INVESTMENT POLICY

Approved by the Board of The Kvinna till Kvinna Foundation (hereafter: Kvinna till Kvinna) on 9 November 2016.

Introduction

This policy document contains the regulations that guide Kvinna till Kvinna's asset management and investment decisions.

Aim, goal and delimitations

Aim

The aim of this investment policy is to set out guidelines on how Kvinna till Kvinna's assets should be managed and invested in order to generate a reasonable return on investment with a limited risk profile.

Among other things, this policy includes:

- A division of responsibility
- Guidelines and suggestions on asset placement and maximal risk exposure
- Guidelines on reporting and result analysis

This investment policy shall serve to guide the daily work of those individuals (internal or external) who are responsible for Kvinna till Kvinna's asset management and investment decisions.

Goal

The goal of Kvinna till Kvinna's asset management is to ensure the highest return on investment possible while investing in an ethically acceptable way, keeping in mind that liquidity should be safeguarded at all levels.

The organisation's assets are to be managed effectively, to enable solid, long-term asset management at reasonable risk levels, in line with the rules set out by Kvinna till Kvinna's Board and without disregarding ethical considerations.
Asset management principles

Kvinna till Kvinna’s asset management should have a long-term rather than short-term focus, with positive criteria such as the environment and ethics becoming increasingly important.

To spread risk, diversification should always be kept in mind – both with regards to time and with regards to the choice of securities and asset managers.

All follow-up should be based on the current market valuation of the organisation’s assets. If asset managers are hired to manage part or all of Kvinna till Kvinna’s assets, they should adhere to this policy.

Responsibility

Kvinna till Kvinna’s Board carries the final responsibility for the organisation’s asset management and for ensuring this investment policy is followed. This is done through an annual investment report. The Board also reaffirms and/or revises the investment policy every other year or when needed.

Kvinna till Kvinna’s deputy secretary-general is responsible for:

- Initiating and preparing updates of the investment policy
- Ensuring compliance with the investment policy

Kvinna till Kvinna’s head of finance is responsible for:

- Representing Kvinna till Kvinna in dealings with external actors, together with the deputy secretary-general
- Making monthly reports available to the deputy secretary-general and, upon request (if risk exposure limits are exceeded, for example), reporting to the deputy secretary-general
- Executing and administering investment decisions, so the organisation’s official signatory (firmatecknare) is always involved in executing deals
- Reporting when misconduct is suspected
Guidelines on risk exposure

Security investments should be made within the below framework:

<table>
<thead>
<tr>
<th>Type of assets</th>
<th>Min %</th>
<th>Proposed share</th>
<th>Max %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing securities</td>
<td>10</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>of which short-term</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>of which long-term</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity funds</td>
<td>40</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td>Of which listed, global</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of which listed, Swedish</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative placements</td>
<td>0</td>
<td>20</td>
<td>30</td>
</tr>
</tbody>
</table>

Assets can only be placed in bank deposits, securities such as corporate bonds and government bonds, shares, interest funds or equity funds and alternative placements.

Normally, structured products are counted as part of the category "Alternative placements". Depending on the structure and the type of exposure they allow for, structured products may also fall into the category of interest-bearing securities and/or equity funds. With structured products, we mean a combination of derivatives and interest-bearing securities in one and the same structured product.

When investing assets, interest and maturities should always be seen in light of the liquidity prognosis and an assessment of the possibility to divest the assets from the market in the event this would be necessary.

Bank deposits such as term deposits may vary over time. These deposits are counted as part of the asset types mentioned in the above table. The goal should always be to limit bank deposits. Temporary liquidity can be invested for a shorter amount of time, for example, which is then seen as an interest-bearing security.

Ethical investment guidelines

All Kvinna till Kvinna's investments should be characterised by respect for the environment, human rights, labour conditions and ethical corporate management. By this we mean Kvinna till Kvinna should strive to invest in actors who prioritise sustainability and do so in a structured way, to respect the balance between economic, environmental and social values. When companies actively deal with environmental and social issues from a long-term perspective, we believe they contribute to minimising risks and costs and optimise their business potential.
Kvinna till Kvinna should not invest in actors whose profit comes from the production and/or sale of goods and/or services within the tobacco, weapons, alcohol, gambling or pornography industry.

Assets should be invested in actors who respect the following principles:

1) Follow international rules and regulations aimed at protecting human beings and the environment;

2) Minimise any harmful impact they may have on the environment whether locally, regionally or globally, for example by using the best available technology in their field.

With 1., we refer to the United Nations’ Global Compact and its ten principles, as well as other international conventions, as expressed in the Global Ethical Standard (GES).

With 2., we refer to the Rio Declaration and its Principles for sustainable development.
Appendix 1:

UN Global Compact – Ten Principles

At the 1999 World Economic Forum in Davos, UN Secretary-General Kofi Annan encouraged global leaders to take a sustainable, responsible approach to doing business. This initiative by the Secretary-General led to the launch of the United Nations’ Global Compact, which contains ten principles for businesses to uphold their responsibility in the areas of human rights, labour, environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

**Human rights**

**Principle 1:**
Businesses should support and respect the protection of internationally proclaimed human rights within their area of influence; and

**Principle 2:** make sure they are not complicit in human rights abuses.

**Labour**

**Principle 3:**
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:**
the effective abolition of child labour; and

**Principle 6:**
the elimination of discrimination with respect to employment and occupation.

**Environment**

**Principle 7:**
Businesses should support a precautionary approach to environmental challenges;

**Principle 8:**
undertake initiatives to promote greater environmental responsibility; and

**Principle 9:**
encourage the development and diffusion of environmentally friendly technologies.

**Anti-corruption**

**Principle 10:**
Businesses should work against corruption in all its forms, including extortion and bribery.
Appendix 2:

Excerpt from the Rio Declaration and Agenda 21: Principles

At the 1992 UN Conference on Environment and Development (the Rio Conference) in Rio de Janeiro, several documents were signed that were closely interlinked in many ways. One of them, the Rio Declaration on Environment and Development, included the principles that are today used in the work with Agenda 21. These principles include key points such as:

The principle of the environmental cycle, ie. just as in nature at large, our society too should act from an environmental-cycle perspective: our use of nature's resource should be as limited as possible, for example, and new products should to an ever-greater extent be produced from recycled resources.

The polluter-bears-the-cost principle, ie. whoever causes pollution shall also be the one to bear the costs for this pollution.

The principle of precaution, ie. where activities threaten to seriously or irreversibly damage the environment, lack of full scientific certainty shall not be used as a reason to postpone taking action to protect the environment. The environment, not the polluter, shall be treated with precaution.

The principle of nearness, ie. environmental issues are best handled on a decision-making level as close to the concerned parties as possible.

The principle of replacement, ie. in cases in which a choice can be made between two products, where one product is better for the environment than the other, the environmentally best alternative should always be chosen.