

KOMMUNINVEST I SVERIGE AB

Sustainability

Policy

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Sustainability Policy

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 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 External regulations

The Annual Accounts Act contains requirements regarding reporting on sustainability.

1.2 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 must endeavour to maintain a dynamic dialogue and communication with stakeholders in respect of the work.

1.3 Definitions

Sustainable development Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The term is included in Sweden's Constitution (Instrument of Government, Chapter 1, § 2).

2 Governance and scope

This policy covers all activities of the Company and applies to customers, investors, financial cooperation partners, and other suppliers. The policy is revised on an annual basis or as necessary, and is supplemented by policy documents regarding, among other things, diversity and gender equality, conflicts of interest, money laundering, and terrorist financing. When necessary, the CEO is responsible for formulating guidelines regarding areas and industry sectors, as well as to provide for the existence of relevant organisation, delegation, and instruction so that this policy can be applied in practice.

3 Focus

The Company shall take both the direct and indirect impact of economic, social, and environmental sustainability into account throughout its business. 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 stakeholder have on the Company.

This means that the Company through its operations must support the sustainable development work which is conducted by the members of the Society. The Company must endeavour to offer services and products that are beneficial to members and customers 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 and increase the impact of the work, the company shall also engage in relevant societal issues and collaborate with others.

3.1 Financial responsibility

The Company must conduct a financially sound and sustainable business, and must 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. Ethical and moral action is thus important. This is evident from the Company's Code of Conduct, which has been adopted by the Company's Board of Directors and is updated as necessary.

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

3.2 Sustainable organisation

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

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

The Company must be knowledgeable about, and monitor, compliance with applicable labour market laws and agreements, in particular antidiscrimination legislation, environmental legislation, legislation for public companies, and legislation which affects business relationships.

The Company must proactively work with the concept of health and promote a sustainable everyday life, including a balance between work, leisure and parenthood.

The work environment must 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.

3.3 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.

3.4 Environmental responsibility

Kommuninvest's view is that integration of environmental issues is fundamental to long-term value creation. Structured environmental activities are thus a natural part of

the business, where the Company takes responsibility for contributing to long-term sustainable development and seeks to minimise its environmental impact. By continually developing its environmental activities and taking social and technological developments into consideration, the Company should actively minimise its direct environmental impact. By taking environmental issues into consideration in lending, borrowing, and investment activities, the Company can also manage its indirect environmental impact.

4 Organisation and responsibility

The Head of Sustainability is responsible for managing, developing, and following up on the Company's sustainability work, in close cooperation with Company management and division heads. Reporting shall be submitted to the Chief Financial Officer, CFO.

5 Follow-up and reporting

The Company must measure, report, and follow up on the sustainability work in accordance with national legislation. Reporting must be submitted annually in the Company's annual accounts and prepared in accordance with the requirements for sustainability reporting contained in the Annual Accounts Act. This includes a requirement that the Company follow up on and measure its environment impact.