

Sustainability Factbook

Including GRI-Index & Principles for Responsible Banking
Reporting and Self-Assessment Template

2020

This is Handelsbanken

Handelsbanken was founded in 1871. As the Bank now approaches its 150th anniversary, we are one of the world's strongest banks. The Bank applies a decentralised way of working, with a strong local presence and an ambitious approach to sustainability.

Our idea of how we should run our Bank is based on trust and respect for individuals, both customers and employees. We build long-term, deep customer relationships and our primary driver of growth is recommendations from satisfied customers. We have six home markets – Sweden, the UK, Norway, Denmark, Finland and the Netherlands.

Handelsbanken's goal is to have better profitability than the average of peer competitors in its home markets.

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About this report

This is Handelsbanken's Sustainability Factbook 2020 including GRI-index and PRB Reporting. Together with the statutory sustainability report found on pages 38–65 in the Group's Annual & Sustainability Report 2020 this report constitutes Handelsbanken's 11th Sustainability Report in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Handelsbanken's Sustainability Report has been prepared in accordance with the GRI Standards: Core option and has been reviewed by the Bank's external main auditors. See the auditor's report on page 254 in the Annual and Sustainability Report. A comprehensive GRI index can be found on pages 19–21. The Sustainability Report also constitutes Handelsbanken's Communication on Progress for the UN Global Compact.

Handelsbanken's Sustainability Report covers the complete Group. The statutory sustainability report focuses on descriptions on how Handelsbanken works on its most important sustainability topics and covers activities and results in 2020. The Sustainability Factbook covers details on Handelsbanken's material sustainability topics and detailed performance disclosures, key figures as well as the complete GRI index.



Customer satisfaction

In all six home markets, Handelsbanken's customers are more satisfied than the average*

All of Handelsbanken's business operations are centred on the customer. Customers' demands and behaviour govern the development of meeting places, products and services. The results are indisputable. For a long time Handelsbanken's private and corporate customers have been more satisfied than the sector average in all our home markets.

In the development of our digital meeting places, the goal is to build equally strong customer relationships digitally as we do at our branches. Every customer should receive the right offering at the right time – regardless of where they meet us.



Sustainable business

Handelsbanken is ranked as the most sustainable bank among peer competitors**

Within its credit operations, the Bank has clear guidelines regarding human rights, working conditions, and environmental and climate-related concerns. The Bank's green loans grew by 116 per cent compared with the previous year.

In our assignment to manage customers' savings, Handelsbanken unites the ambition to generate good returns with efforts to create a sustainable future. Handelsbanken Fonder has received numerous awards and honours for its sustainability work.



A safe bank

Handelsbanken was named the world's safest bank in 2020***

Despite the pandemic, credit losses have remained very low in 2020, and capital adequacy has been good. No other privately owned bank anywhere in the world has a higher credit rating than Handelsbanken, whether from Fitch, Moody's or Standard & Poor's.

In 2020, Global Finance named Handelsbanken – along with six other banks – the world's safest bank.

* According to EPSI Rating/SKI (Swedish Quality Index).

** Weighted average of rankings from ISS ESG, MSCI ESG Research, S&P Global SAM Corporate Sustainability Assessment, Sustainalytics.

*** By Global Finance, together with six other banks globally.

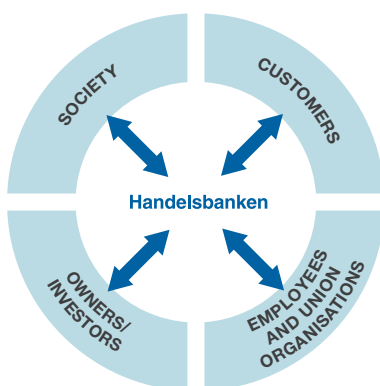
Stakeholder engagement

To be a responsible bank, we must listen closely to our stakeholders' expectations and be receptive to their opinions about our sustainability activities. We actively engage in systematic dialogue with our stakeholders to ensure that we get our priorities right. Through this dialogue we can better understand the expectations, opinions and demands that stakeholders have on us and on the way we conduct our operations. This helps us to make well-founded decisions and to better prioritise our sustainability efforts in the markets where we operate.

OUR STAKEHOLDERS

Many private individuals, organisations and companies are affected by how Handelsbanken acts in various matters. Business relations with customers, our behaviour as an employer, conversations with our shareholders, and all the meetings with different groups are examples of stakeholder dialogues. They are affected by and affect how we conduct our operations. For Handelsbanken, corporate social responsibility means living up to the reasonable expectations of these stakeholders and acting so as to maintain their trust in the Bank. Handelsbanken's principal stakeholders are our customers, employees, owners and investors, union organisations, and the community at large, including special interest organisations, public authorities and legislators. The Bank's main stakeholder groups have been identified based on the fact that Handelsbanken's operations materially affect them, or are materially affected by them. Handelsbanken also maintains a continuous dialogue with other stakeholder groups, such as equity research analysts, trade associations, sustainability analysts, non-profit organisations, international organisations, municipalities and county councils, suppliers, press and media, students, schools and universities.

