

Handelsbanken plc Sustainability policy

Policy effective from 1 July 2021

Table of contents

1.	Introduction	1
2.	Policy objective	1
3.	Scope of application	2
4.	Responsibilities	2
5.	Reporting	2
6.	Sustainability integration	3
7.	Sustainability risks	3
8.	Human rights	3
9.	Gender equality, diversity and an inclusive corporate culture	3
10.	The environment	3
11.	Financial crime prevention	3
12.	Taxes	3
13.	Political party donations	4
14.	International initiatives and guidelines	4
15.	Implementation	4
16.	Policy review	4
17.	Related policies, frameworks and instructions	4
18.	Contact	5

1. Introduction

- 1.1 This Policy, the Sustainability policy, sets out the key principles and rules for Handelsbanken plc's ('the Bank') management of relationships with customers and suppliers, its conduct as an employer and member of society as well as its relationship with its owners and investors from a sustainability perspective.
- 1.2 The Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority.

2. Policy objective

- 2.1 The practical objective of this Policy is to establish the basis for Handelsbanken plc's operations being run in a responsible and sustainable manner by:
- (A) supporting the implementation of responsible actions that are essential to long term value creation, in particular long term business relationships, low risk-taking and cost awareness;
 - (B) establish and maintain the confidence of customers, employees, owners, public authorities and other stakeholders that the Bank is acting in a responsible manner through:
 - (i) demonstrating ethical conduct;
 - (ii) taking responsibility for financial, social and environmental development that is sustainable in the long term;
 - (iii) ensuring there is transparency in the sustainability activities;
 - (iv) upholding an active dialogue and communication with all stakeholders concerning sustainability work.
- 2.2 It is Handelsbanken plc's intention that this Policy generally aligns with Svenska Handelsbanken AB (publ) (Group) policies and procedures in relation to sustainability, albeit allowing for necessary deviations where:
- (A) UK law, regulation and/or regulatory interpretation diverges from the equivalent position in Sweden;
 - (B) UK regulatory expectations or firm specific requirements relevant to Handelsbanken plc differ from those in Sweden; or
 - (C) the nature of the UK business differs from the Group in such a way as to require UK specific controls to be established and maintained.
- 2.3 In such cases, it is accepted that this Policy can and should deviate appropriately from the approach otherwise adopted by Svenska Handelsbanken AB (publ), provided that the

rationale for the deviation is explained to, and any such deviation is first confirmed by, Svenska Handelsbanken AB (publ).

- 2.4 As necessary, and where appropriate, Handelsbanken plc shall report and/or escalate to Svenska Handelsbanken AB (publ) any material issues or concerns, including those which could result in reputational damage and/or those which have the potential to cause significant financial loss to Handelsbanken plc or the Group.

3. Scope of application

- 3.1 This Policy applies to all departments, units and branches of the Bank. It applies to all Handelsbanken plc employees, contractors and agency staff, referred to as 'staff members' in this Policy.

- 3.2 Any wholly owned subsidiary of the Bank shall align with this Policy in its method and approach to conducting business, allowing for necessary deviation where the nature of business, law, regulation and/or regulatory interpretation diverge from the equivalent position of the Bank, in which case the rationale for the deviation shall be explained to, and confirmed by, the Bank.

4. Responsibilities

- 4.1 It is the responsibility of those, covered under the scope of application, to ensure that they observe and comply with this Policy.
- 4.2 Where necessary, it is the responsibility of the Chief Executive Officer to draw up guidelines relating to specific sustainability areas and sectors, and to ensure the relevant organisational structure and delegation is in place so that instructions can be drawn up where necessary, to support this Policy being applied in practice.

5. Reporting

- 5.1 Handelsbanken plc shall measure, report and follow up its sustainability efforts.
- 5.2 Handelsbanken plc shall disclose appropriate information in relation to its sustainability measures on the Handelsbanken plc website, following Board approval.
- 5.3 In line with the Bank's governance structure, policy matters shall be the subject of periodic reporting to the relevant Board Committee in order for the Board in Handelsbanken plc to have an overview of how the risks are being managed and to enable it to provide oversight.
- 5.4 Material risk events and risks outside approved risk tolerance shall be escalated to the relevant Board Committee at the earliest opportunity.
- 5.5 Svenska Handelsbanken AB (publ) produces a Sustainability Report annually, which describes how the Handelsbanken Group works on its most important sustainability topics.

