

## SOCIAL RESPONSIBILITY 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 firm belief in contributing to the wider community, which we have done for many years through the Kinnevik-founded non-profit organisation Reach for Change.*

### A Small and Diverse Team

While the nature of our work changes frequently, our core values do not. Kinnevik's team members share an entrepreneurial spirit, as well as a belief in building long-term sustainable businesses.

Kinnevik's organisation comprised 40 (37) people on average during 2019 (full-time equivalents "FTE", including wholly owned subsidiaries), with 27 people based in the Stockholm office and 13 people in the London office. The investment management organisation consisted of 12 professionals, whereof eight based in London and four in Stockholm. Moreover, during 2019 Kinnevik employed 28 people across Finance, Legal, Strategy, Sustainability, Corporate Communications, HR and Administration. All employees but four were on permanent contracts. All employees but one were on full-time contracts.

Kinnevik strongly advocates diversity and inclusion. This is reflected in the composition of our organisation, where a total of nine different nationalities are represented. The proportion of women employed across Kinnevik's organisation averaged 49 (44) percent in 2019. The proportion of women in Kinnevik's investment organisation was 27 (17) percent, and on the Board of Directors 50 (43) percent. Our target for 2022 is to achieve a 40/60 gender split across all Kinnevik teams.

### Well-Being and Personal Development in Focus

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. The small size of our organisation enables us to personalise career development and training opportunities for each employee. These include 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 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 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 immediately need to inform their manager. During 2019, Kinnevik did not report any incidents to the Swedish Work Environment Authority (Swe: Arbetsmiljöverket). The low level of sick leave, below 1 (<1) percent of total working time, highlights Kinnevik's efforts to improve our employees' health through healthcare insurance, fitness subsidies and other initiatives.

In order to assess how employees feel about working for Kinnevik, we conduct yearly employee satisfaction surveys. The results of the employee survey 2019 did not indicate any significant issues with regards to human rights, equal opportunities or work environment.

**Out of the 86 percent of employees that responded to Kinnevik's 2019 employee survey, 95 percent said they would refer someone else to work at Kinnevik.**

Kinnevik encourages parental leave for both men and women. In 2019, the average parental leave taken was 39 (0) weeks for men and 46 (52) weeks for women. This refers to parental leave that started during 2019 and includes the full number of weeks requested. The leave may therefore be completed during the following year.

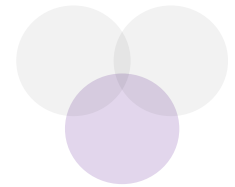
**In 2019 Kinnevik implemented a new parental leave policy, stipulating that every permanent employee is eligible for nine months paid parental leave with 100 percent of their fixed salary. The policy reflects our ambition to be at the forefront regarding equal opportunities and to promote well-being and a healthy work-family balance.**

### Kinnevik's Diversity & Inclusion Framework

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 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 truly understand our customers, which is why it is vital that our organisation and portfolio company teams reflect their customer base. While diversity may be measured by many different characteristics, gender diversity is widely considered to be one of the most significant. Therefore, we have initially chosen to focus our concrete actions on gender diversity.

Kinnevik's Board of Directors and management have agreed on four overarching targets, signifying Kinnevik's ambitions and setting the foundation for Kinnevik's D&I framework.



- **40/60 Composition** - by end of 2022 Kinnevik shall have a 40/60 composition (at least 40 percent of the underrepresented gender) in the Management team as well as in the Investment and Corporate teams
- **10% Female Capital** - from 2019 and onwards, at least 10 percent of the annual investment budget shall be reserved for investments in female-founded or led companies. If the 10 percent is not invested in full, the residual will roll over and increase next year's earmarked budget
- **No Follow-Ons** - Kinnevik will only consider making follow-on investments in companies that it believes have made progress in relation to diversity and inclusion

- **Leadership** - all Kinnevik managers are to be measured on diversity and inclusion, and the results will be linked to their remuneration

Kinnevik has 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. To ensure that multiple perspectives are represented, the Taskforce comprises a group of six employees across different genders, locations, functions and seniority. To further ensure everyone's voice is heard and to avoid group thinking, the composition of the taskforce will rotate after a term of 12 months. The Taskforce provides periodic progress updates to Kinnevik's Board of Directors and management.

