



K I N N E V I K

UNDERSTANDING OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES

TASK FORCE ON CLIMATE-RELATED
FINANCIAL DISCLOSURES
(TCFD) REPORT 2022

INTRODUCTION

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 TCFD enables us to identify, assess and manage our most material climate-related risks and opportunities.

Sustainable development 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. Our ambition is to develop our companies into long-term sustainable businesses in line with the Paris Agreement, and to futureproof them for a new, low-carbon economy. To do this, we have set a sustainability strategy based on the UN 2030 Agenda for Sustainable Development, and which balances three dimensions of sustainability - environment, society and governance.

In the spring of 2020, Kinnevik adopted two climate targets, one for our own operations and one for our portfolio. More information about our climate targets are available on page 10. As part of this effort, we are supporters of the TCFD and have implemented its recommendations, which enable us to better understand the actual and potential impact of climate-related risks and opportunities on our business, strategy and financial planning. By identifying and assessing the most material of these risks and opportunities for Kinnevik and our portfolio, we can manage and mitigate the risks while seizing the opportunities. It allows us to test the robustness and resilience of our strategy, and it provides guidance for capital allocation decisions. The result of our analysis is presented in this report, which covers the full year of 2021 and the first half of 2022.

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



OUR SUSTAINABILITY STRATEGY

Kinnevik's sustainability strategy is a framework set up to focus our resources on the most relevant economic, social and environmental issues, drive performance and to engage internal and external stakeholders. Click here to read more.

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GOVERNANCE

In this section, in accordance with the TCFD recommendations, we aim to describe Kinnevik's governance structure in relation to climate-related risks and opportunities.

BOARD OVERSIGHT

The Board of Directors is responsible for Kinnevik's overall strategy, including how we integrate sustainability aspects as part of our value creation. Further, the Board of Directors is specifically responsible for identifying risks and opportunities related to sustainability, including climate change, that may impact Kinnevik, our portfolio and strategy, and to define appropriate guidelines to govern Kinnevik's conduct in society. This is embedded in the work and delegation procedures of the Board of Directors.

To assist the Board of Directors in fulfilling its responsibilities relating to sustainability and to oversee Kinnevik's risk management process, the Board of Directors has appointed a Audit & Sustainability ("A&S") Committee. The A&S Committee specifically monitors the implementation of the Kinnevik Standards (read more on page 7) across our portfolio companies, including annual ratings and qualitative assessments, and regularly evaluates risks related to Kinnevik's, and our portfolio companies', operations. The Committee meets at least four times a year and reports to the Board of Directors on its activities, and makes relevant recommendations at the subsequent Board meeting.

During 2021, the Board had quarterly discussions and updates on the progress against Kinnevik's climate targets. The A&S Committee performed a deep dive on the status of climate initiatives across the portfolio and Kinnevik's overall climate ambitions. It was concluded that we are yet to see a majority of our portfolio companies measuring their climate impact and that a more flexible engagement model will be necessary going forward to ensure more companies start to measure and report on their impact. Overall we are however making good progress on our climate ambitions and have achieved both our climate targets for 2021.

MANAGEMENT APPROACH

To drive the implementation of our sustainability strategy and assess potential risks and opportunities related to climate change, Kinnevik has a dedicated Sustainability Team. The Sustainability Team, together with the Investment Team, is responsible for implementing our sustainability standards across our portfolio companies and driving specific sustainability related projects, including our climate strategy. The Sustainability Team regularly reports to the Kinnevik Management Team, the Board and the A&S Committee on the work done and progress made.

The overall responsibility for Kinnevik's risk management process lies with Kinnevik's CEO, who has delegated the responsibility to the CFO. Further, Kinnevik has established a Risk Committee to oversee our risk management framework and support the CFO in this regard. The Risk Committee comprise all senior managers of Kinnevik and meets at least two times a year to review key risks and developments since the previous meeting, the efficiency of any mitigating actions and our overall risk appetite. The work of the Risk Committee is presented at each A&S Committee meeting. To manage the ongoing risk management work within Kinnevik and across our portfolio, the Risk Committee has appointed the Sustainability Team as responsible for the ongoing risk assessment process.

During 2021, the Management Team and the Investment Team have discussed and analysed how Kinnevik's investment strategy might be affected by the increasing impacts of climate change including challenges and opportunities arising out of that. For example, the team have assessed new investment opportunities within upcoming sectors such as the voluntary carbon market.

In February 2022, Kinnevik invested in Agreena, a Danish AgTech startup that mints, verifies and sells carbon certificates

generated by farmers who transition to regenerative farming as part of our food strategy. It is also our first climate focused investment.

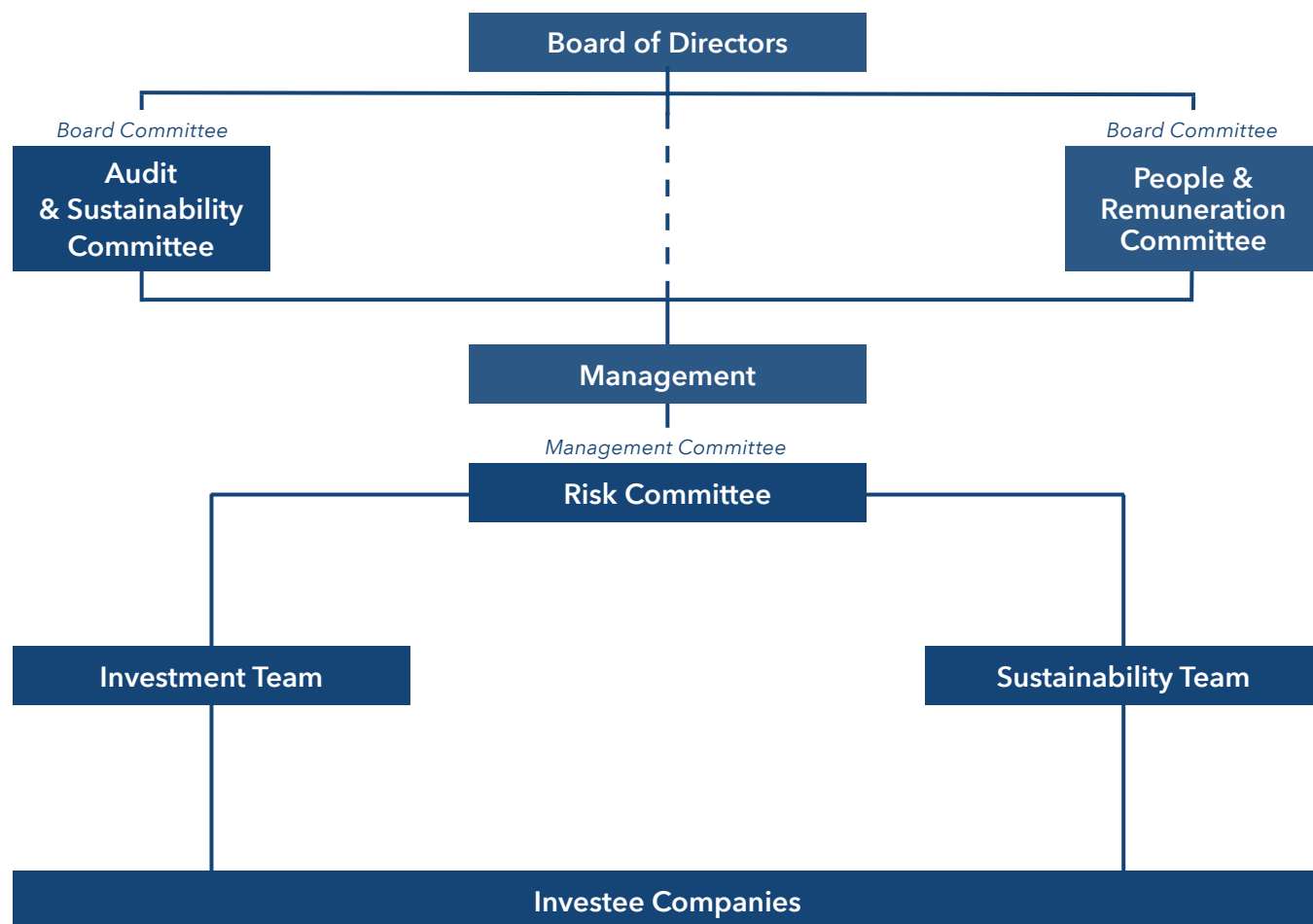
Kinnevik have continued to intensify and further integrate climate-related topics into our existing governance processes during 2021 and the first half of 2022. With environment being one of three dimensions of our sustainability framework and in light of our climate strategy, we continue to increase our focus and efforts around climate-related issues and topics on all levels of our business. The Sustainability Team are responsible for implementing the climate strategy within Kinnevik's operations and across the portfolio companies and regularly inform the Management Team and the A&S Committee on the execution of such.

"As active owners, it is Kinnevik's responsibility to put sustainable business development at the top of the agenda at our portfolio companies and to make sure that they seize the opportunities arising from this. Supporting the TCFD's recommendations helps us to understand and act on our portfolio's most important climate-related risks and opportunities. We believe companies that are ready to adapt and can showcase resilience over the coming years will also be able to remain the preferred choice for consumers, as well as to recruit the best employees, thereby outperforming their competitors in the long run."

Georgi Ganev
Kinnevik's CEO



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.

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STRATEGY

This section aims to describe the actual and potential material impacts of climate-related risks and opportunities on Kinnevik's business, strategy and financial planning.

