

KOMMUNINVEST I SVERIGE AB

**Conflict of Interest Management  
Policy  
C.16.00.00**



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# **Conflict of Interest Management Policy**

## **1 Introduction**

In this policy, the Board of Directors 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 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.

### **1.1 External regulatory framework**

This policy is governed by the European Parliament Capital Requirements Regulation and the European Banking Authority's Guidelines on Internal Governance (GL/2021/05). The policy is also governed by the Swedish Financial Supervisory Authority regulations regarding governance, risk management and control at credit institutions (FFFS 2014:1), and its general guidelines regarding reporting events of material significance (FFFS 2015:5). Conflicts of interest on the Board of Directors are governed by Chapter 8, section 23 of the Companies Act.

### **1.2 Purpose**

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.

### **1.3 Definition of conflict of interest**

Conflict of interest occurs when two or more parties have opposing or potential conflicting interests, when business or personal circumstances affect the professional judgment or the ability to act in the best interests of the customers or the Company interests. 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, 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, see self-evaluation template, [appendix 1](#).

In the event that the director identifies a circumstance in the course of the day-to-day work of the Board of Directors which may lead to a conflict of interest, the director must promptly notify the Chairperson of the Board of Directors.

Where a need arises, or at least once annually, the Chairperson of the Board of Directors must notify the Board of the potential and existing conflicts of interest identified by the directors.

#### **2.1.1 The main points in identifying conflicts of interest**

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

- other engagements, for example other board engagements, employment, etc.;
- other involvement, such as ownership of other companies with similar or competing operations, consulting companies, or suppliers;
- interests of close associates, for examples the close associate's ownership or interest in other companies with similar or competing operations, consulting companies, or suppliers.

### **2.2 Identification of conflicts of interest in the business**

Potential and existing conflicts of interest are identified in conjunction with new employment and changed employment circumstances and close relationships, as well as through on-going self-evaluation.

The Company's decision-making tools for approval of new and modified products and services, etc., must state that the Company, on an on-going basis, identifies and combats the negative consequences that may be suffered by customers, members, or the Company due to any conflicts of interest. Examples of other significant aspects may be entering into agreements with external suppliers. In that context, conflicts of interest may constitute a comprehensive loss to the detriment of the Company or a stakeholder of the Company.

When identifying circumstances which may lead to a significant risk of a conflict of interest, special consideration must be taken of personnel with a significant possibility of affecting the Company's total risk exposure or other significant aspects of the business.

## **3 Managing conflicts of interest**

Conflicts of interest are primarily managed by the Chairperson of the Board of Directors or the President and CEO ensuring the application of routines and measures that prevent a detrimental impact on the interest of customers, members, or the Company.

### **3.1 Managing conflicts of interest on the Board of Directors**

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.

### **3.2 Managing conflicts of interest in the business**

The Company must have separate supervision of those services/products where circumstances might arise, or have arisen, which may lead to conflicts of interest which entail a genuine risk to the interests of one or more customers. Such management may, for example, entail the introduction of new routines, reassignment of personnel, or removal of services/products. In the event of other conflicts of interest, there is a duty of disclosure to the party at risk of detriment.

The Company may prohibit any ancillary activity if it is deemed to impede or affect the employee's work performance, or if it competes with the employer's business.

## **4 Organisation and responsibility**

The Chairperson of the Company's Board of Directors is responsible for managing conflicts of interest for the Board of Directors. The President and CEO is responsible for establishing guidelines for the identification and management of conflicts of interest in the business.

## **5 Follow-up and reporting**

Any violation of this policy in respect of the Board of Directors must be documented and reported, by the Chairperson, to the internal audit function and the working committee of the Kommuninvest Cooperative Society.

The President and CEO is responsible for identifying conflicts of interest in the business that may cause significant risks are reported to the Board.

In cases where the violation resulted in events of significant importance, the President and CEO is responsible for ensuring that reporting to the Financial Supervisory Authority takes place.