

Handelsbanken plc

Ethical standards policy

Policy effective from 1 July 2021

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1. Introduction

- 1.1 This Policy, the Ethical standards policy, sets out the standards of ethical behaviour and conduct that are expected in Handelsbanken plc ('the Bank'), and includes references to other policies, which deal with ethical standards.
- 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 objective of this Policy is to set out the Bank's approach to ethical standards, and to provide detail on how other policies, instructions and frameworks complement and support this approach.
- 2.2 It is the Bank's intention that this Policy is aligned with the existing Svenska Handelsbanken AB (publ) (Group) policies and procedures in relation to ethical standards, 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 the Bank 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 shall deviate appropriately from the approach otherwise adopted by Group, provided that the rationale for the deviation is explained to, and any such deviation is first confirmed by, Group.
- 2.4 As necessary, and where appropriate, the Bank shall report and/or escalate to Group 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. With the exception of those clauses specifically identified as applicable only to employees, 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 All staff members are responsible for their actions whilst working for the Bank, both professionally and in relation to ethical issues.

5. Reporting

- 5.1 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.
- 5.2 Material risk events and risks outside approved risk tolerance shall be escalated to the relevant Board Committee at the earliest opportunity.

6. Overview of the Bank's approach to Ethical Standards

- 6.1 The success of the Bank is only possible if it is able to create and maintain trust from its customers, counterparties, Staff Members, bond investors, shareholders, public authorities and the public in general. Ethical and moral conduct are therefore vital.
- 6.2 The Bank's work methods are based on a fundamental human outlook characterised by trust and respect. This applies to both customers and Staff Members. Customers are at the focus of operations, and the Bank aims for long-term customer relationships. It also aims for long-term employment relationships by creating an environment where employees can continuously develop themselves and their careers.
- 6.3 With regard to customers, suppliers, Staff Members and others, there must be no discrimination, victimisation or harassment, as per the definition detailed in the Employee Handbook. Consequently, all employees must have the same opportunities for professional development and advancement at the Bank.
- 6.4 It is the responsibility of each manager to make sure that this Policy is observed in the day-to-day running of the business and in the internal instructions issued by each business area. Staff Members must be given the opportunity to discuss ethical matters on a regular basis. In internal training, wherever appropriate ethical issues must be included as a matter of course.

7. High ethical standards

- 7.1 All Staff Members and third parties who carry out work or undertake functional assignments on behalf of the Bank, must, in all their activities within and for the Bank, conduct themselves in a manner that upholds confidence in the Bank and the Group.
- 7.2 All operations within the Bank must observe high ethical standards. When issues of an ethical nature arise, these must be discussed with the Staff Member's line manager, who can refer the issue to the relevant parties within the Bank as necessary. Please refer to Instructions Britain for further details.
- 7.3 The Board must be kept informed of significant events and considerations that are of importance to this Policy for ethical standards.

8. Laws, regulations and guiding principles

- 8.1 Banking regulations stipulate that the Bank's operations must be run in a sound manner. A basic and self-evident rule is that the Bank and its Staff Members must comply with the laws (including relevant employment legislation) and regulations that govern its operations.
- 8.2 Regulations, principles, general recommendations and written statements from the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA) and other regulators must be taken into consideration and incorporated into procedures and instructions as necessary.

9. Customer relations

- 9.1 All advisory services aim to provide the customer with a suitable product, based on the customer's needs. The advice must be based on up-to-date information on the customer's financial and personal circumstances, and it must proceed from the customer's needs and wishes, as well as the risks that may arise with the product or service.
- 9.2 The advice must be preceded by information on what the advisory service relates to, and the applicable fees for the product, service or advice. The advice that is finally provided must be well-founded, and it must be documented.
- 9.3 The Bank must not participate in transactions or provide products or services that may be called into question in the light of prevailing tax legislation, competition regulations, or legislation regarding bribery and improper influence. In case of doubt, the Bank must refrain from participating. High ethical standards must always be observed.
- 9.4 The interests of customers must be safeguarded with due care and any lending must be responsible. There must be clarity, to ensure that customers understand the risks associated with borrowing, and do not run into debt in a manner that is excessive in relation to their incomes and other circumstances. Protecting the customer from running into financial difficulties due to excessive indebtedness benefits the customer, the Bank, and society at large. Therefore, deficiencies in a customer's repayment capacity can

never be ignored on the grounds that the Bank is being offered good collateral or high margins.