Stakeholder model



All stakeholders have expectations of Handelsbanken. They all wish the Bank to be stable and responsive to their expectations. How well the Bank manages to live up to these expectations has an impact on the continued success of Handelsbanken.

Customers

The most important dialogue occurs in the meetings that take place every day at over 700 branches in our six home markets. These meetings arise from our wish to have long-term relationships with our customers. They take place face-to-face, over the phone, at digital meeting places or on social media. By maintaining close, long-term relations with our customers, the Bank gains a better understanding of customer expectations regarding our sustainability work.

Employees

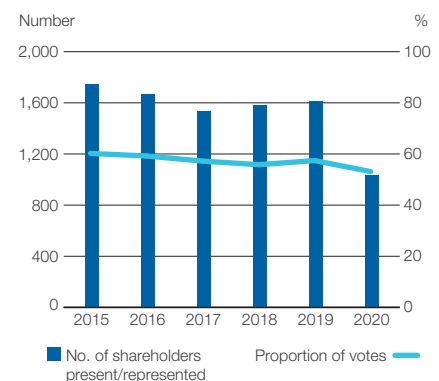
Our employees are an important stakeholder group. No matter how good our products and services are, the best staff make all the difference. By taking part in their own unit's annual business planning, each individual employee can play a part by contributing to and influencing the operational focus. At least once a year, managers with delegated work environment responsibility perform a work environment survey with the work environment representative and their employees. The work environment survey is one initiative undertaken to achieve the Bank's work environment goals. The results of the work environment survey also serve as input to the local work environment plan, which makes up part of the business plan.

Owners and investors

Handelsbanken's shareholders are those who ultimately decide on the Bank's governance. The shareholders exercise their right to decide on matters concerning the company at shareholders' meetings. At the meetings, individual shareholders have the opportunity to put questions to the Bank's Board and executive management. Shareholders show keen interest in Handelsbanken's annual general meetings. In the past five years, shareholders corresponding to more than 50 per cent of the votes have been represented. In 2020, as a precautionary measure to reduce the risk of infection from the coronavirus, Handelsbanken's Board of Directors decided to move the annual general meeting to a larger venue. The planned addresses to the

meeting were kept to a minimum to keep the meeting short. No external guests were invited to attend the meeting, and participation by both Board members and the Bank's Executive Management was minimised. By reducing the number of participants, increasing physical distance, shortening the meeting and decreasing interaction, the Bank aimed to limit the risk of infection. The Bank provides investors, analysts, rating agencies and other capital market players with information regarding Handelsbanken's operations and financial performance. During the year, the Group Chief Executive, CFO and Investor Relations Department held almost 500 video-meetings with equity and fixed income investors.

Attendance at AGMs 2015–2020



Union organisations

Handelsbanken has long maintained good relations with union organisations as an essential part of the Bank's business culture. Union representatives and managers maintain a continuous dialogue about operations, such as when changes are to be made, exchanging valuable information at the very early stages.

Society

Handelsbanken has a continuous dialogue with supervisory authorities, central banks and regulatory bodies as well as with governments and parliaments, in Sweden, the EU and the rest of

the world. Increasingly, dialogue between public authorities and the Bank highlights sustainability. The Bank also has continuous contact with non-governmental organisations (NGOs). During the year, we had several ongoing dialogues with them, answered questions and participated in discussions and seminars to keep ourselves updated on sustainability issues, and to gather important opinions.

Sustainability analysts

Around 30 investment banks have research analysts who regularly monitor Handelsbanken and its share. In recent years, several of these investment banks have supplemented the traditional company research by also evaluating the Bank from a sustainability perspective. Another increasingly prominent group include the independent research firms that specialise in sustainability analysis. Their research analysts evaluate the Bank's sustainability work in several dimensions. An evaluation is usually carried out by means of a comprehensive questionnaire as well as engaging in a dialogue with the analyst. In 2020, Handelsbanken responded to some 10 enquiries, surveys and analyses from various international actors.

Suppliers

Handelsbanken purchases goods and services from many different suppliers. In the Swedish operations, 71 per cent of the total volume of purchases come from about 120 of the Bank's several thousand suppliers. The Bank's ongoing follow-up of our most important suppliers also includes a dialogue based on our Code of Conduct for suppliers, where sustainability is a vital component. As a result of these dialogues, we become involved, our employees are inspired, and we improve our own – as well as our suppliers' – sustainability work.

