liquidity classification	FN-AC-550a.1	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	FN-AC-550a.2	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Total exposure to securities financing transactions	FN-AC-550a.3	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
	Net exposure to written credit derivatives	FN-AC-550a.4	The topic and its associated metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-

Table 2. Activity Metrics

ACTIVITY METRIC	CODE	COMMENT	PAGE
(1) Total registered and (2) total unregistered assets under management (AUM)[5]	FN-AC-000.A	The metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-
Total assets under custody and supervision	FN-AC-000.B	The metrics were omitted based on the lack of applicability in relation to Kinnevik's business model.	-

1) Note to FN-AC-270a.1– The entity shall describe how it ensures that covered employees le and update FINRA and SEC forms in a timely manner.

2) Note to FN-AC-270a.2– The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

3) Note to FN-AC-330a.1– The entity shall describe its policies and programs for fostering equitable employee representation across its global operations.

4) Note to FN-AC-510a.1– The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

5) Note to FN-AC-000.A – Registered AUM include those subject to the regulations of the Investment Company Act of 1940 (1940 Act), such as mutual funds, managed under the Employee Retirement Income Security Act of 1974 (ERISA), subject to the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive, or managed under the Commodity Futures Trading Commission's (CFTC's) Commodity Pool Operator (CPO) regulations. Unregistered AUM are those that do not fall under the de nition of the registered AUM.