

KOMMUNINVEST I SVERIGE AB

Sustainability Policy

G6P



Adopted by the Board of Directors	Document manager	Document owner	Information classification
2023-09-22	Chief Financial Officer	Board of Directors	Public
External regulations			
Annual Accounts Act (1995:1554) EU/2020/852 (framework to facilitate sustainable investment) EU/2022/2464 (CSRD) (formerly 537/2014, 2004/109, 2006/43, 2013/34) (EU) 575/2013 (Capital Requirements Regulation – CRR, article 449a)			
Former versions			
2023-05-23; 2022-05-24			
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 for making the Policy available to everyone that are affected by it and to inform the same of the regulations of this Policy. This implies the responsibility to ensure that employees, consultants, cooperating partners, agents and assignees that are affected by this Policy knows of it and comply its content. It is the responsibility of the President and CEO that the compliance of this Policy is evaluated and reported to the Board. President and CEO or whom the President and CEO nominates is also responsible for conducting the exact and detailed regulations needed to ease the application of this Policy.</p> <p>This Policy is to be evaluated continuously and revised as needed following the Board's decision. It is the President and CEO:s assignment to evaluate and update the contents of this Policy on an annual basis and present it to the Board, including any revisional changes.</p>			

1 Introduction

This Policy constitutes the Board's internal rules for the sustainability work of Kommuninvest i Sverige AB (the Company). Responsible action is a fundamental prerequisite for long-term value creation and to enable the Company to live up to the vision:

“Kommuninvest shall be the world's leading organisation for municipal financial management. We finance the development and investments of the Swedish local and regional sector for a sound and sustainable society.”

The cornerstones of the Company's culture are the long-term relationships with the members of Kommuninvest Cooperative Society (the “Society”), the Company's customers and other stakeholders, low risk-taking, and cost consciousness. This creates a basis for operating the business in a responsible and sustainable manner.

1.1 Purpose

The purpose of this Policy is to establish the focus of the Company's sustainability work. Ethical conduct and responsibility for economically, environmentally, and socially sustainable long-term development are fundamental for maintaining confidence in this task. Moreover, the Company shall endeavour to maintain a dynamic dialogue and communication with stakeholders in respect of the work.

2 Focus

The Company shall take both the direct and indirect impact of economic, social, and environmental sustainability into account throughout its business. This includes taking into account the Sustainable Development Goals (Agenda 2030) and offering services and products that meet the needs of members and customers in this regard. This will make it possible for new opportunities to be identified, to motivate employees, and to maintain confidence in the Company at the same time as risks and costs are reduced.

Sustainability work shall be based on the Company's mission, to finance the municipal sector's development and investments for a good and sustainable society, and on the expectations that stakeholders have on the Company.

This means that the Company through its operations shall support the effective economic administration and sustainable development work which is conducted by the members of the Society and the customers of the Company, by offering services and products that are beneficial to them, and which meet their needs.

Furthermore, the Company shall offer products and services which render its customers' sustainability efforts visible and contribute to the development of such work.

To meet stakeholder expectations on ESG and increase the impact of the work, the company shall also engage in relevant societal issues and collaborate with others.

2.1 Acting ethically and responsibly

The Company shall conduct a financially sound and sustainable business, and shall not participate in human rights violations, employee rights violations, or negative environmental impact, nor accept corruption. The Company shall work to ensure that this view on sustainability is also developed in the relationship with its suppliers.

The Company's success relies upon the confidence of members of the Society, customers, counterparties, investors, employees, and public agencies. Acting ethically and responsibly is therefore important. This is evident from the Company's Code of Conduct, which has been adopted by the Company's Board of Directors.

The Company shall work to ensure that any conflicts of interest are identified and handled in an efficient and effective manner, in order to prevent a negative impact on customers, members or the Company.

In tax matters, the Company's conduct shall be responsible, correct, and transparent. The Company shall not participate in transactions or provide products which can be questioned in light of applicable tax legislation. In the event of doubt, the Company shall refrain from participating. Sound ethics shall always be taken into consideration.

2.2 Sustainable organisation

Having a sustainable organization is crucial for long-term value creation in the Company.

Through systematic competence provision, the Company shall ensure that the right skills are in the right place at the right time. Competence development shall take place continuously and in line with the Company's needs, where employees can flourish, and the Company develops new abilities.

The Company shall strive to have an organization characterized by a strong culture and good working conditions, with healthy and motivated employees. An organization that stimulates continuous learning and has a good ability to adapt to new conditions.

Respect for human rights is a basic prerequisite. The Company shall avoid causing or contributing to a negative impact on human rights in its own activities and rectify such impact if it occurs. The Company shall work to prevent discrimination, shall promote diversity and gender equality, and shall safeguard good working conditions.

The Company shall work proactively and systematically and have a holistic view on work environment and sustainability.

The work environment shall meet physical, social and organizational goals as well as legal requirements, be characterized by clear mandates and instructions and offer a balance between responsibility and authority. The Company shall work to minimize social organizational stress through frequent and transparent internal communication and via systems and structures that create opportunities for dialogue, participation and influence. The Company strives to enable balance between work, leisure and parenthood, for a sustainable everyday life.

2.3 Local cooperation

Through local cooperation with parties which have an articulated community involvement and values which match those of the Company, the Company can convey its community responsibility on the local level. The goal of local cooperation is to strengthen the Company's possibilities for recruitment, make the Company's presence in the local community visible, and strengthen the Company's employer brand.

2.4 Responsibility for the environment and the climate

Kommuninvest's view is that an integrated consideration for environmental and climate issues is fundamental to long-term value creation. Structured environmental and climate activities are thus a natural part of the business, where the Company takes responsibility for contributing to long-term sustainable development.

Through continuous development of its work in these matters and taking into account societal and technological developments, the company shall actively work to minimize its direct environmental and climate impact as well as manage its indirect impact via lending, credit risk management, funding and other activities. The main focus of the work to promote the municipal sector's environmental and climate transition is clarified in a Climate Plan adopted by the Board.

3 Follow-up and reporting

The Company shall measure, report, and follow up on the sustainability work in accordance with national legislation and applicable EU regulations.