

Handelsbanken plc Sustainability policy

Policy effective from 15 April 2020

Policy owner: Sustainability Manager

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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.

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 agreed 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 Handelsbanken plc. It applies to all Handelsbanken plc employees, contractors and agency staff.

4. Responsibilities

- 4.1 It is the responsibility of all staff members, 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, supporting 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 aims to integrate financial, social and environmental sustainability into all 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. Human rights

7.1 Handelsbanken plc shall safeguard human rights and employees' rights, and not be complicit in breaches of these.

7.2 The Bank shall publish a Modern Slavery Act Statement, following Board approval, setting out the actions it has taken to ensure that modern slavery and human trafficking do not occur in its operations or supply chains.

8. Gender equality, diversity and an inclusive corporate culture

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

9. The environment

9.1 The Bank shall endeavour to minimise negative effects on the environment and act in accordance of the Paris Climate Agreement in order to work towards the transition to a low carbon economy. This includes meeting UK regulators expectations on the management of financial risk related to climate change.

10. Anti-bribery and corruption

10.1 The Bank shall work to prevent bribery, corruption, money laundering or terrorist financing, and conflicts of interest shall be managed and mitigated.

11. Taxes

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

11.2 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.

11.3 All staff shall take into account the requirements contained in the Ethical standards policy when assessing any tax transactions and/or products and, if in any doubt, refrain from participating or providing any such transactions or products.

12. International initiatives and guidelines

12.1 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 in to our business strategy and operations.

13. Training and awareness

- 13.1 The Sustainability Manager is responsible for ensuring and following up that appropriate training and awareness measures are maintained in relation to this Policy. The training and awareness measures should seek to ensure that the policy audience is aware of and understand the policy content.
- 13.2 Training is to be provided to all staff and at least annually thereafter.
- 13.3 The training and awareness measures for this Policy should be reviewed by the Sustainability Manager in liaison with the training department in HR, at least annually, or more frequently, if required by material changes to the Policy.

14. Policy review

- 14.1 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.
- 14.2 The Sustainability Manager, delegating where appropriate, shall coordinate any changes to this Policy before submission for consideration and approval by the Board.

15. Related policies, frameworks and instructions

- 15.1 The Sustainability policy should be read in conjunction with the following policies, and CEO Guidelines:
- (A) Anti-bribery and corruption policy;
 - (B) Anti-fraud policy;
 - (C) Anti-money laundering, counter terrorist financing and financial sanctions policy;
 - (D) Ethical standards policy;
 - (E) Outsourcing and high-risk third party policy;
 - (F) Responsible lending policy;
 - (G) Tax strategy;
 - (H) Modern slavery act statement;
 - (I) CEO guideline: Business relations in forestry and farming;
 - (J) CEO guideline: Business relations with the armaments and defence industry;
 - (K) CEO guideline: Environmental impact and climate change;

(L) CEO guideline: Human rights and working conditions;

(M) CEO guideline: Tax related matters; and

(N) CEO guideline: Tobacco industry

16. Contact

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