

The background features a large, abstract graphic composed of overlapping curved shapes in dark blue, orange, and brown, set against a light beige background. The word "investor" is written in a white, lowercase, sans-serif font in the top left corner.

investor

Diversity and Inclusion Plan

Approved by Investor AB's Management
Group on December 10, 2020

C1 - Public

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1 Introduction

At Investor, we are convinced that top quality individuals with different mindsets make all the difference! Our results ultimately depend on the people in our organization and in our network.

This Diversity and inclusion Plan (the "Plan") describes the process of diversity and inclusion at Investor AB and its subsidiaries, however excluding its operating subsidiaries ("Investor"). This Plan is written by the HR function and approved by the management group. The Plan shall be reviewed and approved annually.

Local regulations need to be considered by each country in which we operate.

Diversity

Diversity refers to the composition of the workforce, in terms of gender, age, nationalities, backgrounds etc. Investor strives for diversity across all these dimensions as well as differences in mindsets and experiences.

Inclusion

At Investor, we see inclusion as a way to leverage and make use of diversity. We are genuinely curious about others' perspectives; we aim at asking a lot of questions and to bring in different perspectives before important decisions are taken.

Inclusion is measured in our employee engagement survey through questions covering inclusiveness, sense of belonging and employees feeling valued.

Non-Discrimination

Investor has a zero tolerance for any kind of discrimination. Like diversity and inclusion, non-discrimination is covered in the employee engagement survey and focuses on non-discrimination in general, fair opportunities and responsiveness.

2 Foundations for Diversity and Inclusion

Diversity of people with different backgrounds, experience and skills is a prerequisite for the success of an international organization like Investor. Furthermore, respect for the individual is a fundamental value.

At Investor, all employees are given the same opportunities, and no one is to be discriminated. There are seven grounds of discrimination (Sw: diskrimineringsgrunder) covered by the Swedish Act of Discrimination (2008:567) which prohibits discrimination regarding:

- Gender
- Transgender identity or expression
- Ethnicity
- Religion or other belief
- Disability
- Sexual orientation
- Age

3 Diversity and Inclusion Areas

Our proactive diversity and inclusion initiatives are executed in four steps. To adhere to the Swedish Act of Discrimination, Investor applies this four-step approach within the areas as further described in section 4.



3.1 The Four-Step Approach:

The way we formally apply the four-step approach is the following:

1. Investigate
 - The main vehicles are our quarterly Employee Engagement Survey, that provides an organizational perspective, and our InD framework, that focuses in each individual and provides a structured format for frequent dialogue between employees and leaders.
2. Analyze
 - The results of the Employee Engagement Survey are analyzed on an aggregated company level as well as in each team.
3. Take action
 - Based on the analyses, action plans, including timelines, are set on company and team level.
4. Follow up and evaluate:
 - The fact that the InD Framework supports frequent conversations and check-ins, and that the Employee Engagement Surveys will be run quarterly, instead of annually, provides a structure for frequent follow ups and evaluation.

As part of our aspirations, Investor has during 2020 appointed a new 'Diversity and Inclusion Group, representing the employees. The group has four members, representing different teams, professions, gender and nationalities.

4 Investor's Diversity and Inclusion Key Focus Areas and Initiatives

Investor's direction and targets towards 2030:

- *To actively promote diversity in all dimensions and encourage the portfolio companies to do so.*
- *Investor and all portfolio companies measure the perceived level of inclusion among employees on a regular basis.*
- *To reach a gender balance of 40/60 in the portfolio companies' board of directors and executive management teams from an overall portfolio perspective and to maintain a gender balance of 40/60 in Investor's group management.*

This Diversity and Inclusion Plan describes key actions and outcomes regarding Investor AB. The portfolio targets and outcomes are covered in the Sustainability Policy and Annual Reports.

