

Handelsbanken plc ('Handelsbanken')

Modern Slavery Act Statement 2022

The UK Modern Slavery Act 2015 requires that certain organisations annually state the actions that they have taken to ensure that modern slavery and human trafficking do not occur in their supply chains or operations. We understand that the nature of our business means we may be exposed to modern slavery risks across our operations, supply chain, and customer and client relationships. Aware of the misery and hardship it brings, we do not tolerate modern slavery, human trafficking or forced labour and we remain committed to identifying and addressing these risks across our value chain. To do this we ensure we have systems and controls in place, such as our Supplier Code of Conduct, Ethical Standards Policy and mandatory annual modern slavery training which is completed by all employees.

In this statement, we will report on the progress made over the course of the year and outline plans for the year ahead. Further information on our broader approach to managing Environmental, Social and Governance (ESG) matters can be found in our [Annual Report and Financial Statements 2022](#) and our [Group Annual and Sustainability Report 2022](#).

Copies of previous statements can be found on our [website](#) (under 'Archive') and our 2022 statement application can also be found on the [Government's Modern Slavery Statement Registry](#).

Introduction

Handelsbanken plc ('Handelsbanken') is a local relationship bank, built on satisfied customers, financial strength and sustainable values. We were established in 1871 in Sweden, and in the UK we now have an extensive network of branches. We support local communities across the country, helping individuals and businesses with their financial needs.

We also understand the impact we have on society, the environment and the financial market and aim to be a responsible contributor to the communities we serve, working to make a positive difference wherever we can for our customers, our people and the environment.

To assist with this a long-term sustainability strategy was launched in 2022 and has been followed up with practical support and communications, with the aim of engaging as many colleagues and stakeholders as possible.

We acknowledge the importance of our supply chain to our overall operational sustainability, and we are working towards new goals for the measurement and improvement of supply chain sustainability, while reviewing our current governance processes in this area. We continue to take concrete steps to support our commitments, with the Bank becoming an accredited Living Wage Employer in August 2022. We continue to build on current due diligence and supplier management governance to confirm that those within our supply chain are also paying their employees a living wage.

Supply Chains

The Handelsbanken Group ('Group') has a Supplier Code of Conduct for its major suppliers (the 'Code') and also holds ongoing dialogue with suppliers, with sustainability being a key feature. The Code defines the expectations the Group has of its suppliers and their subcontractors, and aims to ensure we only work with appropriate suppliers who can meet our standards. These expectations are substantially grounded in internationally-accepted standards, with the UN Global Compact as the starting point. Group requires that suppliers eliminate and combat all forms of human trafficking, modern slavery and forced labour, and that they do not violate human rights.

Our contracts require all suppliers to comply with all applicable laws and regulations. Handelsbanken regularly reviews the contractual terms in place with its preferred suppliers to ensure that they remain aware of their responsibilities in relation to preventing modern slavery and human trafficking. We conduct appropriate due diligence for existing suppliers on an annual basis.

Handelsbanken has a zero-tolerance approach to modern slavery, and regularly reviews policies and processes to ensure that any occurrences are promptly identified and addressed. Should any instance

of modern slavery be identified, it will be escalated to the relevant authorities and the employee or supplier will be immediately suspended.

We have also become a member of the Financial Services Qualification System (FSQS), a due diligence tool used by various UK banks to gather and share information, which supports compliance to regulations, policies and governance controls.

What we achieved during 2022:

- There were no reported instances of modern slavery within Handelsbanken or our suppliers.
- The Bank has developed new frameworks to support and further evolve its strategy in this area.
- We have incorporated FSQS within our due diligence process, enhancing our approach to third party risk management and compliance.
- We expanded the Procurement and Supplier Management team which will allow us to dedicate more resources to enhance the end-to-end supplier management processes.

What we plan to achieve during 2023:

- We will agree targets with respect to the overall percentage of suppliers managed via FSQS and this will enable a more detailed analysis of the supply chain.
- Our membership of FSQS will give us the opportunity to work with other banking industry members in order to collectively seek improved standards in this critical area.
- Our Procurement and Sustainability teams will collaborate to develop our own modern slavery standards and minimum criteria for supplier selection.
- As facilities management is a high risk service category, we will focus our attention particularly on this area.

7% of the supply chain is within the remit of facilities management, which assists with coordinated oversight and enables swift efficient action if necessary. The remaining 93% of the supply chain can largely be categorised across card services, professional services, insurance, IT application/telephony, products and services, learning and development, and recruitment, within which there are also equally strong controls in place.

Initiatives

Handelsbanken supports international initiatives and guidelines that have the common aim of combatting modern slavery and human trafficking. These include:

- Agenda 2030 (including the Sustainable Development Goals)
- UN Global Compact
- Principles for Responsible Banking (PRB)
- OECD guideline for multinational companies
- UN's guiding principles on business and human rights
- International Labour Organisation (ILO) Core Conventions

Policies on modern slavery

We embed our commitment into relevant internal guidelines, which all employees are required to follow, covering human rights and working conditions, and guidelines for the work environment. We have targets in place for achieving equality and policies that are instrumental in managing our approach to modern slavery risk, taking into account the UK Modern Slavery Act. Handelsbanken also operates various practices, procedures and policies to ensure compliance with all human rights laws and UK employment laws. Handelsbanken's view on sustainability, ethics, modern slavery and human trafficking is expressed in the following policies:

[Ethical Standards Policy](#)

Sets out the standards of ethical behaviour and conduct that are expected from all employees in Handelsbanken.