KINNEVIK'S BUSINESS AND STRATEGY

Kinnevik's ambition is to be Europe's leading listed growth investor. We back passionate founders who are building transformative digital companies that make peoples' 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. Our strategy is to:

- *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, Platforms & Marketplaces, Software and Consumer Finance, 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*

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Methodology and Process

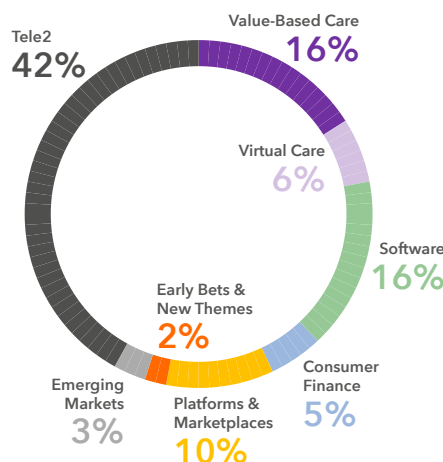
Kinnevik's portfolio consists of around 35 companies with a combined value per 31 March 2022 of SEK 63.6bn. We have five focus sectors: Value-Based Care, Virtual Care, Platforms & Marketplaces, Software and Consumer Finance. In addition, we have a group of companies in Early Bets & New Themes, some emerging markets companies and our largest company, Tele2 (TMT sector).

As we first set out to identify our most material climate-related

risks and opportunities in 2020, Kinnevik's CEO convened a workshop for Kinnevik's Management Team and Sustainability Team. The potential implications of climate change on Kinnevik's business, strategy and financial planning were discussed. Each of Kinnevik's sectors and sub-sectors were analysed individually, with particular emphasis on the companies with the highest climate-related risks and opportunities, as well as those that are most material in terms of share of our portfolio value.

To deepen our understanding, in the beginning of 2021, we discussed each portfolio company with the responsible Investment Team members to assess key risks and opportunities under

Kinnevik's portfolio composition per 31 March 2022



two different climate scenarios, read more starting on page 14.

In 2022, we have updated our analysis taking into account changes in Kinnevik's portfolio and the most recent science and research on the expected effects of climate change. The sectors and sub-sectors deemed to be most relevant in this year's TCFD report are Value-Based Care, Virtual Care, Platforms & Marketplaces (subsector food), Software (subsector SaaS and travel), Consumer Finance and TMT. Based on a materiality assessment, particular emphasis has been put on our healthcare and food businesses.

The assessment of climate-related risks and opportunities has been done from Kinnevik's perspective as an owner and focuses on the implications on Kinnevik's business, strategy, and financial planning, as opposed to the portfolio companies'. As an investment company, we do not have the same level of insight into all our portfolio companies that an operating company would perhaps have into its own operations. However, implementing the TCFD recommendations provides us with an overview and a base from which to continue our active dialogue with our companies. The result of our analysis is summarised below.

Summary Implications

In our assessment of the potential implications of climate change on Kinnevik's business, strategy, and financial planning, we have identified near-, mid- and long-term risks and opportunities for the most relevant sectors and sub-sectors.

We believe transition risks related to policy & legal, market and reputation are the most material climate-related risks for the Kinnevik portfolio. All our companies are to some degree exposed to transition risks stemming from increased pricing of greenhouse gas ("GHG") emissions and increased emissions reporting obligations. These risks are even more relevant and topical today compared to when we did our initial analysis in 2020. Carbon pricing mechanisms and more rigorous regulations related to emissions reporting could have implications on our companies' costs, their ability to operate and our return on

investment.

Increasing awareness about climate change will continue to impact customer preferences, leading to increased demand for products and services with a low climate impact. The risk of not being able to meet these demands by making the transition to a low-carbon economy may have a significant impact on our companies' competitiveness. This is relevant for all our companies, perhaps with the exception of our healthcare businesses in the short-term as their customers primarily prioritise other aspects when choosing a care provider.

Chronic physical risks have also become more prominent in recent years. For our healthcare companies, extreme variability in weather patterns and rising temperatures may lead to reduced revenues as insurers, governments, and customers struggle to adapt to new climate-related medical conditions and illnesses. Our food companies and Tele2 are to a larger degree reliant on physical assets and facilities for their production and offices, with more complex supply chains. They would therefore be more affected by severe weather events such as heat waves, floods and forest fires - generally referred to as acute physical risks. The consequences could include reduced product availability, increased repair costs of damaged buildings and inventory loss, which would have a negative impact on sales and lead to increased costs.

Meanwhile, we see several opportunities related to climate change, particularly as our strategy is to invest in technology-enabled and disruptive businesses. The main opportunity relates to being consumers' preferred choice by leveraging new technology to take the lead in developing products and services with a low or positive climate impact. Compared to more analogue business models, our companies are in a good position to accelerate the pace of transformation to meet the increasing demands of their increasingly climate-conscious customer base.

For more details on the main climate-related risks and opportunities for each of our sectors and sub-sectors, see the appendix on pages 15-16.

Overview of key risks and opportunities per Kinnevik sector

		RISKS						OPPORTUNITIES				
		TRANSITION				PHYSICAL						
		Policy & Legal	Technology	Market	Reputation	Acute	Chronic	Resource Efficiency	Energy source	Products & Services	Markets	Resilience
Timeline (time until realisation)		Short	Mid	Short	Short	Short	Mid	Short	Short	Short	Short	n/a
Classification		Mid	High	High	High	Low	Low					
Value-Based Care		•		•		•	•			•		
Virtual Care		•					•					
Platform & Marketplaces	Food	•		•	•	•	•	•		•	•	
Software	SaaS			•								
	Travel	•	•	•	•		•			•	•	
Consumer Finance		•		•	•					•	•	
TMT		•	•	•	•	•	•	•	•	•		

Timeline: Short term: <3 years
Mid-term: 3-5 years
Long term: 5-30 years

Note: Timeline and classification refers to overall portfolio level and is not sector specific. More information about the risk classifications is available on page 9.

Classifications: Low: Monitor development to ensure risk exposure remains low
Mid: Mitigate and monitor risks to maintain current level of risk exposure
High: Implement mitigating actions to reduce exposure

NATURE-RELATED FINANCIAL DISCLOSURES

Businesses and societies are critically dependent on nature and the services it provides, and loss of biodiversity and degradation of ecosystems therefore represent a significant risk. Businesses can also directly or inadvertently drive the destruction of nature globally through their supply chains. The Taskforce on Nature-Related Financial Disclosures is an international initiative that builds on a model developed by the TCFD. In anticipation of the final framework expected to be released in Q3 2023, we have made a high-level analysis of Kinnevik's nature-related dependencies and impacts to make an initial assessment of nature-related risks and opportunities. In the future, we are considering setting strategic goals related to biodiversity, which may include our companies making an assessment of their nature-related dependencies and impacts as part of their broader sustainability materiality analyses.

In the Kinnevik portfolio, many of our companies depend on nature in their supply chains, primarily our food and value-based care companies as well as Tele2. The food companies are particularly exposed to loss of natural resources. Agricultural production depends on nature for pollination of crops and clean water for agriculture. Biodiversity loss can increase the risk of severe droughts, the disappearance of pollinators, or the collapse of fishing or agricultural yields. Concurrently, the use of harmful pesticides in the production of crops can harm pollinators and reduce both soil and water quality. Packaged food and meats companies both heavily impact and depend on water availability.

Food systems generate one third of all greenhouse gas emissions. And they're responsible for up to 80 percent of biodiversity loss. At the same time, food systems can and must play a leading role in addressing all of these challenges to realize the Sustainable Development Goals by 2030.

António Guterres
UN Secretary General



For our food companies, there are opportunities in addressing biodiversity in supply chains and contributing to preserving natural capital. These include for example supply chain continuity, predictability, and resilience, which improves operational performance and reduces costs, improved access to capital and access to new markets by offering net-positive biodiversity products.

One of Kinnevik's most recent investments, Agreea, supports farmers to make a sustainable and profitable transition to regenerative agriculture. Among other benefits, regenerative agriculture reverses climate change by rebuilding soil organic matter and restoring degraded soil biodiversity - resulting in both carbon drawdown and improved water cycles. Through knowledge, support and incentives, Agreea helps farmers shift to regenerative agriculture and leverage the buoyant voluntary carbon credit market. The company mints, verifies and sells carbon certificates generated by farmers who transition to regenerative farming.

INFLUENCING THE TRANSITION TO A LOW-CARBON ECONOMY

Kinnevik systematically sources and assesses potential new investments. From a wide funnel of companies, a small selection is brought to Kinnevik's Executive Investment Committee, where companies are evaluated based on our eleven investment criteria, which includes sustainability-related risks and opportunities. We also conduct thorough sustainability due diligence, where companies are evaluated based on their performance and structures in relation to environmental, social and governance aspects.

Post investment, we develop a plan for each company, which varies according to each business's characteristics and needs. We conduct bi-annual investment reviews during which our Investment Team discusses our companies' developments across several parameters, including sustainability. In addition, Kinnevik's Sustainability Team conducts a yearly qualitative assessment of all portfolio companies and sets targets and priorities for the coming year. Companies are also assessed according to the Kinnevik Standards, which comprises of a structured framework of best practice across environmental, social and economic aspects.

As an active owner, we wish to support and encourage our portfolio companies to see the importance and business value of defining clear climate strategies. We assist our companies in conducting a materiality analysis to identify their scope 1 and 2 emission as well as relevant categories in scope 3. We also provide ongoing support during the data collection and tool setup phase and offer quality assurance on reported emissions. Furthermore, we offer our companies to report their emissions in Position Green, a platform for reporting sustainability data that Kinnevik also uses for measuring its own emissions.