6. Sustainability integration

- 6.1 The Bank shall integrate financial, social and environmental sustainability throughout its operations, which means it is to run financially sound, sustainable operations and to encourage and contribute to sustainable development.
- 6.2 This applies to day-to-day operations as well as, for example, to credit and investment decisions, business development, advisory services and purchase decisions. In this way, risks and costs can be reduced, while new business opportunities can be identified, employees motivated, and confidence in the Bank is maintained.

7. Sustainability risks

- 7.1 In its operations, Handelsbanken shall identify and manage sustainability risks in accordance with the Bank's low-risk tolerance. Each unit is responsible for identifying relevant sustainability risks and managing them within the framework of established risk management processes.

8. Human rights

- 8.1 Handelsbanken plc shall safeguard human rights and employees' rights, and not be complicit in breaches of these.
- 8.2 Following Board approval, the Bank shall publish, a Modern Slavery Act Statement annually, setting out the actions it has taken in the previous year to ensure that modern slavery and human trafficking do not occur in its operations or supply chains.

9. Gender equality, diversity and an inclusive corporate culture

- 9.1 Gender equality, diversity and an inclusive corporate culture shall be a fundamental part of Handelsbanken plc's values.

10. The environment

- 10.1 The Bank shall endeavour to minimise negative impact on the environment and climate and to increase the positive impact, in accordance with the Paris Climate Agreement. This includes meeting UK regulators' expectations on the management of financial risk related to climate change.

11. Financial crime prevention

- 11.1 The Bank shall work to prevent bribery, corruption, money laundering and terrorist financing. Conflicts of interest shall be managed and mitigated.

12. Taxes

- 12.1 Handelsbanken plc's actions in regards to taxes shall be responsible, correct and transparent.

12.2 Handelsbanken plc shall report and pay tax based on the tax rules in the UK and shall maintain a transparent dialogue with the tax authorities.

12.3 All staff shall take into account the requirements contained in the Tax, Ethical standards and Anti-bribery & corruption & tax evasion policies when assessing any tax transactions and/or products and, if in any doubt, refrain from participating or providing any such transactions or products.

13. Political party donations

13.1 Handelsbanken is political party independent. The Bank does not provide financial support to any political party or make any other political party donations.

14. International initiatives and guidelines

14.1 With the common aim of encouraging and facilitating sustainable development and corporate responsibility, international initiatives and guidelines shall be key concepts in Handelsbanken plc's work, which includes implementing the Sustainable Development Goals into our business strategy and operations.

15. Implementation

15.1 The Sustainability Manager is responsible for ensuring that the Policy is implemented and following up that appropriate training and awareness measures are maintained in relation to the Policy at least annually, or more frequently, if required by material changes to the Policy.

15.2 Training shall be provided to new staff members under the scope of application and at least annually thereafter.

16. Policy review

16.1 The Sustainability Manager is required to review this Policy, taking account of feedback gathered from all relevant stakeholders, at least annually, and on an ad hoc basis, where necessary, to ensure it remains fit for purpose, appropriate and accurate.

16.2 The Sustainability Manager, delegating where appropriate, shall coordinate any changes to this Policy before submission for consideration and approval by the Board.

17. Related policies, frameworks and instructions

17.1 The Sustainability policy should be read in conjunction with the following policies, CEO Guidelines, and frameworks:

(A) Handelsbanken plc policies in respect of areas relating to sustainability

(B) Modern slavery act statement;

- (C) CEO guideline: Business relations in forestry and farming;
- (D) CEO guideline: Business relations with the armaments and defence industry;
- (E) CEO guideline: Environmental impact and climate change;
- (F) CEO guideline: Human rights and working conditions;
- (G) CEO guideline: Tobacco industry

18. Contact

18.1 Any queries regarding this Policy should be initially directed to the Sustainability Manager.