MATERIALITY ANALYSIS

The purpose of our materiality analysis is to identify the sustainability topics where Handelsbanken's operations have the greatest impact on external parties, based on an economic,

environmental or social stakeholder perspective. Applying the materiality analysis, we define the most important sustainability topics that we must prioritise, report on and communicate about. In 2018, Handelsbanken carried out a comprehensive materiality analysis based on a detailed dialogue with participants from our main stakeholder groups in the Bank's home markets. We had intended to conduct a similar comprehensive materiality analysis in 2020, but the pandemic that erupted in spring 2020 prompted the decision to postpone this for a year. We made this decision out of consideration to our stakeholders, but is also based on the risk that a materiality analysis conducted during the pandemic could be affected by the situation and thus not provide a fair result that applies over a longer period of time. The Bank's central sustainability unit held internal workshops and on the basis of selected customer surveys and external sustainability surveys and employee discussions, its assessment was that the 2018 materiality analysis was also relevant for 2020.














The materiality analysis in 2018 progressed in three stages:
















1. Using a business intelligence analysis, we identified and ranked the sustainability topics where Handelsbanken's operations have the greatest impact on external parties based on an economic, environmental or social stakeholder perspective.
2. These topics were verified by internal and external sustainability experts and Handelsbanken's Sustainability Committee.
3. We carried out a detailed dialogue with stakeholders through qualitative and quantitative interaction. In conjunction with this, we conducted 14 in-depth interviews with representatives from our owners, unions, special interest organisations and large corporate customers. The quantitative part consisted of target group-specific surveys aimed at employees, private customers and corporate customers in our home markets, where the stakeholders could assess how important each sustainability topic was for them in

conjunction with decisions and assessments linked to the Bank's operations. Almost 1,000 responses were received. The large number of responses made it possible to follow up the results by stakeholder group and home market.

Our Sustainability Areas

The outcome of the materiality analysis has been grouped into the seven material sustainability areas along the bank's value chain presented in the table below.

	 The Bank and its customers	 The Bank's role in the community	 Responsible financing
Material topics	<ul style="list-style-type: none"> – High availability – Responsible lending – Responsible advisory services – Integrity and confidentiality 	<ul style="list-style-type: none"> – Local presence and community engagement – Financial sustainability – The Bank's social responsibility – Inform and educate – Minimise environmental and climate impact 	<ul style="list-style-type: none"> – Responsible lending – Responsible financing – Sustainable products
Why is this material to Handelsbanken?	<p>For Handelsbanken, the starting point is always our individual customers' needs. We must meet and preferably exceed expectations on quality, availability and service, at the local branch and in our digital services. We must consider the customer's financial circumstances when granting credit and advise customers based on their individual needs, without looking at what is the most profitable product for the Bank in the short term. We must also take responsibility for protecting customers' banking business, such as from unauthorised access, through rigorous IT security. That is how we earn trust and a high degree of customer satisfaction.</p>	<p>The Bank has a strong presence in the local community, with nationwide branch networks in the Bank's six home markets. We aim to contribute to the local community in the countries where we operate, such as by employing people and paying taxes and government fees. Handelsbanken is, and will continue to be, a financially stable bank.</p> <p>We aim to be a source of information about economics, markets and finance. When we inform and educate, we provide our customers with the best tools to make sound economic decisions.</p> <p>The Bank's goal is to minimise our impact on the environment and climate.</p>	<p>Handelsbanken's lending must be responsible and meet high standards for sound ethical standards. We support international initiatives and guidelines that aim to encourage and facilitate corporate sustainability. In granting credit, we must evaluate and assess the customer's approach to these principles and guidelines.</p> <p>Climate change alters the conditions for everything from energy production, transport to consumption. Together with our customers, Handelsbanken aims to do its part in the transition to a greenhouse-gas-neutral economy, in line with the Paris Agreement.</p>
Outcome 2020 For key figures, see Annual & Sustainability Report 2020 pages 44–46.	<ul style="list-style-type: none"> – Handelsbanken's private and corporate customers are more satisfied than the sector average in all six home markets. – Our digital services earn high rankings in independent surveys. – For many years, Handelsbanken has had much lower credit losses than its peers in the banking sector. Credit losses corresponded to 0.03 per cent (0.04) of lending. 	<ul style="list-style-type: none"> – We have 732 local branches. – Stable finances: at year-end, the Bank had a common equity tier 1 ratio of 20.3 per cent, thus exceeding the capital requirements set by the Swedish Financial Supervisory Authority, which the Bank assessed to be 13.6 per cent at the same date. – Handelsbanken's total taxes and government fees were more than SEK 10 billion in 2020. The Bank is one of the largest payers of corporate tax in Sweden. – Total carbon dioxide emissions in the Bank's six home markets decreased by 30 per cent. 	<ul style="list-style-type: none"> – The Bank has issued its second green bond. The issue amount totals EUR 500 million, and the bond has a maturity of seven years. – Handelsbanken arranged green bonds for SEK 32.4 billion in 2020. – At year-end, Handelsbanken had SEK 16.0 billion in outstanding green loans to customers.
Sustainability risk See Annual & Sustainability Report 2020 page 43.	<ul style="list-style-type: none"> – Information security and IT security. 	<ul style="list-style-type: none"> – Climate. – Environment. – Financial crime. 	<ul style="list-style-type: none"> – Human rights, social conditions and working conditions. – Climate. – Environment.
Relevant SDGs	  	   	  