To follow-up on our portfolio climate target, Kinnevik published its inaugural Climate Progress Report in June 2022. Read more about our climate targets on page 10 and the Climate Progress Report 2021 is available on our website.

Scenario Analysis

In 2020, we conducted our first scenario analysis to better understand the future impact on our business, strategy and financial planning of different scenarios of global warming. During 2022, we updated our analysis to reflect changes in our portfolio, mainly the distribution of our Zalando holding and increased exposure to our two healthcare sectors, Value-Based Care and Virtual Care, as well as the most recent science and research on the expected effects of climate change, including the IPCC's Sixth Assessment Report.

For our scenario analysis, we used two Representative Concentration Pathways, reflecting two very different climate outcomes; the Stringent Mitigation Scenario (RCP2.6) where emissions decline and become negative by end of the century resulting in a global mean temperature of 1.7 degrees by 2100, and the Very High Emissions Scenario (RCP8.5) where emissions continue to rise ending up at three times higher than the present, resulting in a global mean temperature of 4.6 degrees by 2100. These were considered in combination with two Shared Socioeconomic Pathways; in our description of RCP2.6 we included the SSP1 narrative, and for RCP8.5 we included the SSP5 narrative.

We started with a top-down analysis of our five focus sectors Value-Based Care, Virtual Care, Platform & Services, Software and Consumer Finance and our largest company, Tele2. Based on a materiality analysis, we put particular emphasis on those sectors and sub-sectors with the highest impact from climate-related risks and opportunities, as well as those that are most material to Kinnevik in terms of share of our portfolio value - namely Value-Based Care, Virtual Care and the Platform & Services (sub-sector food). Following the top-down analysis, we conducted a more in-depth analysis of each sector together with the respective responsible Investment Managers.

As our strategy is to invest in digital companies operating primarily a marketplace model, with the exception of food, our portfolio generally has relatively low dependency on complex supply chains, physical assets and fossil fuels. Hence, our strategy shows relative resilience in a Very High Emissions Scenario. However, in this scenario the overall benefits of sustainability and low-emissions services are not recognized by consumers, impacting businesses trying to use sustainability as a competitive advantage.

As an investor in consumer-facing sectors, Kinnevik is exposed to a broad set of transition risks in the Stringent Mitigation Scenario, particularly related to market and reputation, i.e. shifting consumer behaviour as a result of increased climate consciousness and decrease in discretionary consumption. We are also across the board affected by transition risks related to policy & legal, i.e. increasing climate-related disclosure requirements and stakeholder demands and regulators catching up on increasing climate risks. Meanwhile, this scenario also offers the largest climate-related opportunities with regards to Kinnevik's strategy to invest in digital companies disrupting legacy industries through innovation, new technology and a more sustainable approach.

Based on this, the scenario with the largest potential negative impact on Kinnevik's business, strategy and financial planning is the Very High Emissions Scenario. The most favourable scenario is conversely the Stringent Mitigation Scenario, as the climate-related opportunities facing our portfolio in this potential future would likely outweigh the climate-related risks. The climate-related risks identified in both scenarios may however lead to slower growth and lower profits for our companies leading to lower investment returns for Kinnevik, which in turn may lead to implications on our investment strategy and capital allocation decisions.

In the Stringent Mitigation Scenario, our strategy may be affected as we may put increasing emphasis on climate aspects in capital allocation decisions, and increasingly look to invest in companies that will thrive in a low-carbon economy. In the Very High Emissions Scenario, our strategy may be affected as we may decrease our exposure to businesses with complex supply chains.

The results of the scenario analysis, was first presented to the Risk Committee in February 2021, after which they were presented to the A&S Committee in March 2021. The updated analysis was shared with the Management Team in June 2022 and will be presented to the A&S Committee at its September 2022 meeting.

For more details on the conclusions of our scenario analysis, refer to the appendix on page 17.



OUR BUSINESS MODEL AND VALUE CREATION

Sustainability is an integrated part of our business model, from the sourcing and assessment of new business opportunities to the ongoing development of our companies and the re-allocation of capital into new opportunities. Click here to read more about our business model.

[MORE →](#)

RISK MANAGEMENT

In this section we describe how Kinnevik identifies, assesses, and manages climate-related risks.

RISK ASSESSMENT PROCESS

To identify, assess and manage risks, including climate-related risks, for Kinnevik on an ongoing basis, the Board of Directors has adopted a Risk Management Policy. To facilitate the implementation of this risk management framework, Kinnevik has a detailed risk assessment process which is overseen by the Risk Committee and run by the Sustainability Team. As a diversified investment company, a material level of Kinnevik's risk exposure sits within our portfolio, which is why the risk assessment process is performed at both the Kinnevik and portfolio levels. The Kinnevik Risk Register and Portfolio Risk Register are used to record the results of this assessment process.

Kinnevik's risk exposure is not static and consequently the risk assessment process is performed and updated at least twice a year. The Sustainability Team meet with the relevant internal teams to identify Kinnevik and portfolio risks which are then documented in the Risk Registers. Kinnevik risks are identified based on relevance and potential impact and portfolio risks are identified by company. On a Kinnevik level, we assess climate-related risks in relation to our existing portfolio, new investments, strategy and reputation as our companies' sectors are increasingly scrutinised from a climate change perspective. For example, during 2021, the Risk Committee specifically discussed whether Kinnevik's current climate ambitions and engagement is enough to address and drive climate change mitigation and adaption to future proof our portfolio for a low-carbon economy. The Committee agreed to assess the appropriate level of ambition for Kinnevik's climate strategy going forward during 2022.

Kinnevik's risk assessment process



Based on a qualitative analysis, all risks are awarded a risk score based on likelihood and impact, which in turn 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.

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

The updated Kinnevik and Portfolio Risk Registers are presented to the Risk Committee after which a final version is presented to the A&S Committee.

COMPANY ENGAGEMENT

The Investment and Sustainability Teams engage with Kinnevik's portfolio companies on a regular basis, including through the annual sustainability assessment of our portfolio companies. The assessment focuses on the progress made in relation to the Kinnevik Standards. The Standards mirror our sustainability strategy and targets and were created to define best practice, measure performance and set priorities across the three dimensions of sustainability: environment, society and governance.

Kinnevik's "Our Group Platform" is a network of companies and people, and a forum for knowledge sharing and networking. Kinnevik uses this forum, and events and conferences organised in connection with it, to raise awareness and discuss our sustainability ambitions. During 2021 and the first half of 2022, the Sustainability Team used this platform to strengthen our ongoing dialogue on climate-related disclosures and targets with our portfolio companies.

METRICS & TARGETS

This section aims to disclose the metrics and targets Kinnevik use to assess and manage relevant climate-related risks and opportunities.

OUR CLIMATE TARGETS

Kinnevik is in a unique position to influence our companies to identify and mitigate climate risk, seize opportunities related to climate change and make the transition into a low-carbon economy. In May 2020, Kinnevik set two climate targets to reduce GHG emissions and prepare our portfolio and organisation for a low carbon economy. The targets are:

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

The majority of Kinnevik's emissions in Scope 3, excluding the portfolio, relate to business travel. To reach our first climate target, we firstly reduce our GHG emissions to as close to zero as possible in Scope 1, 2 and 3 excluding the portfolio (read more about the scopes on page 12). In early 2020, we launched an internal review of our emissions and set out two concrete action plans. The first was to update our business travel policy with more restrictions on air travel, and the second to update our car policy to include environmental aspects. Secondly, we annually permanently remove unavoidable emissions through direct air capture to achieve net zero emissions every year from 2020 and onward. Read more about the fulfilment of the climate target for our operations in our [Annual Report 2021](#).

The second target entails 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 measuring their emissions according to the GHG Protocol and defining a clear roadmap to reach their climate targets.

Kinnevik's strategy is to invest in young, high-growth and predominantly private companies. Our companies' ability to scale rapidly and achieving economic growth significantly above the market is key to our strategy. For this reason, Kinnevik's portfolio target is an intensity target, i.e. the emissions from our portfolio companies are measured in relation to the development of relevant economic and physical metrics representing growth, for example revenues and products sold. We report on progress according to our climate targets on a yearly basis, adjusted for changes in portfolio composition.

In 2021, the portfolio climate target was integrated into our newly published Sustainability-Linked Financing Framework and translated into an annual reduction target, namely, to achieve a reduction in greenhouse gas emissions intensity in the portfolio by 7% annually, until 2030. Between the years 2020 and 2021, the six companies in Kinnevik's portfolio that are reporting emissions, representing 50% of portfolio value per 31 December 2021, have on aggregate, weighted by reported fair value at 31 December 2021, decreased their emissions intensity by 11%. Thus, Kinnevik has fulfilled its climate target for the portfolio for 2021. Going forward we are committed to including a larger share of our portfolio in the target fulfilment. Further, per 31 December 2021, companies representing 45% of the portfolio

value had set relevant reduction targets in line with the 1.5 degree pathway and/or the Paris Agreement. Read more about the fulfilment of our climate target for the portfolio on page 13 and in our [Climate Progress Report 2021](#).

