

KOMMUNINVEST I SVERIGE AB

Conflict of Interest Management Policy

C5P



Adopted by the Board of Directors	Document manager	Document owner	Information classification
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External regulations			
Banking and Financing Business Act (2004:297) FFFS 2014:1 Swedish Companies Act (2005:551) EBA/GL/2021/05			
Former versions			
23 May, 2023			
Background			
<p>Kommuninvest i Sverige AB (the Company) acts to implement good governance and internal control. The Board of Directors is responsible for managing the Company's obedience of laws as well as national and European regulations that govern the operations of the Company, where applicable. The governing documents of the Company consist of documents established by the Board, President and CEO or respective functional manager. Policies and some Instructions for the Board are established by the Board. These governing documents can be derived into Instructions established by the President and CEO, as needed. Even more detailed Instructions can be derived from these, to be established by the respective functional manager. The Board shall establish the Policies on an annual basis and manage their compliance with and evaluation by the operations. The Board is ultimately responsible for the Company running an appropriate and effective business as well as a well-developed system for risk management and compliance.</p> <p>This Policy includes the Company's Board, management, all employees, consultants, cooperating partners, agents and assignees that are affected by the operations of the Company. The Policy is applicable to all parts of the operations and also includes activities and areas that have been outsourced to another party.</p> <p>The President and CEO is responsible to implement and monitor compliance with this Policy. It is imposed on the President and CEO to assess and update the contents of this Policy annually or as needed and present it to the Board, including any revisional changes.</p>			

1 Introduction

In this policy, the Board of Directors of Kommuninvest i Sverige AB has established internal rules for handling potential and existing conflicts of interest on the Company's Board of Directors (or for directors personally) and in the Company's business (or for employees of the Company) and has also established routines and measures for doing so. In respect of the Company's business, this also includes rules for evaluating employees' ancillary activities.

The members of the Kommuninvest Society (the Society) are not only indirect owners of the Company, but also its customers. This understanding, together with a deliberate approach, should form the basis for all analyses of existing and potential conflicts of interest, as well as their management by the Company.

The aim of this policy is to identify and manage existing and potential conflicts of interest in an efficient and suitable manner in order to prevent any conflicts of interest from leading to detrimental consequences for customers, members, or the Company.

The purpose of the evaluation of employees' ancillary activities, if any, is to ensure that they do not have a detrimental impact on the employee's tasks within the Company or give rise to potential conflicts of interest through competing activities.

Conflict of interest means the risk that conflicting interests and double loyalty can affect the ability to act in the best interests of the Company either through owners, directors, senior executives, employees, assignees or others engaged in the business. Conflicts of interest can also occur between businesses.

2 Identification of conflicts of interest

The identification must include an inventory of the circumstances which have, or might, give rise to a conflict of interest.

2.1 Identification of conflicts of interest on the Board of Directors

Potential and existing conflicts of interest are identified in conjunction with new appointments to the Board of Directors and through on-going self-evaluation on the Board of Directors.

In conjunction with new appointments, the acceding director must inform the Chairperson of the Board of Directors or whom the Chairperson appoints, in writing, of all other board appointments as well as other significant engagements and involvements which may have an impact on either strategic or specific decisions which may be taken within the scope of the Board of Directors' work at the Company.

In the event that the director identifies a circumstance which may lead to a conflict of interest, the director must promptly notify the Chairperson of the Board of Directors. The Chairperson may refer the matter to the election committee for determination of the suitability of assignments.

The company shall archive the written information after it has been examined by the Chairman of the Board.

In those cases where there is a risk that a director may face a conflict of interest when addressing a matter before the Board, such director must:

- inform the Chairperson of the situation;
- completely refrain from participating in the Board's decision, unless the Chairperson decides otherwise.

The circumstance and the way in which it is managed must be documented in the minutes of the Board of Directors.