	 Responsible investment	 The Bank as an employer	 The Bank's business culture	 The Bank as an investment
Material topics	<ul style="list-style-type: none"> – Responsible investment – Sustainable products 	<ul style="list-style-type: none"> – Responsible employer – Work environment, working conditions and union rights – Employee commitment – Leadership and development – Gender equality and diversity 	<ul style="list-style-type: none"> – Prevent financial crime – Salaries and remuneration – Responsible purchasing – Openness and transparency 	<ul style="list-style-type: none"> – Create shareholder value
Why is this material to Handelsbanken?	<p>Handelsbanken bears a substantial responsibility in its assignment to manage customers' savings. We aim to generate a healthy return on savings capital while striving to contribute to a sustainable future. That is why Handelsbanken works to promote – in its asset and pension management – financially, environmentally and socially sustainable development in the companies in which the Bank invests on behalf of customers.</p> <p>Climate change is one of the biggest challenges to economic and human development. As an investor, Handelsbanken has a key role to play in redirecting capital towards investments with a smaller carbon footprint.</p>	<p>Handelsbanken's values and strong corporate culture are vital to our success. Our concept of how to run a successful bank is based on trust and respect for the individual – both customers and employees.</p>	<p>Handelsbanken's success depends on the trust of our customers and society at large. This confidence is based on us acting according to high ethical standards and taking responsibility for long-term sustainable development. We aim to work proactively to prevent all criminal activity such as money laundering, terrorist financing, corruption and other financial crime. The Bank's employees must never be involved in activities that could involve bribery or corruption.</p> <p>No performance- or volume-based bonuses or other forms of variable remuneration are paid to our executive officers or to any other employee who decides on credits or limits.</p>	<p>Sustainable long-term growth and shareholder value can only be achieved if the Bank simultaneously creates long-term value for its customers and society as a whole.</p> <p>Handelsbanken's profitability goal is partly intended to offer shareholders long-term, high growth in value, expressed in increasing earnings per share over a business cycle.</p> <p>Climate change is one of the biggest challenges facing our modern world. Handelsbanken wants to promote the transition to climate-stable, sustainable economies with low carbon dioxide emissions.</p>
Outcome 2020 For key figures, see Annual & Sustainability Report 2020 pages 44–46.	<ul style="list-style-type: none"> – 88 per cent of Handelsbanken's fund volume is managed with enhanced sustainability criteria. This corresponds to SEK 678 billion. – Four more of our funds received the Nordic Swan Ecolabel. We currently offer eight Nordic Swan Ecolabelled funds. – Handelsbanken Fonder appointed women to 71.0 per cent of the nomination committees that the fund management company participated in. – Our fixed income funds invested SEK 32.0 billion in green, sustainable and social bonds. – Handelsbanken Fonder invested SEK 319 million in the Swedish government's first green bond. – Handelsbanken Fonder has invested SEK 220 million in the Covid-19 Response Bond issued by the Nordic Investment Bank (NIB). 	<ul style="list-style-type: none"> – External staff turnover was 5.1 per cent in the Group. – The total sickness absence rate for employees in the Bank's six home markets was 2.5 per cent. – The proportion of managers in the Group who are women was 41 per cent at year-end. – In our Group-wide work environment survey, 96 per cent of participants responded that they feel respected for who they are. 	<ul style="list-style-type: none"> – Together with leading banks in Sweden, Handelsbanken has initiated collaboration with the police for exchange of information with regards to money laundering (SAMLIT). – We are implementing a new tool for monitoring major suppliers' key performance indicators (KPIs). – Performance-based variable remuneration is applied with great caution and offered only to circa one per cent of the Group's employees. 	<ul style="list-style-type: none"> – Handelsbanken is included in several sustainability indexes. – The Bank was included in the Sustainability Yearbook 2021 as a 'Sustainability Yearbook Member'. – In the Sustainable Companies ranking by the Lund University School of Economics and Management, Dagens Industri and Aktuell Hållbarhet, Handelsbanken was ranked as the most sustainable listed company in the bank and financial sector in Sweden.
Sustainability risk See Annual & Sustainability Report 2020 page 43.	<ul style="list-style-type: none"> – Human rights, social conditions and working conditions. – Climate. – Environment. 	<ul style="list-style-type: none"> – Human rights, social conditions and working conditions. 	<ul style="list-style-type: none"> – Financial crime. 	
Relevant SDGs	     	 		 