4.1 Diversity and Inclusion Plan

To ensure equal opportunities and an inclusive workplace, Investor's management has, among other things, established this document regarding diversity and inclusion initiatives for Investor's employees. The plan covers the following areas:

- 1) Work Environment
- 2) Work and Parenthood
- 3) Growth and Professional Development
- 4) Recruitment
- 5) Equal Remuneration
- 6) Work against Harassment

4.1.1 Equal Work Environment

A. OBJECTIVES:

The working conditions at Investor should be suitable for everyone. Investor strives for a work environment that is functional, pleasant and supports collaboration. Physical as well as the psychosocial work environments are taken into account. Our aspiration is that our workplace should be sustainable and inclusive.

B. KEY ACTIONS THIS YEAR (2020):

During 2020, a year dominated by the Corona pandemic, Investor employees have been working remotely to a large extent. The company has put a lot of emphasis on its responsibility for the work environment, even if the work is performed remotely. Focus has been put on mental well-being, ergonomic chairs have been offered and additional technical equipment, such as screens and keyboards, have been delivered to employees' homes. Leaders have been encouraged to apply an 'inclusive leadership', with daily / weekly individual and team meetings, making sure that everybody are listened to and encouraged to contribute, regardless if people work from home or from the office.

During 2020, Investor has offered on-line as well as on-site physical exercise, to promote physical and mental well-being during the Corona pandemic.

During 2020, all leaders with people responsibility, have taken part in work environment training.

C. EVALUATION OF THE CURRENT STATE (2020):

The Employee Survey performed during October 2020 showed strong results regarding the physical environment, with scores above the external benchmark.

Regarding the psychosocial work environment, focusing on inclusion, the scores are also above the external benchmark when it comes to inclusiveness, sense of belonging and feeling valued.

Previous years' evaluations have shown a relatively low level of sick leave. Statistics from 2020, broken down by gender, show that sick leave remains at relatively low levels. Sick leave (in percent of working hours) for Investor's employees in 2019 amounted to 1,45% and for 2020 2,44% percent.

Split by gender 2019: females 2,01 % and men 0,9%.

Split by gender 2020: females 4,04 % and men 0,82%.

D. REGULAR PROCEDURES:

All new employees are given the possibility to have a review of their workstation by an ergonomist.

Investor provides wellness e.g. in the form of wellness contributions and the opportunity to use Investor's vacation homes.

Investor also offers all employees a health insurance and free health care at Investor's medical service, including regular health examinations and the possibility to have chiropractor treatments.

4.1.2 Work and Parenthood

A. OBJECTIVES:

Investor's employees shall be able to combine their work with the responsibilities that comes with parenthood. Investor shall actively work to make sure employees are not disadvantaged because of their parenthood in any respect, including compensation and benefits.

B. KEY ACTIONS THIS YEAR (2020):

Market benchmarks have been performed to summarize market practices regarding parental benefits, both in Stockholm and in New York. No decisions on any changes in Investor's policies have been made, so far.

C. EVALUATION OF THE CURRENT STATE (2020):

Investor offers supplemented parental pay during the parental leave, and when caring for a sick child, according to local market practices. Please see the Employee Handbook, for Sweden and for New York respectively, regarding details of the parental benefits.

In Sweden, Investor employees with children up to the age of twelve, are entitled to domestic services as a benefit. All of Investor's employees also have the opportunity to work flexible hours.

D. REGULAR PROCEDURES:

All employees who are new parents are encouraged to take parental leave.

During the parental leave, continuous contact between the employee and the manager is encouraged to enable him/her to stay in touch and follow the development in the workplace.

Investor shall also ensure that the person on parental leave is covered by the annual salary review and that she or he is not disadvantaged because of parenthood when it comes to compensation or any opportunities for professional development or career advancement.

4.1.3 Growth and Professional Development

A. OBJECTIVES:

An equal diversity balance shall be promoted in all job categories and levels within Investor. A proactive and structured approach to growth and professional development is important to support all employees to become ready for more complex tasks, projects or roles.