The climate targets, as well as our other sustainability targets, are part of Kinnevik's overarching corporate targets and as such directly linked to the remuneration of our teams.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

While climate change poses huge risks and challenges, we are convinced that it also poses a significant opportunity for Kinnevik and our portfolio companies to remain the preferred choice of their increasingly climate conscious consumer base. Kinnevik believes that our companies are well positioned with respect to the transition to a low-carbon economy, 77% of the companies considered in our assessment of climate-related risks and opportunities (i.e. the companies most material in terms of share of our portfolio value in each sector, representing 77% of our total portfolio value per 31 December 2021) are aligned with climate-related opportunities. On the other hand, 100% of the companies considered are exposed to transition risks and 82% are exposed to physical risks.

The above is just a few examples of the achievements in our portfolio and while we are proud of our companies', we are not satisfied. With our active support, our companies are increasingly taking action to reduce their environmental impact and improve climate-related disclosures. In the coming years, Kinnevik will continue to engage with our portfolio companies to support, encourage and influence them on their transformational journey towards making sustainability part of their core offerings and business models.

On page 12 are a few case studies showcasing how our portfolio companies are taking the lead in combatting climate change.

KINNEVIK'S TRANSITION PLAN

We address sustainability on two levels – on a company level and on a portfolio level. Through our active ownership, the majority of our potential impact within sustainability lies at the portfolio level.

The lion's share of our emissions lies in scope 3 and relates to the portfolio companies' operations, close to 100% in 2021. Kinnevik's emissions for 2021 excluding emissions from the portfolio amounted to 92 t CO₂e.

By reducing the emissions intensity in our portfolio, our overall carbon footprint will decrease substantially while our companies continue to grow at a high pace.

Kinnevik's Total 2021 Emissions

Scope	tCO ₂ e
1. Direct Emissions	5
2. Indirect Emissions	6
3. Indirect Emissions – Business Travel	81
3. Indirect Emissions - Portfolio*	574,900
Total	574,992

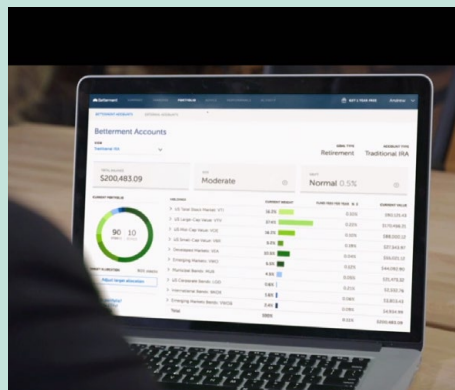
Targets	Actions	2021 Performance	2030 Vision
Kinnevik level Net zero greenhouse gas emissions from Kinnevik's operations excluding the portfolio from 2020 and onward (Scope 1, 2 and 3 excluding investments)	Reduce Kinnevik's own greenhouse gas emissions to as close to zero as possible and remove residual unavoidable emissions annually: • Update travel policy to promote more climate-friendly travel behaviors ✓ • New car policy moving to hybrid or electric cars ✓ • Ensure 100% renewable energy in offices ✓	✓ Kinnevik has ordered and paid to have 92 tCO ₂ e permanently removed through Climeworks' direct air capture and storage solution	Being leaders in combating climate change is a significant opportunity for Kinnevik and our portfolio. Our aim is to align our portfolio with a low-carbon future.
Portfolio level 50% reduction in greenhouse gas emission intensity in Kinnevik's portfolio by 2030 compared to 2020 (Scope 3 from Investments) translated into an annual reduction target of 7% annually, until 2030	Via our board representation, capital allocation and own resources we will ensure portfolio companies address their climate impact and grow their business as sustainable as possible by influencing them to: • measure and report their GHG emissions in line with the GHG Protocol (50% of portfolio value in 2021), and • set relevant climate targets across their operations and value chains, including absolute reduction targets (45% of portfolio value in 2021)	✓ Between the years 2020 and 2021, the six companies in Kinnevik's portfolio reporting emissions have on aggregate, weighted by reported fair value at 31 December 2021, decreased their emissions intensity by 11%	This is why sustainability is an integrated part of our business model and investment process, from sourcing and assessing new business opportunities to ongoing development of our companies and re-allocation of capital into new investments.

* Scope 3 portfolio emissions includes the actual carbon dioxide equivalents in scope 1, 2 and 3 for our six emissions-reporting companies as well as an estimate of the emissions from our non-reporting portfolio companies. For the non-reporting companies, we have included the estimated scope 1 and 2 emissions only, consistent with the PCAF Standard. Read more in our Climate Progress Report available on www.kinnevik.com.

CASE STUDIES

Betterment

Betterment, the largest US independent digital asset management platform, allows investors to align their values with their investments through three Socially Responsible Investing ("SRI") portfolios. The company's Climate Impact portfolio invests in companies with a demonstrated focus on the funding of green projects and lower carbon emissions. It also invests in funds that divest from holders of fossil-fuel reserves. Since the launch of its first SRI portfolio in 2017, demand from investors has grown significantly and this area of investing is an increasing point of differentiation for Betterment.



TELE2

In 2020, **Tele2** became the first telco in the Nordics and the Baltics to be climate neutral in its own operations. In 2021, the company pushed its climate efforts further by launching industry-leading climate goals approved by the Science-Based Target initiative. At the beginning of 2022, Tele2 announced that it had already met one of its SBT objectives; a ninety percent reduction in Scope 1 and 2 greenhouse gas emissions, well in advance of the original target deadline in 2025.



Mathem

oda

The leading online grocers in the Nordics, **Mathem** and **Oda**, both completed a full GHG measurement in 2020 across Scope 1, 2 and relevant parts of Scope 3, which served as a base to build out their respective sustainability roadmaps.

In 2021, Mathem announced the goal of achieving net zero emissions by 2030 as well as to reach climate-neutral operations already in 2022. Achieving net zero emissions in less than ten years will require a major shift in operations, but also for customers and suppliers.

Oda also set climate targets to reduce the emission intensity of both its own operations and the products they sell by 50% (2019 to 2025). The company has conducted extensive decarbonisation planning and defined clear sub-targets including switching to electric vehicles and ensuring 100% renewable energy consumption. They also work with climate nudging of their customers by e.g. launching Norway's first climate receipt for food and are actively working to launch new climate friendly products to cut product emissions. From 2020 they also started offsetting operational emissions, making Oda's operations climate neutral.

budbee

Budbee is the first in the home delivery industry to openly reveal the composition of the fuel consumption throughout its entire chain of operation, thus bringing full operational transparency to retailers and customers. In 2021, Budbee announced that all their deliveries in Sweden are fossil-free and done either by electrical vehicles, bikes or renewable biodiesel, HVO100. This includes from merchant pickup to domestic linehaul and last-mile delivery. As a result, Budbee reduced the amount of CO₂e per parcel by 32% in 2021 compared to 2020.



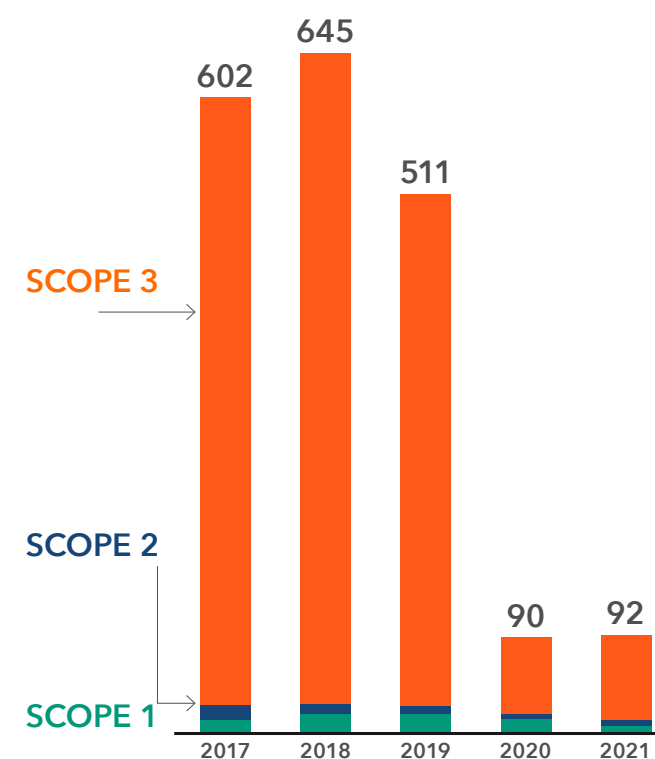
Overview of Kinnevik's greenhouse gas emissions excluding the portfolio 2017-2021

Kinnevik's GHG disclosure is carried out in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. 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 2017-2021 does not include our portfolio companies' emissions, and therefore scope 3 emissions consists mainly of business travel. Emission data for our portfolio companies is included in the Sustainability-Linked Financing Framework Climate Progress Report published in June 2022 available on our website.

Kinnevik's GHG emissions (tonnes CO ₂ e)	2017	2018	2019*	2020	2021
Scope 1	11	17	17	12	5
Specification: Company operated vehicles	11	17	17	12	5
Scope 2	15	9	7	5	6
Specification: Energy	15	9	7	5	6
Scope 3	577	619	487	74	81
Specification: Company operated vehicles	1	1	4	3	2
Energy	2	2	2	2	3
Purchased goods and services	2	4	1	1	1
Waste	0	0	0	0	0
Business travel	572	612	479	68	76
Total	602	645	511	90	92
Per full time equivalent employee	16.1	17.6	12.9	2.3	2.3
Per square metre office space	0.78	0.835	0.662	0.117	0.119

* 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.



Kinnevik's 2021 performance against our portfolio climate target

Kinnevik has set an annual target to reduce greenhouse gas emission intensity in the portfolio by 7% compared to the previous year, until 2030. As the target aims to reflect Kinnevik's influence as an investor and given that our portfolio is constantly evolving, we only include companies that have been in our portfolio for at least two years and that have reported their GHG emissions to a satisfactory extent during at least two years. To follow-up on our performance against this target we measure the change in intensity on a year-over-year and company-by-company basis.

