

3 Sustainability Policy

3.1 Background

The purpose of this Sustainability Policy is to outline Kinnevik's expectations as to how its portfolio companies should manage their impact in relation to the topics covered by Kinnevik's ESG Framework. Kinnevik's ESG Framework is set up to focus our resources on the most relevant environmental, social and governance issues, drive performance and engage internal and external stakeholders.

Kinnevik's Sustainability Strategy and ESG Framework is based on the UN 2030 Agenda for Sustainable Development which balances the three core dimensions of sustainability; Environment, Society and Governance. Kinnevik addresses sustainability on two levels, Parent Company Level: Kinnevik as a Responsible Company and Portfolio Level: Kinnevik's Role as an Active Owner. On Portfolio Level our sustainability efforts are based on the Kinnevik Standards which make up the framework against which we assess the fitness of new opportunities and measure progress in our existing portfolio companies as it relates to sustainability.

3.1.1 The role of sustainability in managing risk and creating value

The primary purpose of Kinnevik's operations is to generate sustainable profit for distribution among our shareholders. As owners and investors, Kinnevik also bears responsibility to stakeholders for its holdings (hereafter referred to as the "portfolio companies"). Kinnevik has significant influence over its portfolio companies through capital allocation, board representation and the operational support it provides. Driving an ambitious sustainability agenda in our companies is central in Kinnevik's role as active owners. Furthermore, Kinnevik believes that sustainability is essential in building long-term successful companies..

3.1.2 Risk management

All business operations face sustainability-related risks. For Kinnevik with limited proprietary operations, the primary risks are found in the operations of the individual portfolio companies. An extensive risk analysis that encompasses sustainability-related issues is performed periodically in all portfolio companies. Risks vary according to the nature of the company's business and its operating environment. They can include geographical risks, risks of environmental impact, risks arising from the

relevant political climate, risks to reputation and brand equity, and risks arising from relations with suppliers and third parties.

3.1.3 Opportunities

Sustainability work is not only a method for managing risks, but also a means of creating and realising opportunities. In some cases, the fact that Kinnevik's portfolio companies have formulated sound sustainability strategies can be the reason why they secure assignments from customers with high sustainability expectations or requirements on their suppliers. Good sustainability work can also have a positive effect on how the company's brand is perceived and result in increased opportunities for the portfolio companies to recruit and motivate attractive employees.

Kinnevik's portfolio companies also create opportunities for society, helping to create jobs and promote economic development along their respective value chains in a sustainable manner. Their conduct of responsible business can help to promote better labour conditions and living standards in developing countries and low-resource settings.

3.1.4 Operational work

Kinnevik works through its board representation to actively encourage portfolio companies to establish their own sustainability strategy in line with the content below. Its sustainability policy shall be implemented through the analysis and continuous improvement of operations in terms of governance, risk management, compliance, social responsibility, and environmental responsibility.

Portfolio companies are also encouraged to communicate transparently to their stakeholders on their goals, progress, and challenges in managing sustainability related issues material to their business.

3.2 Kinnevik's expectations in terms of sustainability

3.2.1 Governance

Kinnevik's portfolio companies should apply a corporate governance structure that meets national and international standards for corporate governance. Portfolio companies should have a Code of Conduct setting out their commitment to conducting business according to the highest ethical standards. Portfolio companies should also adopt a Whistle-blower policy in order to ensure that employees and relevant third parties

with serious concerns about any aspect of the company's work are able to come forward and voice those concerns without the risk of retaliation, discrimination or disadvantage.

3.2.2 Risk management

Portfolio companies should have structured risk management processes and frameworks within its businesses. The Board of Directors should be responsible for determining the risk appetite of the company, and for maintaining oversight of key risks that have a material impact on the portfolio company. The management of Kinnevik's portfolio companies should ensure that there are appropriate processes for identifying and managing risks as well as escalating them to the portfolio company's Board of Directors when appropriate.

3.2.3 Compliance

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

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

Management should maintain an oversight of compliance across the company's operation and report material non-compliance matters to the portfolio company's Board of Directors.

3.2.4 Competitive behaviour

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

3.2.5 Business ethics

Portfolio companies should develop clear guidelines on anti-corruption, including issues relating to bribery, money laundering, and fraud. These guidelines should be made known to all employees, and employees

should be continuously educated and informed of the consequences of the guidelines. It is also important that the companies are transparent and communicate how they avoid and work against corruption.

3.2.6 Trade sanctions

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

3.2.7 Privacy and data protection

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

3.2.8 Social responsibility

Kinnevik requires that our portfolio companies build responsible business relationships with suppliers, including human rights, business ethics and health & safety considerations, are attractive employers with human rights, health & safety, diversity & inclusion, well-being and personal development in focus and have committed community outreach programs.

Portfolio companies should continuously monitor their compliance with applicable laws, regulations, and relevant international standards in terms of these topics.

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

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

All portfolio companies should develop a Supplier Code of Conduct in which the company's suppliers pledge to act in accordance with the

recommendations of the UN's Global Compact. Companies are expected to promote the Supplier Code of Conduct and take reasonable measures to ensure compliance of their supply chain to this code.

3.2.9 Environmental responsibility

Kinnevik's target is to reduce greenhouse gas emission intensity in the portfolio by 50% by 2030 compared to 2020. The target entails all portfolio companies to set relevant climate targets across their operations and value chains to align with actions needed to limit global temperature rise to 1.5°C above pre-industrial levels. Due to the high growth nature of many of our companies, their emissions will be measured in relation to the development of relevant economic and physical metrics.

Portfolio companies should establish a climate strategy and continuously analyse and improve the impact of their operations on the environment. Environmental work should be followed up continuously and reported to the portfolio company's Board of Directors. Portfolio companies should also encourage suppliers to achieve continuous improvements.

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

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

3.3 Sustainability in new investments

3.3.1 Evaluation prior to new investments

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

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

3.3.2 Development of sustainability in new investments

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

3.4 Follow-up of portfolio companies' sustainability work

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

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

Kinnevik performs a yearly assessment of all portfolio companies, public and private, based on the Kinnevik Standards, a structured framework to define best practices for our companies, to measure performance and to

set priorities and roadmaps which mirrors our ESG Framework. Following the completion of the assessment, Kinnevik scores the portfolio 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.