B. KEY ACTIONS THIS YEAR (2020):

During 2020, an Investor Academy has been designed, and is planned to be launched 2021.

C. EVALUATION OF THE CURRENT STATE (2020):

Investor's employees have equal opportunity to take part in trainings and professional development.

All Investor employees are encouraged to make sure there is growth and development in the daily operations. They are also encouraged to regularly plan for professional growth and development, including, on the job activities, mentorships, coaching, training and development programs, on-line or face-to-face.

D. REGULAR PROCEDURES:

As part of Investor's InD-Framework for impact and development, all employees are responsible for establishing their personal development plan. This plan is owned by the employee but developed in close dialogue with the manager.

4.1.4 Recruitment

A. OBJECTIVES:

At both internal and external recruitments, Investor should strive for an equal gender and diverse balance in all job categories and levels. We strive to have a diverse slate of candidates and diverse interview panels.

B. KEY ACTIONS THIS YEAR (2020):

During 2020 two senior female investment professionals has been externally recruited to Patricia Industries, one in the PI Nordic and one in PI US.

There have been two rounds of internship recruitments, that resulted in a 50/50 gender balance among the final eight candidates. The finalists also represent different nationalities and different universities.

There was a record number of applicants to the internship positions, but the share of females dropped slightly, and that continues to be a priority for us.

There has been significant work during 2020, and 2019, to have a science-based recruitment method in place, aiming at finding the best candidates and eliminating as much unconscious bias as possible. Significant work has also been done in improving our career portal, and it aims to attract a diverse pool of high-quality candidates to Investor going forward.

C. EVALUATION OF THE CURRENT STATE (2020):

New interns in 2020: Gender balance 50/50, schools represented: Stockholm School of Economics, KTH, LTH (Lund).

During 2020, nine individuals were externally recruitment, 6 (67%) females and 3 (33%) men.

D. REGULAR PROCEDURES:

Investor's recruitment ads shall be designed so that both women and men are attracted to apply.

At each recruitment, internal and external, efforts should be made to ensure a diverse slate of candidates and a diverse interview panel.

4.1.5 Equal Remuneration

A. OBJECTIVES:

Through surveys and analysis of compensation and benefits, Investor shall ensure that wage discrimination does not occur. If Investor's analysis of salaries shows that any differences in remuneration between females and males lack factual reasons, these differences shall be addressed.

B. KEY ACTIONS THIS YEAR (2020):

Investor has performed the annual wage discrimination survey (Sw. lönekartläggning) in Sweden.

C. EVALUATION OF THE CURRENT STATE (2020):

There were no unreasonable (Sw. osakliga) pay differences related to gender identified in this year's wage discrimination survey (Sw. lönekartläggning).

D. REGULAR PROCEDURES:

An analysis of pay differences between *equal* and *similar* positions on the basis of the criteria knowledge and skills, responsibility, effort and working conditions, is done each year, in line with Swedish legislation. All of Investor's employees are included in this survey with the intention to discover any pay differences between men and women, that lack factual reasons.

4.1.6 Work against Harassment

A. OBJECTIVES:

Investor has a zero-tolerance policy against harassment. Investor should inform all employees and any trainees and consultants, that it is intolerable that anyone is subject to any kind of harassment, including sexual harassment, based on any of the seven grounds of discrimination. Investor's employees should also have knowledge about whom to turn to if they become victims of such harassment. Reprisals for the reporter are strictly prohibited. Where applicable, Investor shall take sufficient measures in order for such harassment to cease.

B. KEY ACTIONS THIS YEAR (2020):

The Compliance function at Investor, has held its annual training and information session to all employees, including information about zero tolerance and how the whistle blower channel works.

Our employee engagement survey has a separate section on non-discrimination.

C. EVALUATION OF THE CURRENT STATE (2020):

The score on the three non-discrimination questions in the Employee Survey were above the external benchmark.

Investor has not during the last year found any reason to take any specific actions.