How we work with the Sustainable Development Goals

The Sustainable Development Goals are not only for governments. It is important that all parts of society get involved if we are to achieve these goals. The business community has a vital role to play in reaching these goals, as stated in the implementation plan produced by the UN. Handelsbanken has opted to focus on six goals and their associated targets that can be linked to our operations. Our decision is based on the relevance to the Bank's core business, our degree of influence and risks we have identified. Here we present some examples of how we have worked during the year, both through our own operations and through our business relations.



Handelsbanken Fonder appointed women to 71 per cent of the nomination committees we served on in 2020. We believe that this gives us a sound footing to increase the momentum towards achieving gender-equal boards, but we remain humble, considering the size of the task.



In Sweden, pension advisory services at local branches and the option of meeting a specialist online have been supplemented with a new tool – Pension Guide in the mobile app.



Handelsbanken funds a professorial chair in accounting at the Stockholm School of Economics and provides financial support to the Swedish House of Finance (SHoF), a national research centre, the purpose of which is to boost financial research in Sweden and promote a dialogue between the private and public sectors.



Handelsbanken offers green mortgage loans for private individuals in Sweden. We hope to raise the level of interest in living in environmentally certified housing, and to contribute to more properties improving their energy efficiency over time.



Handelsbanken has twice issued green bonds, 2018 and 2020. The funding raised through the bond issue is used for green financing of projects and investments that promote a more sustainable society, for example energy-efficient and environmentally certified buildings.



Knowledge is important if we are to be able to combat corruption and bribery. Over 90 per cent of the Bank's employees and managers have completed the annual mandatory training programme on combating money laundering, corruption and terrorist financing.



The fund management company has developed an analysis model called Handelsbanken SDG (Sustainable Development Goals) Solutions. Based on the 169 targets in the Sustainable Development Goals, the model uses artificial intelligence (AI) to analyse each company's products, services and also the markets where the company operates.



The 17 Sustainable Development Goals and the 169 related targets represent the agenda for achieving a sustainable future by 2030. Handelsbanken can contribute to all 17 in the long term, but our operations have the greatest impact on the six goals that are marked.

Policy documents and guidelines

Banking operations are regulated and governed by extensive laws and regulations. Handelsbanken also has its own policies and guidelines that govern our way of working. These also apply to our service providers. For example, Handelsbanken's Board has adopted several Group-wide policies on ethical standards, anti-corruption and sustainability. The Bank's Group Chief Executive has also issued guidelines that further clarify the Bank's approach in various areas. These policies are revised every year, but can be adjusted more often when necessary, and spell out the basic guidelines for every employee.

POLICY FOR SUSTAINABILITY

Handelsbanken's policy for sustainability was adopted by the Bank's Board in 2016. The policy sets the direction for the Group's sustainability activities, in terms of Handelsbanken's approach to material topics relating to customers, the Group's actions as an employer and institution in society, and also the relationship with owners and investors. The policy covers the environment, human rights and working conditions, anti-corruption, money laundering and taxes. Handelsbanken aims to integrate financial, social and environmental sustainability into all its business operations.

POLICY ON ETHICAL STANDARDS

Employees of Handelsbanken must conduct themselves in a manner that upholds confidence in Handelsbanken. All operations in the Group must be characterised by high ethical standards. Financial advice must be based on the customer's requirements. Conflicts of interest must be identified and handled in a manner that is fair to all parties involved. In case of doubt as to what is ethically acceptable, the matter must be discussed with the employee's immediate superior. There must be no discrimination on grounds such as gender or religion. The policy on ethical standards also describes how employees who suspect internal fraud or other irregularities should act, for example with the aid of Handelsbanken's whistleblowing system.

POLICY ON MEASURES AGAINST FINANCIAL CRIME

This policy is partly based on Swedish laws and regulations concerning money laundering, terrorist financing, established international sanctions, including laws on breaches of such sanctions and applicable non-Swedish rules including UK regulations against tax evasion as well as Swedish laws and regulations regarding obligations to combat fraud, and it shall be applied throughout the Handelsbanken Group, to the extent that it does not contravene local laws. Money laundering, terrorist financing, breaches of international sanctions, fraud, tax evasion and corruption are collectively referred

to as financial crime. The Handelsbanken Group has a separate policy for anti-corruption, whereas this policy relates to the other aspects of financial crime.

The Handelsbanken Group must appoint a specially appointed executive with the task of ensuring that the Handelsbanken Group takes the measures required by laws and regulations to prevent money laundering and terrorist financing.