Between the years 2020 and 2021, according to this change model, the six companies in Kinnevik's portfolio reporting emissions have on aggregate, weighted by reported fair value at 31 December 2021, decreased their emissions intensity by 11%, thus achieving our annual target of 7% for 2021.

Tele2 and GFG were the largest contributors to the overall reduction, due to their relatively large weight in our portfolio as well as their strong performance in decreasing emissions intensity.

Budbee and TravelPerk had the largest relative intensity decrease among the companies. Budbee's switch from diesel to HVO100 significantly reduced emissions and TravelPerk's development of its rail booking product resulted in vastly increased rail booking sales compared to flight bookings.

More information about our 2021 performance against our portfolio climate target, calculation methods and complete emission data for our portfolio companies is included in the Sustainability-Linked Financing Framework Climate Progress Report published available on our website.

The below is an overview of the emissions-reporting companies, their weight in our total portfolio and in the reporting portfolio, as well as the measure of growth used in their respective intensity calculations.

Company	Per 31 December 2021				Measure of growth
	Kinnevik's Ownership	Value in Kinnevik's Portfolio	Weight in Kinnevik's portfolio	Weight in reporting portfolio	
Tele2	27%	24 240	36%	72%	Revenue Generating Units
GFG	36%	3 612	5%	11%	Net Merchandise Value
TravelPerk	15%	1 668	2%	5%	Revenue
Oda	21%	1 604	2%	5%	Tonnes of food
Budbee	28%	1 309	2%	4%	Number of deliveries
Mathem	37%	1 254	2%	4%	Number of orders
Total	-	33 687	50%	100%	

Note: Reporting portfolio refers to the companies that have reported their emissions for 2020 and 2021 and thus are included in the calculation of our climate target fulfilment.



KINNEVIK'S SUSTAINABILITY 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"). Read more about our material topics, sustainability targets, objectives and KPIs on our website.

[MORE →](#)

APPENDIX - CLIMATE RISKS AND OPPORTUNITIES (1/2)

This section contains detailed information on climate risks and opportunities for each of Kinnevik's sectors and sub-sectors. This is a continuation of the strategy section starting on page 5.

HEALTHCARE

The healthcare sector is among the most carbon-intensive service sectors in the industrialized world and account for 4.4% of global net emissions (Health Care Without Harm, 2019). At the same time, the effects of climate change represent the greatest health threat of our time. The healthcare sector therefore has a role to play in resolving the climate crisis, as well as in adapting to be able to treat new illnesses caused by climate change.

Consumers and regulators alike will have higher expectations around reduction of emissions both in companies' own facilities as well as in their supply chains. However, we see this as more of a mid- to long-term risk for the sector as consumers of healthcare services primarily prioritise aspects other than environmental when choosing a care provider.

Our **value-based care** companies, relying more heavily on physical health centres and supply chains for production of equipment and hardware compared to our virtual care companies, are exposed to acute and physical risks alike. Increased severity of extreme weather events may lead to reduced revenue and higher costs as it may lead to supply shortages due to transport difficulties and supply chain interruptions. Over the longer term, extreme variability in weather patterns and rising temperatures may lead to reduced ability to collect payments due to inability of insurance companies and/or governments to adapt to new circumstances and the introduction of new illnesses. The main climate-related opportunity for our value-based care companies is to meet demand for lower-emissions preventative care, as opposed to acute care which is both more expensive and higher-emitting. They are also in a good position, compared to incumbents, to quickly adapt to shifting consumer and

government preferences by offering lower-emission services.

The main climate-related risk for our **virtual care** providers is that more extreme weather may lead to higher demand for more acute care of new medical conditions which may not have been treated through virtual care before. This could lead to increased costs related to product development and/or revenue losses as customers turn to more traditional care providers for treatment. On the climate-related risks, our virtual care providers are well placed to meet growing demand for lower emission services from customers via their flexible virtual care platforms.

PLATFORM & MARKETPLACES

Food-based agriculture accounts for 35% of all human-made greenhouse gas emissions. Of that, plant-based foods emissions contribute 29%, animal-based food emissions contribute 57%, and non-food utilization such as cotton and rubber production contribute 14% (University of Illinois, 2021). Rapid changes to the global food system over the next several decades, including adopting plant-rich diets, increasing crop yields and reducing food waste, is central in meeting the Paris Agreement.

For our **online food** companies, we believe the opportunities of a more climate conscious customer base are imminent and clear. The companies that do not manage to integrate climate opportunities into their core business models will risk being outpaced by competitors. Increasing awareness of the climate crisis is shifting customer preferences towards providers with transparency around their carbon footprint as well as clear targets to reduce their climate impact, both up- and downstream. Using advanced analytics and artificial intelligence to map purchasing patterns means supply and demand can be more precisely

aligned, helping to avoid overproduction and waste and thus reducing the climate impact. If and when the production, warehousing and distribution of food online can become more climate friendly than physical stores, digital business models stand to benefit.

On the climate-related risks, being in the groceries industry means being highly dependent on sustainable sourcing and supply chains. Acute physical risks can affect agricultural production, production of semi-finished goods, increase costs of maintenance and repair of damaged buildings, delay or hinder deliveries to end-consumers and cause inventory loss from damage and spoiled food during power outages or extreme heat. Long-term, this may affect the availability and price of certain products. Chronic physical risks such as temperature rise could affect energy costs by requiring air conditioning and refrigeration systems to work harder or longer – using more energy to maintain appropriate temperatures in facilities.

SOFTWARE

For our **SaaS** companies, the main climate-related risk is an inability to provide accurate climate data embedded in the company's core product to meet increasing demand from customers of understanding their personal carbon footprint. This also mirrors the greatest opportunity, which is to broaden the revenue stream by introducing new products providing for example carbon accounting and climate-related data.

For our **travel** companies, the main climate risk relates to the stigmatisation of air travel in favour of lower-emission travel options. An inability to offer lower-emission travel alternatives, at competitive prices and with acceptable trade-offs related to comfort and speed, may negatively affect revenues. In addition, a key risk is increased pricing of GHG emissions, increased transparency requirements and enhanced emissions-reporting obligations, so-called policy & legal risk. Given the high carbon

APPENDIX - CLIMATE RISKS AND OPPORTUNITIES (2/2)

footprint of air travel, changes to climate related regulations could have a material negative financial impact. International operations increase the exposure to and complexity in monitoring local charges and emissions trading schemes such as carbon emissions-based passenger taxes, which may decrease demand. In addition, increased reporting obligations may incur increased overhead costs. Chronic changes to the environment will also affect travel patterns and limit the areas and periods to which travel is appropriate may result in shorter and less frequent trips. Providing detailed information on carbon footprint for various flight options is a key opportunity, as well as offering flights with sustainable aviation fuel. Another opportunity is offering easily accessible and transparent information on carbon footprint for other modes of transports such as buses, trains and ferries.

CONSUMER FINANCE

For our **consumer finance** companies operating in investments and savings, a key climate-related risk is not being able to meet a shift in consumer preferences towards products with low climate impact sold by companies that are seen as leaders in sustainability. There is also a potential stigmatisation of products with a high climate impact, such as oil and gas, which could have an impact on assets under management and revenues. "Brown" assets may become stigmatized and eventually phased out - resulting in a more limited range of financial products unless technology keeps up and new "green" industries emerge. Offering products and funds with a low climate impact to meet the increased demand is a key opportunity. Demand for potentially climate controversial products is however likely to persist to some degree, which requires striking a balance.

Another risk is increased operating costs related to compliance and reporting. Greenwashing of ESG products may lead to higher litigation risk or sanctions by legislators.

The key opportunity for our consumer finance businesses is the growing business opportunity of meeting demand from more climate conscious customers by offering climate friendly financial products in a transparent way - resulting in increased revenues.

TMT

For our **communications** company, a key climate risk is the possibility of unsuccessful investments in new technologies to facilitate the transition into a low carbon business and thereby not meeting the emissions requirements and demand from consumers. Another risk is increased production costs due to increased energy costs. Increased awareness and pressure around climate impact will potentially result in reduced employee attraction and retention and capital availability unless companies are able to position themselves as sustainability leaders. Acute and chronic physical risks is an issue for business continuity. It may also lead to increased costs due to for example increased cooling needs at facilities and office locations.

Climate change will most likely only increase the need and importance of connectivity resulting in increased revenue if companies can also make the transition to climate focused products and services needed within the TMT industry. Other opportunities include use of more efficient production processes and lower-emission sources of energy. This may reduce operating costs as a transition into more efficient processes enables lower product prices.

APPENDIX - SCENARIO ANALYSIS

(1/8)

This section contains detailed information on Kinnevik's scenario analysis. This is a continuation of the strategy section starting on page 8.

In accordance with the TCFD recommendations, we have used scenario analysis as a method to better understand the potential effects of climate change on our business, strategy and financial planning under different potential future climate scenarios. It allows us to test the robustness and resilience of our strategy, to properly identify climate-related risks and opportunities and provides guidance for capital allocation decisions. In addition, scenario analysis improves our external reporting and transparency and enables investors to make more informed decisions.

CLIMATE SCENARIOS

The Intergovernmental Panel on Climate Change ("IPCC") explores different pathways of GHG concentration and, effectively, the amount of warming that could occur by the end of the century. These Representative Concentration Pathways ("RCPs") are used for climate modelling and describes different climate futures depending on the volume of GHG emitted in the years to come.

