Heimstaden BOSTAD

GROUP POLICY
Risk Management

Policy owner: Chief Legal Officer

Approver: CEO

1. Policy Owner Purpose and Mandate

The policy's main objective is to is to enable risk considerations in all decision-making processes, maintain risk exposure at acceptable levels and ensure compliance with external risk requirements and standards.

Chief Legal Officer (CLO) is given the mandate to administer the risk management (RM) process throughout Heimstaden Bostad (HSTB) with an aim to ensure that risks are identified, assessed, and treated in a way that supports HSTB in achieving its ambitions and goals.

2. Requirements from Group

- The Country Manager (CM) shall ensure the implementation of a defined Country GRC Manager function The Legal & GRC Manager shall report directly to the CM unless otherwise justified. The GRC Manager shall provide support and guidance throughout the organization with regards to risk management activities in the country.
- The Group Head of a functional line (generally a CxO) is responsible for the risk management in the respective functional line. This entails establishing a risk register and ensure the execution of risk management activities.
- Each country and functional line shall utilize Group's risk management framework and tools, as further specified in Group Manual Risk Management.
- Each country and functional line shall continuously identify, assess, and respond to risks that might affect their ambitions and goals. Each country and functional line shall assess its top risks and actions minimum once every quarter, in order to manage risks in a proactive way. Top risks and actions in a country are to be owned by the CM or Head of Function (unless otherwise justified), and top risks in a functional line are owned by the Group Head of the respective functional line. Action ownership can be any relevante manager/employee.
- Line managers are responsible for ensuring that risk management is embedded into the financial, strategic, and operational day-to-day business processes. Each employee is responsible for managing the risks within his/her area of responsibility.
- The requirements in this Group Policy apply for all types of risks, including risks potentially addressed in other Group Policies.

3. Reporting

- Each country shall report its top risks and actions to Group Legal & GRC quarterly i.e., as part of the Quarterly Business Review.
- Significant risks at country level shall be reported by Country Manager to Group Legal & GRC and relevant Group function without undue delay.
- Each functional line shall report its top risks and actions to Legal & GRC specified resource bi-annually.
- The top risks and actions for HSTB Group shall be discussed in Executive GRC & Internal Control Committee meetings bi-annually and presented in Audit & GRC Committee meetings bi-annually.

4. Reference Documents

- Code of Conduct
- Group Manual Risk Management
- Group Policy and Manual Anti-Corruption