

*Policy owner:* Chief Financial Officer

*Approver:* CEO

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## 1. Policy Owner, Purpose and Mandate

This policy's main objective is to provide a framework for Heimstaden Bostad's (hereinafter also referred to as the "Group") taxes and its strategy covering all levies paid to respective countries' tax authorities. The policy applies to all subsidiaries and employees and representatives of the Heimstaden Bostad Group from the date of adoption.

## 2. Requirements from Group

### 1. Heimstaden Bostad's approach to tax

For Heimstaden Bostad, it is important that tax is paid in the country where value is created, in due time and in accordance with local tax rules.

Heimstaden Bostad views tax as a social responsibility in the context of funding communities and proper management can reduce business risks and fulfil our legal and stakeholder obligations.

Being a multinational group, it is necessary to fulfil the operational business activities in the jurisdictions where Heimstaden Bostad is active. However, harmful tax planning goes against the ethical values and principles of Heimstaden Bostad. By harmful tax planning we mean any strategies used by individuals or companies to reduce their tax liabilities in ways that, while often legal, contradict the intent of the law. These practices typically exploit loopholes or mismatches between different tax systems, leading to outcomes like double non-taxation or double deductions. Such practices can undermine the fairness of tax systems, distort competition, and result in significant revenue losses for governments. As a consequence of the corporate structuring of Heimstaden Bostad and its operations, careful monitoring of transfer pricing is an integral part to ensure compliance with local laws and to mitigate negative impact on the tax footprint of Heimstaden Bostad.

### 2. Group tax policy

Heimstaden Bostad's objective is to comply with tax laws in a responsible manner and to have open and constructive relationships with tax authorities in the countries in which it operates.

#### 2.1 Tax governance and risk management

As part of the conduct of business, Heimstaden Bostad will observe and act in compliance with relevant laws, practice and international guidelines. This tax policy sets the direction in the Group for how Heimstaden Bostad conducts its tax affairs in pursuit of a compliant and competitive tax position. Heimstaden Bostad has a low risk profile concerning tax and are

focused on identifying, assessing, and properly managing tax risks as well as accounting for them appropriately.

Heimstaden Bostad adheres to applicable legislation and double taxation treaties, while aiming for tax efficiency through normal measures being available to all companies in relevant jurisdictions. Such measures may consist of group contribution rights, utilisation of tax losses, etc.

All significant tax-related matters with an estimated exposure above SEK 1 million in tax value shall always be escalated to Group Tax. In line with tax policy in general, any adverse risks that are not properly and diligently addressed should be reported to the Group Tax (represented by local Head of Finance) to facilitate necessary course of action. In prolongation hereof Group Tax will report to GRC function handling the Top Risk Register.

## 2.2 Cooperation with authorities and transparency

Heimstaden Bostad shall act in a transparent and honest manner in all relations with the respective countries' tax authorities. In this context, Heimstaden Bostad strives to establish and maintain a constructive working relationship with the authorities on all aspects of taxation and to engage in constructive dialogue with these authorities in the jurisdiction where Heimstaden Bostad operates.

Heimstaden Bostad is committed to following established procedures and submit all filings and responses to requests from tax authorities in a timely, collaborative, and professional manner. In the event of late filings or non-adherence to statutory deadlines, reasonable efforts shall be made to correct the situation in consultation with Group Tax.

Unintentional errors in submissions to tax authorities shall be corrected and communicated to the relevant tax authorities as soon as they have been identified.

## 2.3 Tax planning

Heimstaden Bostad undertakes tax planning based on sound commercial rationale and focus on preventing double taxation, and do not engage in aggressive tax planning that have no commercial and economic substance.

Within the limits established by laws and regulations, and subject to the principles established in this policy, internal manuals, and Code of Conduct, Heimstaden Bostad seeks to manage its tax affairs proactively to maximize shareholder value while at the same time contributing to society by paying the right amount of tax at the right time. This includes i.a.:

- Reduction of tax cost and risk of double taxation, e.g. by using appropriate debt financing, holding companies and tax loss carry forwards.
- Use of all reasonable means available to minimize double taxation, including use of double tax treaties applicable to our commercial activities that fulfil the requirements.

- Monitoring and reviewing current and legacy tax positions and structures with a view to changes in tax practice.

Artificial transactions with no connection to our business activities are not pursued. Heimstaden Bostad does not use so-called "tax havens" to avoid taxes on activities that take place elsewhere.

## 2.4 Transfer pricing and country-by-country reporting

Heimstaden Bostad carries out transactions and profit allocations between the Group entities in accordance with current OECD principles unless local laws and regulations require otherwise.

As from FY20, the ultimate parent (Fredensborg 1994 AS) of Heimstaden Bostad Group has filed an aggregated Country-by-Country Report for Heimstaden Bostad at group level complying with relevant notification procedures to tax authorities in each country. Heads of Finance at country level shall together with Group Tax ensure an annual review of the results with the objective of identifying any material discrepancies between aggregated revenues at Group level vs. tax position in the relevant country.

The upcoming BEPS Pillar Two introduces a global minimum tax for MNEs with revenue over EUR 750 million. This marks the beginning of the application of the global minimum tax rules, which aim to ensure that large MNEs pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. Heads of Finance at country level shall together with Group Tax ensure that all tax compliance processes are updated accordingly.

## 2.5 Tax incentives and beneficial regimes

Tax incentives and tax exemptions are sometimes offered by authorities to support investment, employment and economic development. Therefore, where available, Heimstaden Bostad will apply such regimes in accordance with local regulations and laws, and make sure that such regimes in line with Heimstaden Bostad's Tax Policy and Code of Conduct.

## 3 Reporting

This policy is reviewed by the CFO and Group Tax Director and ultimately approved by the CEO.

The CFO has delegated the day-to-day responsibility for tax to Group Tax and the local managements of each Heimstaden Bostad subsidiary. An overview of the tax governance responsibility per body, function, and role can be found below.

Body/function/role	Roles and responsibilities
CEO	Approver of Tax Policy

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<b>CFO</b>	Heimstaden Bostad's CFO has the operational responsibility for the Group's tax position across all territories. The CFO has delegated the day-to-day responsibility for tax to Group Tax and the respective Country heads of finance of each Heimstaden Bostad subsidiary.
<b>Group Tax Director</b>	Overall responsibility for issuing and implementing the Tax Policy as well as procuring adherence thereto, ensuring that all material tax risks in the Group are duly attended to and communicated to the CFO and, as relevant, to the Audit & GRC Committee
<b>Group Tax</b>	Responsible for monitoring compliance with the requirements of this policy, ensuring adherence to the policy by all employees in day-to-day work, and issuing guidelines and manuals on how to conduct tax affairs.
<b>Country Heads of Finance (and/or local tax staff)</b>	Responsible for ensuring that this policy is adhered to and ensuring that all relevant employees are made aware of the Tax Policy. Responsible for managing ongoing domestic tax related issues and tax compliance reporting of taxes. Where there is significant uncertainty or complexity with respect of a tax matter, professional advice from reputable external tax advisors should be sought and Group Tax is to be contacted for further advice.
<b>Employees and third-party personnel of all entities within the Group</b>	Responsible to adhere to the Tax Policy

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