

POLICY FOR SUSTAINABILITY IN THE HANDELSBANKEN GROUP

adopted by the Central Board on 23 March 2022

Information class: Open

1. Purpose

The purpose of this policy is to establish the focus for Handelsbanken's work in the area of sustainability. It concerns Handelsbanken's relationship with customers, its conduct as an employer and an institution in society, and its relationship with its owners and investors.

2. Background

Handelsbanken's view is that responsible actions are essential to long-term value creation. Long-term business relationships, low risk-taking and cost-awareness are cornerstones of Handelsbanken's business culture. They form the basis of successful banking operations being run in a responsible, sustainable manner.

Handelsbanken's success is dependent on the confidence of customers, employees, owners, public authorities and other stakeholders that the Group is acting in a responsible manner. This confidence is based on ethical conduct and taking responsibility for financial, social and environmental development that is sustainable in the long term. In order for this confidence to be maintained, there must be transparency in the Group's sustainability activities, and Handelsbanken must work to ensure that there is active dialogue and communication with stakeholders concerning this work.

3. Governance and scope

This policy applies throughout the Handelsbanken Group, its operations and employees, and encompasses all activities in relation to customers, suppliers and other business partners. This policy is reviewed annually, or when required. In addition, it is the duty of the Chief Executive to issue guidelines and decisions on sustainability and more detailed sustainability goals.

4. Focus

Handelsbanken aims to integrate financial, social and environmental sustainability into all its operations, which means that the Group is to run financially sound, sustainable operations and to encourage and contribute to sustainable development. 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 Handelsbanken maintained.

Handelsbanken must safeguard human rights and employees' rights, and not be complicit in breaches of these. Gender equality, diversity and an inclusive corporate culture should be a fundamental part of Handelsbanken's values.

Handelsbanken must endeavour to minimise negative impact on the environment, and to increase positive impact. Through its operations and in accordance with the Group's sustainability goals, the Bank is to actively push for a greenhouse gas-neutral economy, in line with the Paris Agreement and the 1.5°C target.

Handelsbanken must not accept corruption, money laundering or terrorist financing, and conflicts of interest must be managed.

Handelsbanken's actions regarding taxes must be responsible, correct and transparent. Handelsbanken reports and pays tax based on national regulations in the countries where its operations are run, and works to ensure that there is an open dialogue with the tax authorities in these countries. Handelsbanken must not participate in transactions or provide products that may be called into question in the light of prevailing tax legislation.

International initiatives and guidelines with the common aim of encouraging and facilitating sustainable development and corporate sustainability must be at the heart of Handelsbanken's sustainability efforts.

Handelsbanken is not allied to any political parties. The Bank does not provide any financial support to any political party or make any other type of political donations.

5. Sustainability risks

Sustainability risks are a collective term for factors in the sustainability area which may have an adverse effect on the Bank, including eroding external stakeholders' confidence in how the Bank is measuring up to its sustainability profile. Sustainability risks may therefore arise if the Bank does not act and communicate in accordance with the policies, guidelines and other steering documents and undertakings that form the basis of the sustainability work, or if the steering documents are inadequate in this respect. Handelsbanken's material sustainability risks are associated with a number of areas, such as human rights, working conditions, the environment and climate, financial crime, information security and IT security; these are described annually in the Bank's sustainability report.

Sustainability risks must be identified and be an integral part of risk assessment in the Bank's existing types of risk, such as credit risk, liquidity risk, market risk, operational risk and compliance risk. Sustainability risks must be managed in line with Handelsbanken's generally low risk tolerance and comply with risk tolerance for the types of risk in which sustainability risk is an integral part of the risk assessment.

The management of sustainability risks takes place in accordance with the Bank's decentralised business model. According to this model, each business operation bears the responsibility for identifying the relevant sustainability risks within all types of risk and managing these within the framework of the established risk management processes.

6. Follow-up and reporting

Handelsbanken must measure, follow up and report its sustainability work and the sustainability goals that it has adopted. These reports are to be published annually in Handelsbanken's sustainability report, and regularly on the Bank's website.