[Sustainability Policy](#)

Sets out the key principles and rules for Handelsbanken's 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.

[Conduct Risk Policy](#)

Sets out the approach to the assessment, management and monitoring of conduct risk in accordance with Handelsbanken's Conduct Risk Framework. This enables all those at Handelsbanken to understand the conduct risks connected to Handelsbanken's operations and activities, and to operate in a culture where good conduct is at the heart of the business.

[Credit Policy](#)

Sustainability aspects are a vital part of the credit policy. The policy states that Handelsbanken's lending must be responsible and meet high demands for sound ethical standards. Instructions are in place which require Handelsbanken to analyse and document sustainability risks in companies that borrow from it, including, amongst other things, each company's approach and governance in relation to human rights and working conditions.

[Anti-Bribery and Corruption Policy](#)

Sets out Handelsbanken's strategy and approach to identifying and preventing bribery, corruption and facilitation of tax evasion arising in connection with its business activities, both in the UK and any other relevant jurisdiction.

[Anti-Money Laundering Policy](#)

Sets out Handelsbanken's strategy and approach to the identification, prevention and reporting of money laundering, terrorist financing and other financial crimes, including modern slavery. These offences produce proceeds of crime which are linked to money laundering.

[Whistleblowing Policy](#)

Sets out the approach for Handelsbanken to investigate whistleblowers' concerns. A culture of openness and accountability is essential in order to prevent illegal and unethical conduct. The Whistleblowing Policy is considered to be a critical element of the internal control system, corporate governance and risk management process.

[Outsourcing and High Risk Third Party Policy](#)

Sets out the key principles for the management of outsourcing arrangements and other high risk third party arrangements, which do not fall under the definition of outsourcing in Handelsbanken.

[D&I Policy](#)

Sets down the aim to provide equal opportunities and to have an inclusive culture based on trust and respect for every individual. This is in line with our values and in support of our long-term success.

[Supplier Code of Conduct](#)

Outlines the standards that we expect our suppliers to adhere to including human rights, labour, anti-corruption, taxation and the environment.

Training on modern slavery

It is important to us that employees are able to identify the 'red flags' associated with modern slavery and human trafficking and therefore mandatory training was issued to all employees in 2022, highlighting how the perpetrators of modern slavery operate and how to recognise potential victims, with real life examples.

Instructions and procedures are also in place so that colleagues understand how they must respond if they are faced with, or suspect, a case of modern slavery or human trafficking.

Face-to-face training on the 'red flags' associated with modern slavery and human trafficking is also given to all new starters to the Financial Crime Prevention team. This is part of a programme dedicated

to bringing to life examples of financial crime, and to support new colleagues with a wider understanding of financial crime prevention, regulation and legislation which might assist in the identification of modern slavery.

Measuring effectiveness

Key Performance Indicators	2022	2021
Percentage of colleagues completing Modern Slavery training	97.5%	N/A
Percentage of colleagues completing Anti-Bribery and Corruption training	97.8%	99.4%
Percentage of colleagues completing Anti Money Laundering / Counter Terrorist Financing / Sanctions training	98.1%	97.1%

Modern slavery awareness

At Handelsbanken, trust and respect for the individual is a core value and we encourage a culture of 'speaking up'. Our employees can report unethical behaviour or practices without fear of reprisal, through internal and external channels. In the UK these are set out in our Whistleblowing Policy and Suspicious Activity Reporting Standard, both of which are supported by annual training.

Also in the UK, there is a dedicated mailbox for colleagues and customers to send any modern slavery-related enquiries or correspondence: modernslavery@handelsbanken.co.uk. The modern slavery instructions now contain general indicators of modern slavery, to enable further employee awareness.

Governance structure

The governance structure, which will continue to be refined in this area, is coordinated by the Sustainability function, which liaises with other departmental stakeholders such as HR, Compliance, Procurement and Financial Crime to ensure visibility throughout the organisation. During 2022, this enabled the Board to have direct visibility of culture, environmental and reputation matters, receiving updates from management on ESG matters.

Handelsbanken recognises the suffering caused by modern slavery and we will continue to evolve the way we identify and eradicate modern slavery within our operations.

Statement review

This statement has been published in line with section 54 (1) of the Modern Slavery Statement 2015 and constitutes Handelsbanken's modern slavery and human trafficking statement for the 2022 financial year.

This statement has been approved by the Board of directors of Handelsbanken plc on 28th June 2023 and has been signed on its behalf by Handelsbanken plc's Chief Executive Officer.

Mikael Sørensen

Chief Executive Officer, Handelsbanken plc.
28th June 2023