The Handelsbanken Group must have an appointed officer for controlling and reporting obligations under the Swedish Act on Measures against Money Laundering and Terrorist Financing, whose task is to monitor and regularly verify that the Handelsbanken Group fulfils its obligations in compliance with the relevant laws and regulations.

GUIDELINES

Guidelines regarding armaments and defence industry

Handelsbanken's guidelines for business relationships with the armaments and defence industry state that the Bank must not have business relations with companies that manufacture or trade in weapons that are prohibited under international conventions. This includes biological weapons, chemical weapons, anti-personnel mines and cluster munitions. Nor can Handelsbanken have business relations with companies that manufacture or trade in nuclear weapons, or with companies that export weapons to countries under a UN or EU embargo.

Guidelines regarding the environment and climate change

Handelsbanken has guidelines for business decisions related to the environment and climate change. These state that Handelsbanken must be aware of, and act upon, the risks linked to climate change and environmental damage, in the companies we do business with. The guidelines also state that Handelsbanken must not directly finance new mining of coal or new coal power plants. Nor will the Bank initiate new business relations with companies that are

either active in coal mining or are dependent on coal, and that are not working actively to ensure a transition to renewable energy production.

Guidelines regarding business relations in forestry and farming

Handelsbanken has guidelines for how the Bank should approach business relationships in forestry and farming. The guidelines specify which aspects we must take into consideration when granting credits. For example, that we expect customers, suppliers and business partners to respect the rights of employees, minimise negative environmental impact, preserve biological diversity, prevent deforestation and protect high conservation value forests.

Guidelines regarding business relations in the tobacco industry

Handelsbanken has guidelines that clarify the Bank's approach to companies in the tobacco industry. They describe why it is important for these companies to have processes that address the relevant risks that exist throughout the product life cycle. The Bank must not have any business relations with companies involved in cigarette production.

Guidelines for managing taxes

Handelsbanken's guidelines for managing taxes state that the Bank must not participate in transactions, through granting credits or otherwise with respect to customers, directly or indirectly, which constitute a step in tax evasion, or in transactions with no business purpose that are undertaken only to obtain tax advantages in conflict with the objective of the tax regulations. This also applies in relation to suppliers and other business partners. If there is doubt, the Bank must refrain from participating.

More policies and guidelines are available at handelsbanken.com/policy-documents.

Sustainability topics and performance

In this section performance data related to Handelsbanken's material topics is presented.

THE BANK AND ITS CUSTOMERS

Handelsbanken considers customer satisfaction essential and follows up customer satisfaction through its own surveys, as well as public ones. Every year, EPSI Rating, which includes the SKI Swedish Quality Index, carries out independent surveys of customer satisfaction in the Nordic region and the rest of Europe. This year's surveys show that Handelsbanken has more satisfied private and corporate customers than the average for the banking sector in all six of the Bank's home markets.

The Bank and its customers	2020	2019	2018	2017	2016
Customer satisfaction, private customers, SKI/EPSI index					
Sweden	70.4	71.5	72.3	68.9	67.6
UK	81.2	84.6	83.9	85.2	83.5
Norway	75.7	77.2	78.1	77.5	74.2
Denmark	75.2	75.7	77.8	76.8	77.7
Finland	79.0	81.2	80.1	79.6	80.1
The Netherlands	78.4	77.7	78.0	78.0	74.1
Customer satisfaction, corporate customers, SKI/EPSI index					
Sweden	68.7	66.5	67.7	67.5	69.4
UK	77.0	83.1	82.6	83.8	81.6
Norway	68.8	72.9	71.5	72.5	69.9
Denmark	69.1	71.9	71.8	72.3	75.7
Finland	75.3	80.0	79.1	78.7	77.5
The Netherlands	75.3	75.3	73.5	72.4	71.9

THE BANK'S ROLE IN THE COMMUNITY

Thanks to the Bank's decentralised working methods we have a strong local presence. It is important that we contribute in various ways to the local communities where we operate. Handelsbanken provides transparent financial reporting on how the economic value generated by our operations is distributed and how we work to reduce our direct environmental and climate impact.

