

# Policy for sustainability in the Handelsbanken Group

adopted by the Central Board on 16 March 2016

## 1. Purpose

Handelsbanken's view is that responsible actions are essential to long-term value creation in Handelsbanken. Long-term business relations, 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.

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

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.

## 2. Governance and scope

This policy applies throughout the Handelsbanken Group and encompasses all activities in relation to customers, suppliers and other business partners.

This general policy is revised annually or when necessary, and is supplemented by policy documents regarding ethical standards, corruption, conflicts of interest, money laundering, and financing of terrorism, etc. Where necessary, it is the responsibility of the Group Chief Executive to draw up guidelines relating to areas and sectors, and to ensure that there is the relevant organisational structure, delegation and instructions so that this policy can be applied in practice.

## 3. Focus

Handelsbanken aims to integrate financial, social and environmental sustainability into all its business operations. This relates, 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. This means that the Group can run financially sound, sustainable operations and not be complicit in breaches of human rights or employees' rights, or cause negative environmental impact, or accept corruption. This also means that Handelsbanken, through its operations, aims to seek, encourage and contribute to sustainable development.

Handelsbanken supports international initiatives and guidelines that have the common aim to encourage and facilitate sustainable corporate management, e.g. the UN Global Compact, the OECD guidelines for multinational companies, the UN Environmental Programme Finance Initiative (UNEP FI), the UN Principles of Responsible Investment (PRI), the UN's guiding principles for companies and human rights, and the ILO's core conventions. These principles and guidelines must be key concepts in Handelsbanken's work.

### 3.1 Environment

In Handelsbanken's view, an integrated approach to environmental considerations is essential to long-term value creation. Thus, structured environmental activities are a natural part of operations, with the Group taking responsibility for contributing to sustainable development in the long term and seeking to minimise its environmental impact. By constantly developing its environmental activities, and taking into account evolution in the community and in technology, the Group aims to actively work to minimise its direct environmental impact. Handelsbanken also aims to minimise its indirect impact on the environment, for example through lending and investments. This takes place through long-term sustainable business decisions in which environmental concerns are part of the material on which the decisions are based. The Handelsbanken Group aims to monitor and measure its impact on the environment.

### 3.2 Human rights and working conditions

Respect for human rights is essential to long-term value creation in Handelsbanken. The Group's work to protect human rights and employees' rights is based on international agreements. Handelsbanken stands behind the UN's guiding principles for companies and human rights, and undertakes to act in accordance with national plans of action regarding

these principles in the countries where the Group operates. Structured work to protect human rights is a natural part of the Group's operations, and Handelsbanken constantly strives for improvements in this area.

The Group aims to avoid causing or contributing to any negative impact on human rights in its own operations, and to rectify such impact if it arises. Handelsbanken recognises the fundamental rights of employees to determine whether they wish to be represented by a union or employees' organisation, and respects the rights of employees and their unions to negotiate on collective agreements. The Handelsbanken Group works to ensure that discrimination does not occur, promotes diversity and gender equality, and safeguards good working conditions.

Handelsbanken also works to prevent or restrict any negative impact on human rights and employees' rights which, through business relationships, is linked with the Group's operations, products or services, even if the Group itself has not contributed to this negative impact.

The Handelsbanken Group does not accept any occurrence of corruption. Risks of corruption must be prevented, and where there is a suspicion of corruption, Handelsbanken must take action (see Policy against corruption in the Handelsbanken Group).

### **3.3 Money laundering etc.**

In its day-to-day operations, Handelsbanken aims to take actions to prevent – and where there is suspicion, investigate and report on – money laundering, the financing of particularly serious crime, and market manipulation.

### **3.4 Tax**

The Handelsbanken Group's actions regarding tax-related matters 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. If there is doubt, Handelsbanken must not participate. High ethical standards must always be observed.

### **4. Follow-up and reporting**

Handelsbanken must measure, report on and follow up its sustainability activities in accordance with national legislation and voluntary international standards for reporting information. These reports are to be published annually in Handelsbanken's sustainability report, and regularly on the Handelsbanken website. The Group Chief Executive reports to the Board regarding sustainability work at Handelsbanken.