



Rte de Lausanne 107
1197 Prangins - Switzerland

T +41 22 365 15 00
F +41 22 365 15 05

info@peacenexus.org
www.peacenexus.org

PeaceNexus Foundation Investment Strategy

INTRODUCTION

The foundation is supported by a single endowment received from the visionary philanthropist Hansjörg Wyss. The board of the foundation bears final responsibility for the implementation of the investment strategy together with its chosen asset managers.

OBJECTIVES

The vision of the PeaceNexus Foundation (foundation) is of a world in which governments, civil society organisations and businesses contribute to developing inclusive and peaceful societies. Our investments and our behavior as an investor contribute to this vision.

With our investment we hope to realize the following objectives:

1. Provide financial resources for the activities of the foundation
2. Avoid investing in companies whose products and corporate behavior conflicts with our vision
3. Invest in companies which contribute to realizing our vision
4. Encourage companies we invest in to be considerate of their peacebuilding impact, and act in an ethical and socially responsible way while protecting of the environment

This investment strategy will expand on these objectives. More specific investment guidance is provided in the *PeaceNexus Investment Guidelines*.

1. PROVIDE FINANCIAL RESOURCES FOR THE ACTIVITIES OF THE FOUNDATION

The foundation employs staff and provides financial resources to strengthen the competencies and collaboration of organisations in order to increase their effectiveness and contribution to building peace. The annual financial returns from our endowment provide a significant contribution to the yearly budget of the foundation.

Our conviction and experience over the past 10 years is that setting ethical and responsible investment guidelines does not negatively influence financial performance.

2. AVOID INVESTING IN COMPANIES WHOSE PRODUCTS AND CORPORATE BEHAVIOUR CONFLICTS WITH OUR VISION

The foundation does not invest in companies that produce weapons, nor in companies that are in severe violation of international environmental, social and governance standards (including human rights, corruption etc.)

3. INVEST IN COMPANIES WHICH CONTRIBUTE TO REALIZING OUR VISION

The foundation invests part of its endowment in the *Peace Investment Fund (PIF)* that invests in companies with a net positive contribution to building peace in fragile states. Using a methodology developed by the foundation, companies are screened for PIF eligibility based on their ranking in the *Peacebuilding Business Index*. This ranks the 300 economically most impactful listed companies active in fragile countries, according to their peacebuilding performance and contribution to SDG 16.

With the establishment of the PIF in 2018 the foundation hopes to:

- Strengthen international dialogue and investor practices around business' contribution to SDG 16
- Bring SDG 16 and peacebuilding more broadly to the attention of company executives and enable them to identify concrete ways in which their core operations can have a more positive impact on conflict-affected societies
- Support portfolio companies to have a greater peacebuilding impact by partnering in dialogue or problem solving processes to address specific social, governance or environmental challenges.

In addition to PIF portfolio companies, the foundation invests in “best in class” companies and bonds that have good environmental, social and governance standards.

The foundation can also invest in Impact Investment Funds that focus on:

- Providing access to finance for small and medium businesses in fragile states
- Promoting income generation for vulnerable groups in in fragile states
- Promoting innovation to address challenging issues for fragile states

4. ENCOURAGE COMPANIES WE INVEST IN TO BE CONSIDERATE OF THEIR PEACEBUILDING IMPACT, BE ETHICAL, SOCIALLY RESPONSIBLE AND PROTECTIVE OF THE ENVIRONMENT

Primarily via the foundation's financial and technical contributions to the *Peace Investment Fund (PIF)*, the foundation seeks to engage with international companies that have operations in fragile states. Through dialogue and assessments, the foundation promotes awareness about companies' peacebuilding impact and provides assistance to strengthen this impact. In this company engagement the foundation collaborates with the asset manager of the PIF as well as engagement partners specialised in assessing peacebuilding impact and ethical, social and environmental business practices.

Our asset managers must actively vote and engage with the companies on environmental, social and governance issues. The foundation is in regular contact with them on how they fulfill their role as responsible investor and on the results from engaging with portfolio companies.

We encourage other investors to join us in following best practices as set out in the UN Principles for Responsible Investment.

PERFORMANCE MANAGEMENT

We hold ourselves and our asset managers accountable for implementing this investment strategy and engage in various investor dialogues to learn from other responsible investors and share our practice. The board of the foundation receives an annual consolidated overview of the financial and social performance of the portfolio and adherence to the investment strategy.