The Bank's role in the community	2020	2019	2018	2017	2016
Number of branches and meeting places	732	769	779	807	819
Number of local collaborations and activities	>300	> 800	> 600	> 400	> 400
Only local bank, home markets	69	68	63	66	59
Total taxes and government fees, SEK bn	10	12	11	10	8
Government bank support received	-	-	-	-	-
Credit losses as a percentage of lending	0.03	0.04	0.04	0.08	0.09
Total emissions of greenhouse gases, CO ₂ e tonnes	6,060	8,700	9,628	9,878	9,432
of which Scope 1 – direct emissions	24	27	41	86	51
of which Scope 2 – indirect emissions	4,690	4,946	5,488	5,562	5,416
of which Scope 3 – other indirect emissions	1,346	3,727	4,099	4,230	3,965

Direct economic value generated and distributed	2020	2019	2018	2017	2016
SEK bn					
DIRECT ECONOMIC VALUE CREATED					
Customers					
Income after credit losses and before fees for the Swedish resolution fund, deposit guarantee, etc.	42.1	41.3	40.1	38.0	37.7
Value created by serving customers	42.1	41.3	40.1	38.0	37.7
DISTRIBUTED ECONOMIC VALUE					
Employees					
Salaries	9.4	9.3	8.7	8.4	8.1
Provision to profit-sharing scheme (incl. social security costs) ¹	0.2			0.8	
Social security costs and other staff costs	5.7	5.1	3.9	3.3	4.4
Cost of employees	15.3	14.4	12.6	12.5	12.5
Public authorities and society at large					
Suppliers ²	8.0	8.2	7.4	6.5	5.9
Corporate tax (current tax)	5.5	6.1	5.4	5.4	5.2
Deferred tax	-1.0	-1.2	-0.8	-0.5	-0.8
Fees to the Swedish resolution fund, deposit guarantee, etc.	1.4	2.2	2.8	2.0	1.3
Government bank support received	-	-	-	-	-
Participation in government guarantee programmes	-	-	-	-	-
To society	13.9	15.3	14.8	13.4	11.6
Shareholders					
Dividends (refers to the year dividends were paid)	-	10.7	14.6	9.7	11.4
New share issue	-	-	-	-	-
Transactions with the shareholders	-	10.7	14.6	9.7	11.4
Reinvested economic value ('remaining in the Bank')	12.9	0.9	-1.9	2.4	2.2

¹ The preliminary provision made in 2018 and reversed early in 2019 has been excluded from this table.

² Refers to Other administrative expenses and depreciation. The table of direct economic value generated and distributed shows how the income generated by Handelsbanken's operations during the year was distributed among various stakeholders. The calculation is based on the figures in the income statement and in accordance with the GRI guidelines. The distributed items in the table are based on a broader value created where salaries, depreciation, amortisation, and other administrative costs (suppliers) are added to the operating profit. The purpose is to show in a basic way how Handelsbanken creates value for its stakeholders and in the economic systems in which the organisation works. The table provides an overview of the direct measurable monetary value contributed by Handelsbanken to its stakeholders, and thus how the Bank contributes to development in society.

Taxes and distributed economic value

Handelsbanken pays and reports taxes based on international and local laws and regulations in the countries where we operate. Handelsbanken complies with the OECD Transfer Pricing Guidelines, meaning that the Group's earnings are taxed where value is created. The Bank also prepares a country-by-country report showing the Group's earnings and tax in the countries where its operations are run. The Bank's operations in Luxembourg, Hong Kong and Singapore are not subject to local tax regimes that allow for lower tax rates. The Bank's international branches in Luxembourg, Hong Kong and Singapore conduct real operations with profits from local business operations for which the Bank is taxed locally in accordance with the normal local tax regulations.

Geographical information 2020

SEK m	Income	Operating profit	Corporate tax (current tax) ¹	Social security costs	Fees for the Swedish resolution fund, deposit guarantee, etc.	Assets	Average number of employees
Sweden	27,858	14,522	-4,121	-1,623	-970	2,685,867	7,325 ²
UK	6,318	1,926	-496	-231	-	352,299	2,574
Norway	3,844	1,991	-468	-125	-212	314,086	788
Denmark	2,310	695	-167	-110	-90	139,552	644
Finland	2,173	748	-178	-14	-109	268,118	621
The Netherlands	1,088	309	-87	-39	-42	76,657	352
USA	206	66	-2	-6	-	219,199	59
Luxembourg	184	80	-8	-7	-1	38,252	45
China	107	11	0	-	-	1,443	58
Germany	85	-136	4	-5	0	8,869	34
France	61	30	-4	-2	0	3,859	6
Singapore	9	-14	0	-	-	774	23
Poland	4	-76	-2	-2	0	523	24
Estonia	0	-13	-	-3	-	0	8
Latvia	1	-2	-	0	-	0	1
Lithuania	0	-2	-	0	-	0	1
Eliminations	-	-	-	-	-	-974,210	-
Group	44,248	20,135	-5,529	-2,167	-1,424	3,135,288	12,563

¹ Current tax is the same as paid tax in all material respects.

² Includes five employees at the Bank's representative offices, as specified on page 265 of the 2020 Annual Report.

REDUCING OUR ENVIRONMENTAL AND CLIMATE IMPACT

Method description for climate and environmental data

Climate-based calculations are made according to the GHG Protocol. Emissions are included from sources that are owned or operatively controlled by the Bank, divided into three categories, referred to as scopes.