The RCPs should be considered in combination with the Shared Socioeconomic Pathways ("SSPs"), modelling how socioeconomic factors may change over the next century. These include for example population, economic growth, education, urbanisation and the rate of technological development. The SSPs look at five different ways in which the world might evolve in the absence of climate policy and how different levels of climate change mitigation could be achieved when the mitigation targets of the RCPs are combined with the SSPs.

We have selected two RCPs for our scenario analysis to reflect two very different climate outcomes; the Stringent Mitigation Scenario (RCP2.6) where emissions decline and become negative by end of the century resulting in a global mean temperature

of 1.7 degrees, and the Very High Emissions Scenario (RCP8.5) where emissions continue to rise ending up at three times higher than the present resulting in a global mean temperature of 4.6 degrees by end of the century. Climate researchers have found that RCP 2.6 is possible to achieve under three of the SSPs (SSP1 Sustainability, SSP2 Middle of the Road and SSP4 Inequality), while the very high level of emissions associated with RCP8.5 can only be achieved under one SSP (SSP5 Fossil-fuelled Development).

In our description of RCP2.6 we have included the SSP1 narrative, and for RCP8.5 we have included the SSP5 narrative. Both climate scenarios and our scenario analysis stretch to the end of the century, 2100. While this is well beyond our strategic planning timeframe, it provides insights into broader trends that could have implications for our near- and mid-term decision making. Each of these plausible pathways are designed to stretch our strategic thinking about potential rates of new technology adoption, policy development and consumer behaviour.

RCP2.6 - The Stringent Mitigation Scenario

This scenario implies a global temperature rise of 1.0-2.3°C relative to pre-industrial levels and is the scenario closest aligned with the Paris Agreement. In this scenario, businesses would be more impacted by transition risks, rather than physical risks. RCP2.6 is characterised by:

- Higher use of renewable energy sources and lower energy consumption overall
- Higher use of bioenergy and Carbon Capture and Storage, resulting in negative emissions
- Constant use of grasslands and increased use of croplands, but largely as a result of bioenergy production

- Greenhouse gas emissions culminate in year 2020, reach net zero by 2050 and are negative by 2100
- Significantly increased investments and fast-paced adoption of technologies to combat climate change
- Highly stringent climate policies

Implications from this scenario includes significantly increased demand for energy-efficient and lower-carbon products and services, an ever-evolving patchwork of policy and legal requirements on international and national level, and growing expectations for responsible conduct from stakeholders including investors, lenders and consumers.

SSP1 Sustainability: The world shifts gradually, but pervasively, toward a more sustainable path, emphasizing more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves, educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts toward a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented toward low material growth and lower resource and energy intensity.

RCP8.5 - The Very High Emissions Scenario

This scenario implies a global temperature rise of 3.4-5.7°C relative to pre-industrial levels. In this scenario, human-driven climate change will be more evident, and businesses will be more impacted by physical climate risks. RCP8.5 is characterised by:

- Global population peaks and declines in the 21st century
- High dependency on fossil fuels and overall high energy consumption as a result of high population growth and lower rate of technology development
- Increased use of cropland and grasslands, mostly driven by

APPENDIX - SCENARIO ANALYSIS

(2/8)

- an increasing global population
- Greenhouse gas emissions are three times today's levels
- Development of new technology will have progressed but at a slower rate
- All today's announced policy changes are realised, but with no additional policies

Implications from this scenario include more extreme weather events such as heatwaves, flooding and wildfires, changes in rainfall patterns and monsoon systems, more acid oceans, melting of arctic sea ice and sea level rises by a half to one meter. Like the Stringent Mitigation Scenario, demand for lower-carbon products and services, as well as expectations from stakeholders, are likely to increase from today's levels, but not to the same extent.

SSP5 Fossil-fuelled Development: This world places increasing faith in competitive markets, innovation and participatory societies to produce rapid technological progress and development of human capital as the path to sustainable development. Global markets are increasingly integrated. There are also strong investments in health, education, and institutions to enhance human and social capital. At the same time, the push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. All these factors lead to rapid growth of the global economy, while global population peaks and declines in the 21st century. Local environmental problems like air pollution are successfully managed. There is faith in the ability to effectively manage social and ecological systems, including by geo-engineering if necessary.

Methodology, Materiality and Process

Our scenario analysis was conducted with the aim of testing our strategy and how it would likely perform under the two different climate scenarios. Read more about our business strategy on

page 5.

We started with a top-down analysis of our five focus sectors Value-Based Care, Virtual Care, Platform & Services, Software and Consumer Finance and our largest company, Tele2. Within Platform & Services we focused the sub-sector food and within Software we focused on the sub-sector travel. We modelled and analysed potential implications for the sectors and sub-sectors under each of the two climate scenarios. Based on a materiality analysis, we have put particular emphasis on those sectors and sub-sectors with the highest impact from climate-related risks and opportunities, as well as those that are most material to Kinnevik in terms of share of our portfolio value.

The analysis is predominantly qualitative or "directional" in nature, and is done from Kinnevik's perspective as an owner, as opposed to the portfolio companies', and focuses on the implications on our business, strategy and financial planning. As an investment company, we do not have the same level of insight into all our portfolio companies that an operating company would perhaps have into its own operations, which creates an uncertainty factor. We have focused primarily on policy & legal, market, reputation and technology risks as those are the most pressing for our portfolio of digital companies. We have also looked at some physical risks for the businesses in our portfolio with more complex and international supply chains. Regarding opportunities, we have focused on products and services.

Following the top-down analysis, we conducted a more in-depth analysis of each sector together with the respective responsible Investment Manager in the beginning of 2021. For this report, we have focused on the findings in three specific sectors and sub-sectors, Value-Based Care, Virtual Care and food. These face some of the most evident impacts in each of the climate scenarios – food faces both climate-related risks and opportunities in both scenarios while Value-Based Care and Virtual Care see primarily climate-related opportunities in the

Stringent Mitigation Scenario. These sectors also form a core part of our strategy and capital allocation plan.

To present and challenge the results of the scenario analysis, a workshop with the Risk Committee was held in February 2021, after which they were presented to the A&S Committee in March 2021. The updated analysis for this year's report was shared with the Management Team in June 2022.

ROBUSTNESS AND RESILIENCE OF OUR STRATEGY IN EACH SCENARIO

The scenario analysis provides us with important input on our business, strategy and financial planning. Our strategy is to invest in digital companies operating primarily a marketplace model, and as such, with the exception of some companies in Value-Based Care and food, our portfolio generally has relatively low dependency on complex supply chains, physical assets and fossil fuels. As such, our strategy shows relative resilience in the face of a Very High Emissions Scenario. However, the overall benefits of sustainability and low-emissions services in this scenario will not be recognized by a majority of consumers which means that sustainability will not be considered a competitive advantage.

As an investor in consumer-facing sectors, Kinnevik is exposed to a broad set of transition risks associated with the Stringent Mitigation Scenario, particularly related to market and reputation, i.e. shifting consumer behaviour as a result of increased climate consciousness and overall decrease in discretionary consumption. Our portfolio overall is also exposed to transition risks related to policy & legal, i.e. increasing climate-related disclosure requirements and stakeholder demands, as regulators is increasing scrutiny around climate related topics. Meanwhile, this scenario also offers the largest climate-related opportunities with regards to Kinnevik's strategy to invest in digital companies disrupting legacy industries through innovation and new technology.

APPENDIX - SCENARIO ANALYSIS

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Implications on Our Food Companies

The production and transportation of food is one of the major climate challenges accounting for 25% of emissions in developed countries. It is a sector which will need to transition fast and which will play a material role in our ability to achieve the EU’s target of becoming the first climate neutral continent by 2050.

The food sector stands out in the scenario analysis as, in the Very High Emissions Scenario, increased severity of extreme weather events can lead to disruptions in production, transportation and distribution. Increasing temperatures may affect cultivation possibilities and increases energy need. This could lead to a loss of sales due to lack of product availability and/or increased consumer prices, increased costs for repairing damaged facilities, inventory loss and increased insurance premiums. It could also lead to increased costs for energy (cooling and air conditioning) and product procurement. Further, in a Very High Emissions Scenario, sustainability is not fully recognized by consumers, which will impact food businesses that currently have a clear sustainability profile and strategy.

In the Stringent Mitigation Scenario, enhanced reporting obligations may lead to increased costs for reporting and transparency compliance. And perhaps most importantly, increased awareness of climate change among consumers may lead to a shift in preferences and behaviour which may lead to loss of sales if consumers chose other more climate-friendly providers. It should be noted that our online grocers, which constitute the majority of our food portfolio, does not have any food production of their own but rely on distributors. They also do not own any physical stores, although they operate a smaller number of warehouses. Therefore, the impact on our online grocers may be somewhat muted compared to a company engaged in food production and/or distribution.