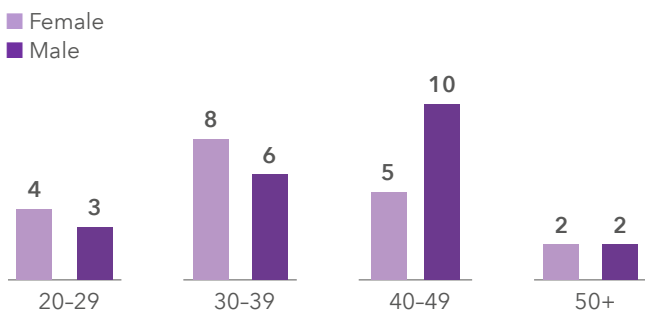
To set the agenda for the Taskforce and raise awareness regarding D&I across the organisation, Kinnevik initiated an

assessment and education process for employees which included a survey, individual interviews and customized education sessions.

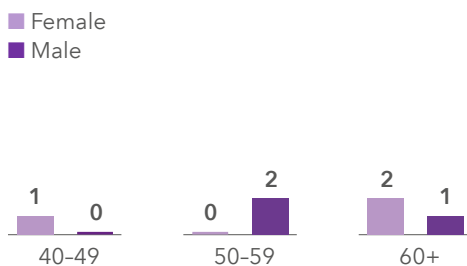
Progress regarding the D&I Framework will be reported annually in connection with Kinnevik's Annual General Meeting.

[Read more about Kinnevik's community outreach efforts through Reach for Change on page 27.](#)

Age distribution of employees in 2019 (FTE)



Age distribution of the Board of Directors in 2019 (FTE)



New employee hires and turnover during 2019 (FTE)

New Hires	20-29	30-39	40-49	50+	Total	Rate
<b>Stockholm</b>						
Women	-	-	0.6	-	0.6	1.5%
Men	-	-	-	-	-	-
<b>London</b>						
Women	0.4	-	-	-	0.4	1.0%
Men	-	-	-	-	-	-
<b>Total</b>					<b>1.0</b>	<b>2.5%</b>

Turnover	20-29	30-39	40-49	50+	Total	Rate
<b>Stockholm</b>						
Women	-	-	-	-	-	-
Men	-	-	-	0.9	0.9	2.3%
<b>London</b>						
Women	0.8	-	-	-	0.8	2.0%
Men	0.5	-	-	-	0.5	1.3%
<b>Total</b>					<b>2.2</b>	<b>5.6%</b>

Note: New hire and turnover rate is stated in FTE equivalents and calculated in relation to the FTE average number of employees in 2019.



# UNLEASHING THE POWER OF SOCIAL ENTREPRENEURSHIP

Kinnevik is a proud founding partner of Reach for Change, a non-profit organisation that runs development programs for social entrepreneurs. Together we help scale innovations that create a better world for children and youth.

During 2019 we helped support

# 120

social entrepreneurs who improved

# 501 987

lives of children and youth in 11 countries

## ADVISOR PROGRAM



In 2019, the second edition of the **Kinnevik Advisor Program** was **launched**. A one year program where employees shared their expertise with Change Leaders in e.g. sales, business modeling, scaling and HR. **100 %** of the advisors stated that being an advisor made **their work feel more meaningful**.

## CHANGE LEADER CASE: INICIO

Mikaela Illanes, the founder of Inicio, joined Reach for Change's incubator in 2019. Inicio works to improve digital knowledge and offer everyone the same opportunities to participate and contribute to sustainable and smart societies. Inicio have received strategic support from Reach for Change and through the Kinnevik advisor program during 2019. This year they **scaled to one more municipality** and improved lives of nearly 500 children and youth.

# 96%

report that they would have developed **less** without the support from Reach for Change



# 90%

of the Change Leaders found the **connections** to people and/or opportunities gained through Reach for Change useful



# 87%

of the Change Leaders are satisfied with the **support** provided through the incubator in 2019