

Policy for the ethical standards in the Handelsbanken group

adopted by the Central Board on 25 March 2020

Information class: Open

The success of Handelsbanken in the market derives from the trust it enjoys from its customers, counterparties, bond investors, employees, shareholders, public authorities and the public in general. Ethical and moral conduct are therefore vital.

Handelsbanken's work methods are based on a fundamental human outlook characterised by trust and respect. This applies to both customers and employees. Customers are at the focus of operations, and the Bank aims for long-term customer relations. This also applies to the way we view our employees, as Handelsbanken has the ambition to continuously develop the skills and competencies of our employees and, by doing so, to create long-term positions of employment.

With regard to customers, suppliers, employees and others, there must be no discrimination, victimisation or harassment on grounds such as gender, transgender identity or expression, ethnic background, religion or other beliefs, functional impairment, sexual orientation, age, or any other grounds. Consequently, women and men must have the same opportunities for professional development at Handelsbanken.

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. Employees must be given the opportunity to discuss ethical matters on a regular basis. In internal training, ethical issues must be included as a matter of course.

The Policy for ethical standards also applies to consultants and other contractors. Contractors may be perceived by the public to be representatives of Handelsbanken. It is therefore the duty of managers at units which engage external contractors to ensure that the contractors are informed about this policy and undertake to comply with it.

1. Central policy documents

The Group Chief Executive sums up Handelsbanken's fundamental principles and concepts in a special internal document called **Our Way**, which is distributed to all employees. It forms the basis of the Group's corporate culture, including decentralised customer responsibility, decentralised decisions and independent thought and action on the part of the employees.

The Sustainability policy for the Handelsbanken Group defines fundamental principles for sustainability that apply throughout the operations of the Handelsbanken Group and the general processes designed to ensure that these principles are complied with in practice.

Regulations governing employees of the Handelsbanken Group consists of rules for employees' conduct. It is established by the Group Chief Executive.

Handelsbanken's views on corruption and conflicts of interest are set out in the **Policy against corruption in the Handelsbanken Group** and the **Policy for management of conflicts of interest in the Handelsbanken Group**, established by the Central Board. **Policy for the Handelsbanken Group on measures against financial crime** establishes the working methods and organisation in place to prevent financial crime, i.e. money laundering, terrorist

financing, bribery, other forms of corruption, fraud, tax evasion and breaches of international sanctions.

The Guidelines for HR matters in the Handelsbanken Group document deals with ethical matters. Thus, all employees are clearly responsible for their actions within the Handelsbanken Group, both professionally and in relation to ethical issues. **The procedure for reporting suspicion of an irregularity (whistleblower procedure)** shows the channels available to report suspicions of an irregularity within Handelsbanken and suspicions that an individual within Handelsbanken is abusing his/her position.

2. High ethical standards

All members of boards within the Group, employees, and those who carry out assignments on behalf of Handelsbanken without being employees of the Handelsbanken Group, must, in all their activities within and for the Handelsbanken Group, conduct themselves in a manner that upholds confidence in Handelsbanken.

All operations within the Group must observe high ethical standards. When issues of an ethical nature arise, these must be discussed with the employee's line manager, who can refer the issue within the Group if necessary. The Central Board must be kept informed of significant events and considerations which are of importance to this policy for ethical standards.

3. Laws, regulations and guiding principles

Banking legislation stipulates that the Bank's operations must be run in a sound manner. A basic and self-evident rule is that Handelsbanken and its employees must comply with the laws and regulations that govern its operations in various ways.

Regulations, general recommendations and written statements from the Swedish Financial Supervisory Authority and other authorities must be taken into consideration and incorporated into procedures and instructions as necessary. The regulations from banking legislation regarding sound banking operations mean that general principles and other guiding principles established by the organisations of which Handelsbanken is a member must be followed.

4. Customer relations

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 as a result of the product or service.

The advice must be preceded by information on what the advisory service relates to, and the fees for the advice. The advice that is finally provided must be well-founded, and it must be documented.

Handelsbanken 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. If there is doubt, Handelsbanken must refrain. High ethical standards must always be observed.

Lending must be responsible, and to private individuals it must be carried out in accordance with good practice for granting credits.

The interests of customers – and particularly those of private individuals – must be safeguarded with due care. This demands 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 individual customer from running into financial difficulties due to excessive indebtedness benefits the customer, Handelsbanken, and society at large. Therefore, deficiencies in a customer's repayment capacity can never be ignored on the grounds that the Group is being offered good collateral or high margins.

The Group'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.

Any complaints by customers must be dealt with quickly and correctly, in the first instance by the branch responsible for the customer in question.

Sound business practices, acting in a consistent manner, and fair treatment of customers are key concepts within the Group. Customers must be treated with respect.

5. Professional development and competency assurance

Employees must have the requisite knowledge and competency to correctly carry out their duties according to internal and external rules and regulations. The Bank must have procedures in place to enable the regular follow-up and verification to ensure that professional development and competency assurance are fulfilled and maintained on the basis of applicable regulatory frameworks. In addition, the Bank must have procedures for carrying out checks to ensure that employees, where applicable, fulfil the relevant conduct requirements.

6. Conduct of employees

It is important that employees of the Handelsbanken Group are not suspected of taking improper advantage of knowledge about the financial markets which they obtain in the course of their work. All employees must be familiar with the laws and regulations on insider information and market manipulation, as well as bribery and improper influence, and also observe Handelsbanken's own rules governing employees' private securities and currency transactions.

In their work within the Group and in their private affairs, employees must refrain from business transactions that violate Handelsbanken's rules or the prevailing legislation. An employee must not handle matters in which the employee or a relative has a personal interest, or act for a company in which he or she or a relative has a material interest. Employees must also refrain from transactions or other commitments that could seriously jeopardise their personal financial position.

To avoid incurring personal obligations to customers and suppliers, employees must observe Handelsbanken's rules regarding receiving personal gifts and corporate hospitality.

Employees must notify the Bank of assignments outside the Bank and obtain approval, in accordance with Handelsbanken's rules.

Employees should in no way participate in collaborations or act in a way which 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 Handelsbanken's behalf, to enter into agreements on prices or other conditions with representatives from competitors which lead to a reduction of competition. Similarly, employees must not participate in discussions with, or in any other way have contact with, representatives from competitors which would lead to reduction or obstruction of competition.

Employees who do not follow the rules of employee conduct may be subject to measures, including disciplinary action and, where applicable, also legal action in accordance with the relevant regulations.

7. Reporting by employees who suspect irregularities or other anomalies

An employee who discovers or suspects irregularities or other unacceptable conditions within the Group must report this first to his/her line manager or to a senior manager within their own or another unit. A report can also be made, for example, to the compliance function, or to Group Audit at Handelsbanken.

If the normal channels described above are not appropriate, the employee can use Handelsbanken's special system for whistleblowers, whereby identity protection can be guaranteed as far as is legally possible.

Identity and personal data must always be protected, and there must not be unfair treatment of persons who have reported anomalies.

8. Confidentiality

Anyone who is, or has been, connected with Handelsbanken as an employee or contractor is prohibited from using or disclosing information concerning another party's business or personal circumstances that has come to his or her knowledge during employment or a contract.

This duty of confidentiality also applies to information concerning business relationships and other activities at Handelsbanken. The duty of confidentiality continues to apply after termination of the employment or contract.

9. Doubtful cases

Employees 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.