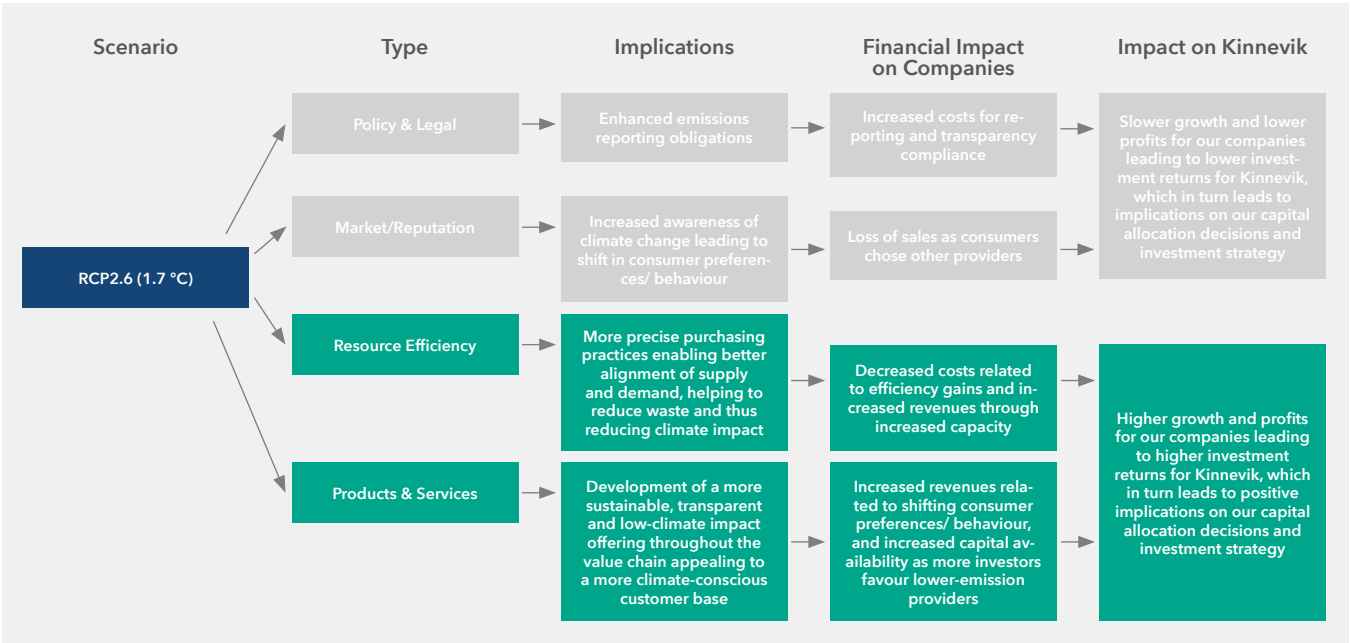
Conversely, Food also has many climate-related opportunities, particularly in the Stringent Mitigation Scenario. Developing a

more sustainable, transparent and low-climate impact offering throughout the value chain would allow our companies to seize the opportunities of a more climate-conscious customer base. In addition, through more precise purchasing practices the offering can be made even more relevant to customers and the climate

impact can be reduced. Supply and demand can be more precisely aligned, helping to avoid waste and thus reducing climate impact. This could lead to increased revenues and increased capital availability as more investors favour low-emission providers, and to lower costs related to efficiency gains.

Food: Stringent Mitigation Scenario RCP2.6

Overview of key risks and opportunities

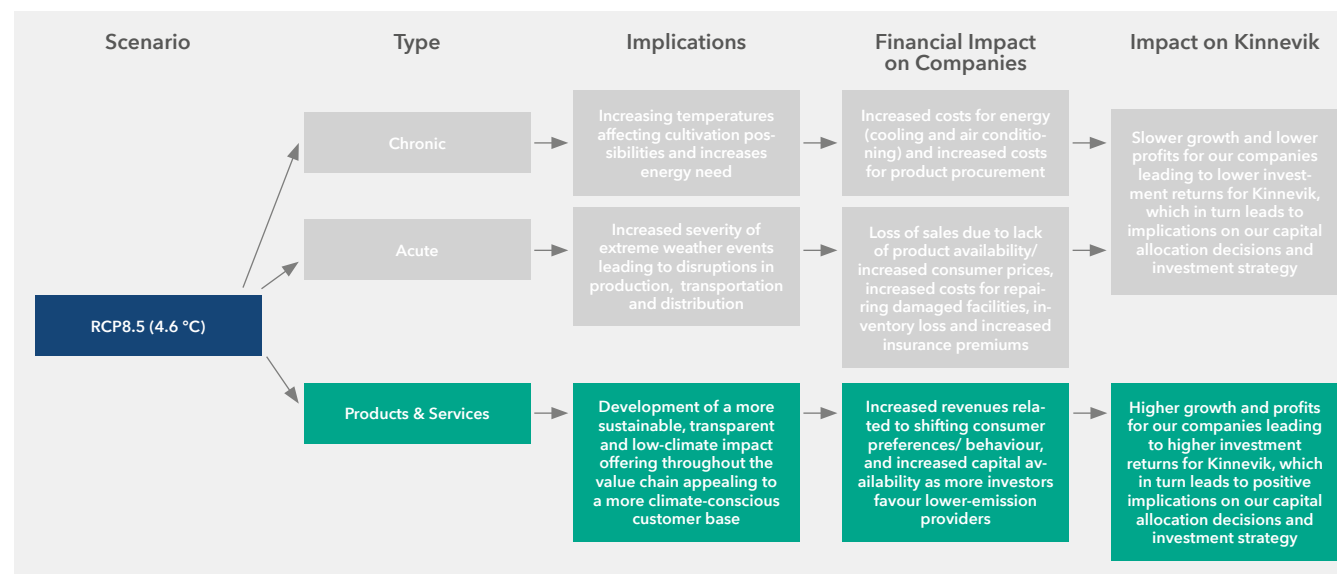


Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

APPENDIX - SCENARIO ANALYSIS (4/8)

Food: Very High Emissions Scenario RCP8.5

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

APPENDIX - SCENARIO ANALYSIS (5/8)

Value-Based Care

Global healthcare in general accounts for about 4.5% of world-wide emissions, equal to the fifth-largest greenhouse gas emitter on the planet if healthcare was a country. Only in the United States, the healthcare industry represent approx. 9% of the total national emissions. Climate change also has a direct impact on healthcare as it increases the risk of new diseases and conditions arising due to rising mean temperatures etc.

Value-based healthcare provides a method for understanding and mitigating climate-related health issues and provides solutions to improve health outcomes and costs, making healthcare

more efficient and in turn also decreasing emissions from the healthcare sector.

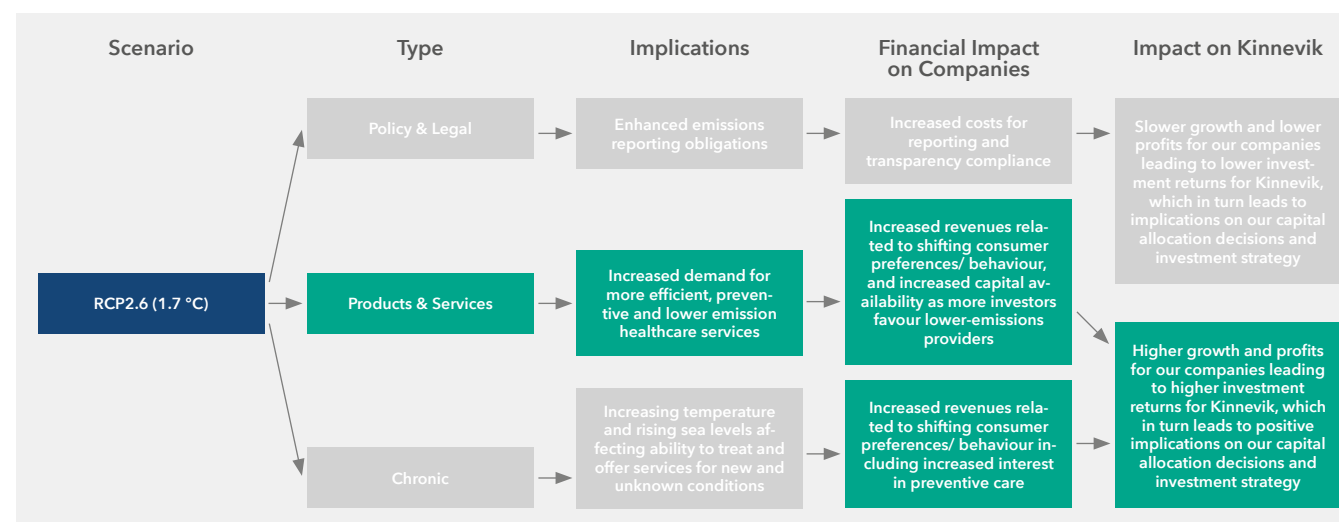
In the Very High Emissions Scenario, increased severity of extreme weather events may lead to disruptions in supply chain for medical equipment and medicine, which could result in loss of sales from decreased capacity for our value-based care providers. Increasing temperature and rising sea levels may affect the ability to treat and offer services for new and unknown conditions. This may particularly impact our value-based care providers as they enter into risk-sharing contracts with providers, meaning they take full risk on a patient's health. This may

cause increased operating costs and have a negative effect on profits. This risk will to a large extent depend on how quickly governments and insurance providers are able adapt to new and unknown climate-related conditions and a potential shift in the overall health spend.

However, in the Stringent Mitigation Scenario, there are some clear climate-related opportunities. Our value-based care providers aim to make healthcare more efficient and preventative, as opposed to relying too heavily on acute care which is more costly and has a higher climate impact.