- 9.5 The Bank's information to customers must be clear, objective and accurate, and include all the explanations that customers might need in order to make a well-informed decision.
- 9.6 Any complaints by customers must be dealt with promptly and fairly, in accordance with the Complaints handling policy.
- 9.7 Sound business practices, acting in a consistent manner, and fair treatment of customers are key concepts of the Bank. Customers must be treated with respect.

10. Competence

- 10.1 All Staff Members of the Bank shall have the competence that is required to perform their roles in a manner which complies with relevant internal requirements and external regulations. The Bank shall have appropriate processes in place to ensure that Employees' competence is continuously assessed, maintained and developed.
- 10.2 Training should be available to all Employees, wherever possible with access to training sessions at a time suitable to their personal circumstances.

11. Conduct of Staff Members

- 11.1 Conduct Rules were established by the FCA to set common standards of conduct across the banking sector. All Staff members must adhere to these rules, which include acting with integrity, acting with due care, skill and diligence, paying regard to the interests of customers, observing proper standards of market conduct, and being open and cooperative with the FCA, the PRA and other regulators - rules which echo the Bank's own culture and values. There are additional Conduct Rules for Senior Managers that are fundamental to the Senior Managers Certification Regime (SMCR).
- 11.2 It is important that Staff Members of the Bank are not suspected of taking improper advantage of knowledge about the financial markets which they obtain in the course of their work. All Staff Members must be familiar with the laws and regulations on insider information and market manipulation, as well as bribery and improper influence, and comply with the Bank's Personal Account Dealing Policy.
- 11.3 In their work within the Bank and in their private affairs, Staff Members must refrain from business transactions that violate the Bank's rules or the prevailing legislation. Staff Members must not handle matters in which they or a relative for which the Staff Member holds an influence over has a personal interest, or act for a company in which he or she or a relative has a material interest. Staff Members must also refrain from transactions or other commitments that could seriously jeopardise their personal financial position.
- 11.4 To avoid incurring personal obligations to customers and suppliers, Staff Members must observe the Bank's rules regarding receiving personal gifts and corporate hospitality.

- 11.5 Employees must notify the Bank of assignments outside of the Bank and obtain approval, in accordance with the Bank's rules.
- 11.6 Staff Members shall in no way participate in collaborations or act in a way that reduces, or can be perceived as reducing, competition. A number of financial collaboration structures are expressly exempt from the prohibition against interaction between competitors. However, it is not permitted, on the Bank's behalf, to enter into agreements on prices or other conditions with representatives from competitors which lead to a reduction of competition. Similarly, Staff Members must not participate in discussions with, or in any other way have contact with, representatives from competitors which could lead to a reduction or an obstruction of competition.
- 11.7 Staff Members who do not comply with the rules governing conduct may be subject to action, including disciplinary action, and where appropriate, legal action in accordance with applicable internal rules, external regulation and legislation.

12. Reporting by Staff Members who suspect internal fraud or other anomalies

- 12.1 Any Staff Member who discovers or suspects internal fraud or other concerns within the Bank must report this first to his/her line manager or a higher-level manager within their own or another unit. A report can also be made, for example, to the compliance function, or to the internal audit function.
- 12.2 If the normal channels described above are not appropriate, the Staff Member can use the Bank's whistleblowing process or that of the FCA, whereby anonymity can be guaranteed as far as is legally possible.

13. Doubtful cases

- 13.1 Staff Members who are in doubt when applying this Policy for ethical standards and dealing with related issues must contact their line manager to find out what is ethically acceptable.

14. Implementation

- 14.1 The Chief Human Resources Officer 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.
- 14.2 Training shall be provided to new staff members under the scope of application in respect of the related policies and frameworks set out in Section 15 below. The frequency of follow up training shall depend on the nature of the role being carried out.

15. Policy review

- 15.1 The Chief Human Resources Officer 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.
- 15.2 The Chief Human Resources Officer, delegating where appropriate, shall coordinate any changes to this Policy before submission for consideration and approval by the Board Risk and Compliance Committee.

16. Related policies, frameworks and instructions

- 16.1 The Ethical standards policy shall be read in conjunction with the following policies, instructions and frameworks:
- (A) Our Way;
 - (B) Sustainability policy;
 - (C) Anti-bribery and corruption and tax evasion policy and the Conflicts of interest Policy;
 - (D) The Employee Handbook;
 - (E) The Bank's Whistleblowing policy;
 - (F) The Bank's Conduct risk policy; and
 - (G) The Bank's Outsourcing and high-risk third party policy.

17. Contact

- 17.1 Any queries regarding this Policy shall be initially directed to the UK Human Resources function.