

ARMAMENTS AND DEFENCE INDUSTRY – THE HANDELSBANKEN GROUP’S GUIDELINES

established by the Chief Executive Officer on 21 May 2025

Info class: Open

The guidelines are to be applied throughout the Handelsbanken Group; where applicable, they are also valid for subsidiaries and foreign entities, 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. Subject matter and scope

The purpose of these guidelines is to further clarify Handelsbanken’s approach as regards the armaments and defence industry. These guidelines complement the Central Board’s policy for sustainability.

The guidelines apply to business relations with regard to lending, other financing, asset management (including holdings in mutual funds and investment portfolios managed by the Bank), advisory services, product development and purchasing, for example. They must factor into decision-making and, together with the policy, establish the basis for the drafting of the more detailed instructions which the Head of Handelsbanken Finance (HE) in consultation with business operations, is responsible for preparing, with regard to the additional business relations that are encompassed.

2. Background

By integrating sustainability work into all of the Bank’s operations, the Bank can contribute to long-term, stable and responsible development that benefits customers, society and the transition to a sustainable economy.

In its business operations, Handelsbanken must address the sustainability risks associated with the armaments and defence industry. By doing so, Handelsbanken contributes to the 2030 Agenda and the Sustainable Development Goals. Under the UN statutes, every country has the right to defend itself. The manufacture of and trade in weapons and other munitions are regulated by national legislation, intergovernmental regulations, international conventions and weapons embargoes issued by the UN Security Council or the EU. In addition to the obvious risks of human rights violations regarding the use of various types of weapons, there is a risk of corruption in the armaments and defence industry. Business relationships in this sector therefore require particular attention as part of the Bank’s sustainability work and risk management.

3. Handelsbanken’s undertakings

In its business relations with companies operating in the defence industry, the Bank must verify that their operations do not constitute a breach of the UN or EU weapons embargoes,

and that their operations are run in accordance with the national and international regulations regarding the manufacture of and trade in weapons and other munitions.

Handelsbanken must also evaluate and take account of the companies' guidelines for opposing human rights violations and corruption, and must monitor and pay particular attention to how the companies comply with these guidelines.

Handelsbanken must not have business relations with companies that manufacture, maintain or trade in weapons that are prohibited under international conventions of which Sweden is a signatory. This includes biological weapons, chemical weapons, anti-personnel mines and cluster munitions.

Handelsbanken must avoid business relationships with companies that manufacture, maintain or trade in nuclear weapons.

4. Relevant initiatives, guidelines and conventions

Handelsbanken advocates co-operation and supports international initiatives and conventions aimed at reinforcing global efforts to ensure sustainable development. The initiatives that Handelsbanken endorses and participates in are listed on the Group's website.