2.2 Conflicts of interest - senior executives

Senior executives (directors of the executive management) shall, corresponding to the handling of the Board of Directors', on an annual basis commit to reporting the assignments or other engagements they possess beyond their Company employment. A senior executive shall for example not undertake assignments as a director of the Board, assignee or similarly in a company whose business are competing with, or whose interests in other ways are in conflict with, those of the Company.

Furthermore, senior executives shall not be in possession of such assignments, functions of engagements in another company that leads to the executive not having enough time for the assignment, or that it for some other reason is unsuitable for the executive to be in possession of such an assignment.

To ensure good control and limitation of these risks, senior executives, as all employees, shall at least annually report ancillary activities.

2.3 Owner's conflicts

Owner's conflicts is referring to conflicts of interest that may arise between the Company and its owners. The Board of Directors shall within its work specifically monitor that owner's conflicts of interest are noticed and identified, and that conflicts of owners are handled in such a way that the Company or its customers are not unduly disfavored.

2.4 Conflicts of interest - employees

When employees participate in activities where they risk being influenced by profit interests or the possibility of obtaining benefits for themselves or for relatives, situations may arise where demands for loyalty are placed against the individual's interests.

The following are the primary points of identification for such conflicts of interest:

- To have economical interest in one or more transactions of buying or selling made by the Company.
- To use materials, equipment or other assets for unauthorized purposes.
- Accepting cash, gifts, entertainment or benefits of no small value from a

competitor, supplier or customer.

Every employee has the responsibility to avoid conflicts of interest and to make sure that they do not occur. An employee who is unsure whether she/he is involved in a conflict of interest or whether a certain event may create a conflict of interest, must turn to their immediate supervisor to investigate whether a conflict of interest has arisen and whether it should be handled or eliminated.

Employees may have employment, ownership interest or other functions that entail the risk of conflicts of interest arising. In connection with employment, employees must sign a confidentiality and loyalty statement. In this document, ancillary activities are addressed, and employees are informed that they may not perform work or conduct economic activities, directly or indirectly, that in any way compete with current or planned activities. The employee also agrees not to undertake assignments or conduct activities that may adversely affect the ability to perform their duties or that may undermine confidence in the employment in the Company.

To ensure good control and limitation of these risks, employees must report ancillary activities at least annually.

Positions of trust in trade Unions, political or non-profit organizations are not to be considered ancillary activities.

2.5 Close relatives

For transactions with companies with which the Company has close relations, the basis for such transactions must always be documented in an agreement or other equivalent documentation. Agreements and/or journal entries must be signed by authorized signatories. Accounting of transactions with companies with which the Company has close relations, must take place in accordance with good accounting practice.

Transactions with closely related physical persons must not occur.

3 Reporting and documentation

Every employee is responsible for identifying and reporting actual and potential conflicts of interest that arise in day-to-day operations to their immediate supervisor, who in turn must report further to the Chief Compliance Officer. In cases where a harmful conflict of interest is identified, it must be handled as below:

- Conflict of interest is identified.
- Immediate supervisor, in consultation with the Chief Compliance Officer, determines whether the situation constitutes an actual or potential conflict of interest and assesses whether and, if so, how best to handle it.
- If necessary, the immediate manager escalates the conflict of interest to the President and CEO for further assessment.
- The manager documents all circumstances that constituted or may have constituted a conflict of interest as well as the measures taken to mitigate or manage the conflict of interest.

- If the President and CEO assesses that it is a harmful conflict of interest, the President and CEO must, in consultation with the Compliance department, report it to the Board.
- The Board shall then decide on how the conflict of interest is to be handled.
- The Chief Compliance Officer is responsible for keeping records of identified potential conflicts of interest as well as of conflicts of interest that arose as a result of a single event and how they are handled or have been handled.

4 Reporting to the Board

The President and CEO, or whom the President and CEO appoints, must report at least annually on which potential conflicts of interest have been identified over a longer period of time and how they are handled, as well as whether any conflicts of interest have arisen in the business and how these have been handled.