

# TOBACCO INDUSTRY – HANDELSBANKEN'S GUIDELINES

established by the Chief Executive Officer on 21 May 2025

*Info class: Open*

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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 the Handelsbanken's view of and approach to companies operating in the tobacco 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 tobacco industry. By doing so, Handelsbanken contributes to the 2030 Agenda and the Sustainable Development Goals.

The tobacco industry's negative impact on sustainable development is well documented, and can be linked to several stages of tobacco products' life cycle, for example:

- cultivation of tobacco has been linked to deforestation, the use of pesticides, human rights violations, health problems and child labour.
- production of cigarettes results in huge quantities of non-recyclable and chemical waste.
- smuggling cigarettes is a source of income for organised crime, and results in the loss of tax revenue.
- smoking is one of the world's largest public health problems, leading to the premature death of millions of people, including non-smokers.
- cigarette ends are the most common form of litter in the world.

### 3. Handelsbanken's undertakings

In its business relations with companies active within the production and distribution of tobacco products, Handelsbanken must ensure that the company has a process for addressing the relevant sustainability risks associated with the production, distribution and usage of the company's tobacco products. This process must include identifying, counteracting and managing such risks, and must cover the product's entire life cycle.

Handelsbanken aims not to have any business relations with tobacco companies that:

- do not comply with the WHO Framework Convention on Tobacco Control
- do not comply with international conventions within labour law, environmental areas or health
- are involved, directly or indirectly, in child labour or compulsory labour
- actively market their products to minors
- contravene national or local legislation

Handelsbanken must avoid business relationships with companies involved in cigarette production.

### 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.