Value-Based Care: Stringent Mitigation Scenario RCP2.6

Overview of key risks and opportunities



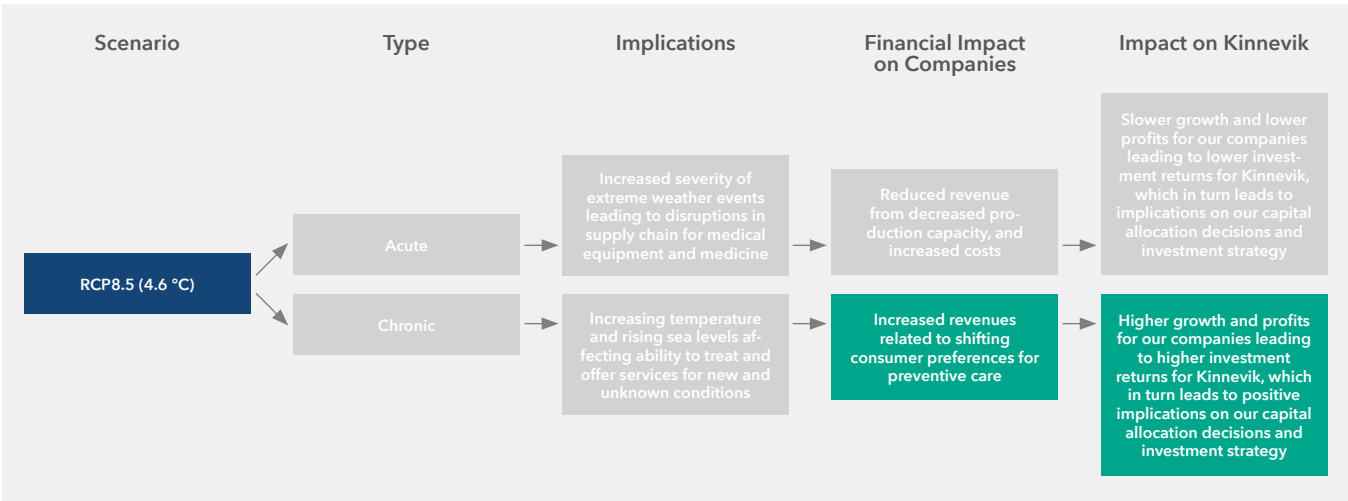
Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

APPENDIX - SCENARIO ANALYSIS

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Value-Based Care: Very High Emissions Scenario RCP8.5

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

APPENDIX - SCENARIO ANALYSIS

(7/8)

Virtual Care

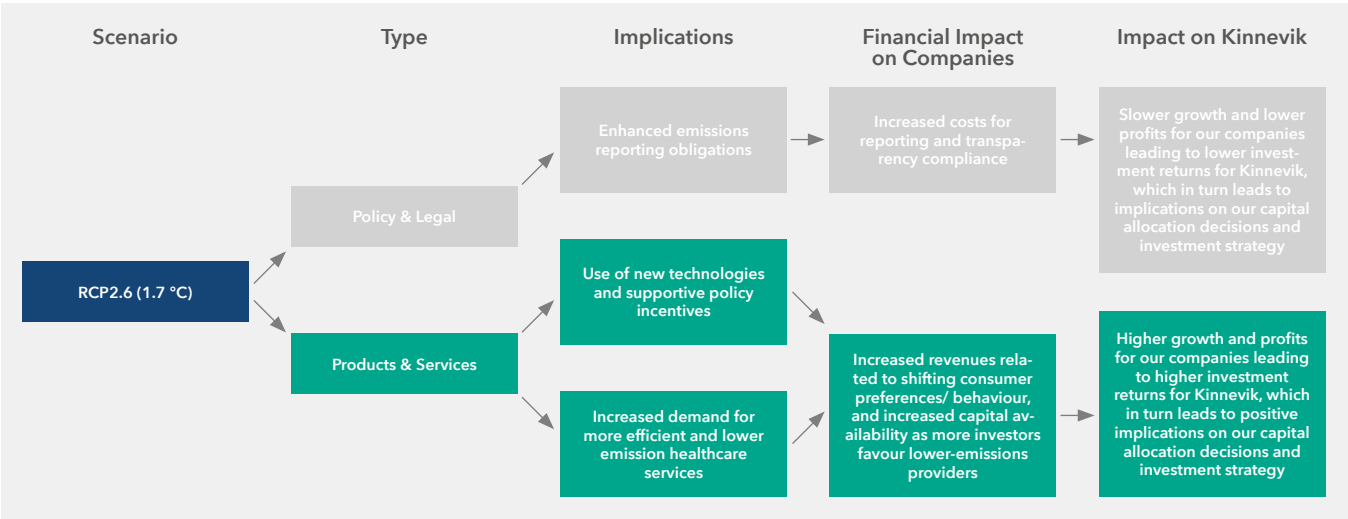
A virtual care model which is not dependent on physical clinics will in most cases have an inherently lower dependency on fossil fuels compared to traditional players. In the Stringent Mitigation Scenario, where consumer demand for lower emission health-care services increases, as well as use of new technologies and supportive policy incentives, virtual healthcare will therefore see opportunities that may lead to increased revenues.

However, and as with value-based care, in the Very High Emissions Scenario, increased severity of extreme weather events

may lead to disruptions in supply chain for digital solutions, which could result in loss of sales from decreased capacity for our otherwise asset light virtual care providers. Increasing temperatures and rising sea levels may similarly affect the ability to treat and offer services for new and unknown conditions. This may particularly impact our virtual care providers as their care programs are based on long-term research of more commonly known conditions, meaning they may not be able to build out their offerings as quickly as demand arises. This may cause decreased demand and have a negative effect on profits.

Virtual Care: Stringent Mitigation Scenario RCP2.6

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.

APPENDIX - SCENARIO ANALYSIS

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CONCLUSION

Based on our scenario analysis, the scenario with the largest potential negative impact on Kinnevik’s business, strategy and financial planning is the Very High Emissions Scenario. The most favourable scenario is conversely the Stringent Mitigation Scenario, as the climate-related opportunities facing our portfolio in this potential future would likely outweigh the climate-related risks.

Potential Impact and Effects on Our Strategy

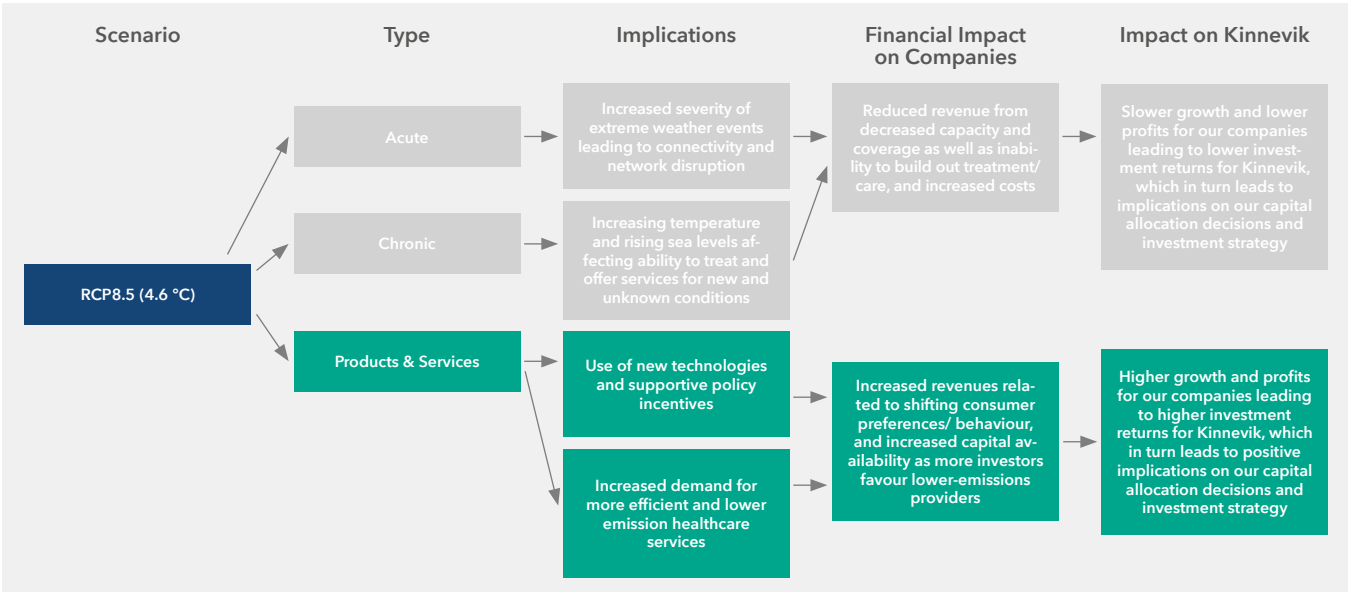
The climate-related risks identified in both scenarios for the food sector, and primarily in the Very High Emissions Scenario for the two healthcare sectors, may lead to slower growth and lower profits for our companies leading to lower investment returns for Kinnevik, which in turn may lead to implications on our investment strategy and capital allocation decisions.

The key climate-related risks and opportunities for Kinnevik under the Stringent Mitigation Scenario is related to more climate-

conscious consumers and more stringent climate policies. In this scenario, our strategy may be affected as we may put increasing emphasis on climate aspects in capital allocation decisions, and increasingly look to invest in companies that will thrive in a low-carbon economy. The key climate-related risks in the Very High Emissions Scenario relate to physical risks i.e. adverse effects on businesses with complex supply chains, such as in some of our companies in the Value-Based Care and food sectors. In this scenario, our strategy may be affected as we may decrease our exposure to these types of assets.

Virtual Care: Very High Emissions Scenario RCP8.5

Overview of key risks and opportunities



Note: Grey boxes represent climate-related risks and green boxes represent climate-related opportunities.



For an in-depth description of Kinnevik including our strategy,
team and investee companies, please refer to www.kinnevik.com