

ENVIRONMENT AND CLIMATE CHANGE – HANDELSBANKEN'S GUIDELINES

established by the Chief Executive Officer on 27 May 2026

Information class: Open

Responsible owner: Handelsbanken Sparande och Finansiering (HP)

The guidelines are to be applied throughout the Handelsbanken Group; where applicable, they are also valid for subsidiaries, unless binding regulations outside Sweden, or relating to subsidiaries, give rise to deviations. Acceptance and backing for such deviations must be gained from the unit responsible at Group level.

1. Purpose and background

The purpose of these guidelines is to make clear Handelsbanken's approach to and work with environmental and climate-related issues. The guidelines complement the Central Board's policy for sustainability.

The guidelines apply to, for example, business relationships with regard to lending, other financing, asset management (including holdings in funds and investment portfolios managed by the Bank), advisory services, product development and purchasing. The guidelines must factor in decision-making and, together with the sustainability policy, form the basis for more detailed instructions that the head of Handelsbanken Savings and Financing (HP) is responsible for developing in consultation with the business operations.

Climate change poses significant risks to economic development, global stability, peace and democracy – factors that are crucial for Handelsbanken to be able to conduct its operations in accordance with its business model in the long term. The 2030 Agenda and the Sustainable Development Goals (SDGs) set an overall direction for environmental and climate work for the world's countries, while the Paris Agreement sets the goal of limiting the global average temperature increase to well below 2°C and striving to limit it to 1.5°C compared to pre-industrial levels. These, in turn, entail political measures that can affect the Bank's operations and customers in terms of risks and opportunities. For Handelsbanken, as a significant provider of financial services, it is therefore important to contribute to society's transition to a more sustainable economy, including by maintaining a strong capacity as a lender.

2 Handelsbanken's commitments

2.1 Direct impact

Handelsbanken's goal is to reduce the Bank's direct environmental and climate impact over time, well in line with statutory climate targets in our home markets and the EU, as well as the Paris Agreement. This will be achieved through high resource efficiency, the use of renewable energy, reuse and recycling.

The environmental and climate impact of purchases and business travel must always be considered. In all central procurements and purchases, the relevant environmental and

climate requirements are to be set. The basic principle is that purchases of goods and services that do not fulfil such requirements must not be made.

As a complement to direct emission reductions in its own operations, the Bank can implement climate investments that contribute to negative emissions, through various projects that store carbon dioxide.

2.2 Business operations

Handelsbanken will contribute to the transition to a greenhouse gas-neutral economy in line with the Paris Agreement and statutory climate targets in our home markets and the EU, as well as adaptation to the effects of climate change. This will be achieved by developing and offering products, services and advice that, based on customer needs, enable the bank's customers to make more sustainable choices. These will help reduce the negative effects of business decisions on the climate and the environment, including aspects related to energy efficiency and energy transition, as well as support adaptation to the risks resulting from a changing climate. This includes areas such as financing, asset management and payment flow management, among others.

The Bank will work closely with its customers and integrate climate aspects into its business decisions. The Bank's credit decisions must include an assessment of both transition risks and physical climate-related risks, where these are deemed relevant. This includes, for example, taking into account risks and opportunities linked to the energy performance of financed assets.

The Bank shall continue to develop relevant stress tests with a particular focus on risks linked to sustainability factors. Furthermore, the Bank shall take into account scientifically based forecasted emission reduction curves in order to report and follow up both its own and its customers' development in relation to these.

Employees shall acquire the required expertise in essential issues relating to the environment and climate through continuous information and training.

Handelsbanken shall ensure that the reporting and disclosure of key performance indicators complies with applicable regulatory requirements and the requirements set by the Bank's operations to enable responsible management of environmental and climate-related risks. Emissions from the Bank's own operations and financed emissions from the Bank's lending and managed investment portfolios must be reported in Handelsbanken's Annual Report.

2.3 Specific information on fossil fuels

The global economy is dependent on fossil fuels¹ – a dependency that must decrease over time to limit global warming and achieve current climate goals. Handelsbanken shall, in its business decisions and commitments, take into account the increased climate-related and

¹ Fossil fuels are defined as coal, oil, and gas for energy purposes. Other uses such as metallurgical coal, which is used for example in the iron and steel industry, or oil for the petrochemical industry are not covered.

financial risks associated with fossil fuel-related activities. The Bank shall avoid business relationships where these risks are deemed to be too high.

Specially, this means that:

- Handelsbanken must avoid new business relationships with, and not finance² or invest via funds and investment portfolios managed by the Bank in, companies active in coal mining³.
- Handelsbanken must avoid directly financing⁴ new coal mines, expansion of existing coal mines or related infrastructure.
- Handelsbanken must avoid initiating any new business relationships with, financing or investing through funds and investment portfolios managed by the Bank in companies engaged in coal-fired power generation⁵, unless the company is deemed to be a transition company⁶.
- Handelsbanken must avoid providing direct financing or making investments where the funds are used in whole or in part for new coal-fired power plants or the expansion of existing facilities, and must avoid financing companies engaged in the construction of coal-fired power plants.
- Handelsbanken must avoid initiating new financing⁷ to companies or groups active in the extraction of oil or gas or to companies in the construction of directly linked infrastructure. Exceptions can be made for companies active in oil and gas if they are deemed to be transition companies, but not for companies active in unconventional extraction⁸. Direct financing of extraction, or financing aimed at developing that part of the company or group is, however, never consistent with these guidelines.
- Handelsbanken must avoid direct financing (for example through project financing) new extraction of oil or gas, expansion of existing extraction, or any infrastructure directly linked thereto. This applies to both conventional and unconventional oil and gas.
- Handelsbanken must avoid arranging bonds, commercial paper, or carrying out similar assignments relating to capital market financing for those activities and companies that are not to be financed in accordance with the above guidelines.

² Financing refers to lending (on and off-balance) and underwriting

³ In terms of asset management, this refers to a company whose turnover of more than 5% comes from coal mining

⁴ Direct financing refers to purpose-based lending (on and off-balance), underwriting directed to specific activities or assets

⁵ In terms of asset management, this refers to a company whose turnover of more than 30% comes from coal-fired power generation

⁶ The definition of a transition company is set out in instructions from the head of Handelsbanken Savings and Financing (HP), which are prepared in consultation with the business operations

⁷ See footnote 2

⁸ Refers to the extraction of Arctic oil or gas, deep-sea extraction of oil or gas, oil sands, oil shale, heavy crude oil, shale oil, shale gas and extraction by hydraulic fracturing (fracking)

2.4 Biodiversity in particular

Biodiversity is closely linked to the environment and climate change as well as sustainable social development. Biodiversity is being lost at an ever increasing rate and is a serious environmental issue that threatens species, ecosystems and essential ecosystem services such as food security, resilience to climate change and the recreational value of nature. At the same time, the use of the earth's limited natural resources is increasing, which entails risks for the environment, climate, people, companies and society. It is therefore crucial that natural resources are managed responsibly and efficiently throughout their life cycle – from extraction and transport to processing, consumption, recycling and waste management. Through its operations and business relationships, Handelsbanken wants to contribute to a more resource-efficient use of natural resources and support the development of circular business models, including through products, services and advice to the Bank's customers.

3. Relevant initiatives, guidelines and conventions

Handelsbanken advocates cooperation and supports international initiatives and conventions aimed at strengthening global efforts to reduce environmental impact and combat climate change. For the same reason, Handelsbanken does not participate in lobbying activities aimed at weakening international climate-related activities. The initiatives that Handelsbanken endorses and participates in are listed on the Group's website.