

# GUIDELINES FOR HANDELSBANKEN'S OFFERING WITHIN FORESTRY AND FARMING

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, 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 make clear Handelsbanken's view of and approach to companies operating in forestry and farming. 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 function as guidance in 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 forestry and farming. By doing so, Handelsbanken contributes to the 2030 Agenda and the Sustainable Development Goals.

Stable, productive and resilient ecosystems form the basis of secure, sustainable development. Today, such systems are under pressure. Moreover, climate change constitutes a threat, with negative consequences for economic development, global stability, peace and democracy – all factors that are critical to Handelsbanken being able to run its business operations with a long-term perspective and in our own way.

Forestry and farming is one of the primary global causes of the loss of biological diversity. Changing land use is one of the main sources of global greenhouse gas emissions.

Responsible, sustainable forestry and farming is essential for maintaining and recreating sustainable ecosystems and a stable climate.

### 3. Handelsbanken's undertakings

Through its operations, Handelsbanken wishes to contribute to sustainable forestry and farming operations.

Handelsbanken expects companies operating within forestry and farming to comply with the relevant international, regional and local legislation, and to hold the requisite licences for their operations, and that the companies have processes for identifying and managing the relevant sustainability risks associated with their operations. Handelsbanken is positively disposed towards and encourages the environmental certification of forestry and farming, such as the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification Schemes (PEFC), the EU organic certification, etc.

The production of palm oil is linked to a high level of sustainability risk. Handelsbanken expects companies that produce palm oil to be members of the Roundtable on Sustainable Palm Oil (RSPO) and that most of their production is certified. Companies that purchase or trade in palm oil should be members of the RSPO and/or purchase certified palm oil.

Handelsbanken expects companies operating in the forestry and farming industry to respect the rights of their employees, (including migrant workers), and all the customary rights of land use by indigenous populations. Natural resources should be extracted in consultation with the stakeholders concerned, and the local community.

Handelsbanken also expects companies operating within forestry and farming to work towards minimising their negative environmental impact. Among other things, this includes reducing greenhouse gas emissions and substances that are harmful to the air and water. It also includes resource efficiency, for example in the form of effective use of water, and no unnecessary use of artificial fertilisers or pesticides. In addition, it means retaining biological diversity, preventing deforestation, protecting high conservation value forest (HCVF) and working to preserve natural forms of carbon sink.

For companies active in forestry and farming, there must be care and respect in the treatment of animals. This means that for companies with which the Bank has a lending business relationship, Handelsbanken expects these companies to comply with the five freedoms of animal welfare,<sup>1</sup> and that:

- the transport of animals will take place in accordance with national regulations, and that animals will not be subjected to painful procedures
- slaughter will take place in accordance with recognised methods which minimise the animal's suffering
- preventative measures for good animal well-being and healthy animals will be taken, so that the use of antibiotics can be minimised, thereby reducing the risk of resistant bacteria.

---

<sup>1</sup> Freedom from hunger and thirst. Freedom from discomfort. Freedom from pain, injury, or disease.

The Bank must also support its customers in their transposition to more sustainable business operations, by offering products and services that facilitate sustainable investments and business models.

#### 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.