- Scope 1 covers direct emissions from the stationary combustion of diesel, city gas and Eo1 fuel oil from backup generators, heat generation in our own properties, and mobile emissions from our service vehicles.
- Scope 2 covers indirect emissions from purchased electricity, heating and cooling. Emissions in both scopes are calculated on the basis of specific consumption figures for each branch or unit, multiplied by an emission factor. When specific figures are unavailable, consumption is estimated using adjacent units or energy statistics.
- Scope 3 covers indirect emissions outside our organisation. For this, the information is received directly from our paper suppliers, travel agency and transporters. Emissions from car travel are supplemented with unit-specific information about the Bank's company cars.

We measure our material environmental impact in our six home markets. These markets represent 98 per cent of the Bank's total number of employees. The calculations include the rele-

vant greenhouse gases, primarily CO₂, CH₄ and N₂O. Certain emissions are not included in the calculations, such as emissions from coolants, commuting, customers' and employees' leased cars, and from the Bank's investments. The Bank's investments are analysed in asset management's climate reports, in accordance with the TCFD recommendations. The Bank's CPD reporting provides a more detailed description of emission calculations.

Activity	Source emission factors
Stationary combustion	National authorities
Mobile combustion	Unit-specific figures
Electricity consumption	National authorities & external consultant
Heating & cooling	Local energy producers & trade associations
Transport	Figures from service provider
Business travel	Unit-specific figures & figures from service provider
Resource consumption	Figures from service provider
Greenhouse gases	GWP factors CO ₂ : 1, CH ₄ : 25 & N ₂ O: 298. Source: IPCC Fourth Assessment Report

CLIMATE-RELATED FINANCIAL DISCLOSURES HANDELSBANKEN

Handelsbanken endorses the TCFD recommendations. As the first stage of the work with the TCFD recommendations, in 2017, an analysis was made of the Bank's credit portfolio relating to lending to energy production, particularly its exposure to various types of power produc-

tion. In the area of credits, work has focused on building processes and procedures for improving the Bank's ability to measure and report exposure to climate-related risks. This work is a continuation of the mapping and competency-increasing measures carried out in previous years. It is done on a cross-functional basis and includes Independent Risk Control, Group Credits, and the Group Sustainability function. The work is supported by external experts on climate change and scenario analysis and focuses on the Bank's property exposure. A first report is expected to be published in 2021.

Handelsbanken Asset Management and Handelsbanken Liv publishes climate reports every year in accordance with the Task Force on Climate-related Financial Disclosures (TCFD), which shows how transition scenarios could affect the Bank's investments in its fund management, The UN Principles for Responsible Investment (PRI), which the Bank signed back in 2009, contain far-reaching requirements for sustainability reporting. As of 2020, PRI also contains requirements for climate reporting in line with the TCFD recommendations. For more information see the statutory sustainability report on page 62 in the Group's Annual & Sustainability Report 2020.

ENVIRONMENTAL DATA

General information	Unit	2020	2019	2018	2017	2016	Base year 2013*
Number of branches reporting		724	758	768	806	809	791
Total office space reported	m ²	451,817	452,821	450,789	450,532	456,838	458,071
Number of employees covered by environmental data ¹	number	12,299	12,217	11,959	11,471	11,373	11,070
Proportion of total number of employees	%	98	97	97	97	97	96
Emissions of greenhouse gases (CO ₂ e)	Unit	2020	2019	2018	2017	2016	Base year 2013*
Emissions Scope 1 ²	tonnes	24	27	41	86	51	47
Emissions Scope 2 ³	tonnes	4,690	4,946	5,488	5,562	5,416	11,385
<i>Emissions Scope 2 without GO electricity</i>	<i>tonnes</i>	<i>7,303</i>	<i>8,673</i>	<i>9,401</i>	<i>8,775</i>	<i>9,287</i>	<i>11,987</i>
Emissions Scope 3 ⁴	tonnes	1,346	3,727	4,099	4,230	3,965	4,787
Total emissions ⁵	tonnes	6,060	8,700	9,628	9,878	9,432	16,219
Total emissions per employee	tonnes/employee	0.49	0.71	0.81	0.86	0.83	1.47
Emissions of greenhouse gases by source (CO ₂ e)	Unit	2020	2019	2018	2017	2016	Base year 2013*
Emissions from energy use (in buildings)	tonnes	4,708	4,966	5,520	5,639	5,460	11,427
Emissions from business travel	tonnes	1,085	3,328	3,743	3,824	3,362	3,555
Emissions from other sources	tonnes	267	407	365	415	610	1,237
Emissions by country (CO ₂ e)	Unit	2020	2019	2018	2017	2016	Base year 2013*
Sweden	tonnes	2,319	3,887	4,789	4,532	4,456	7,336
UK	tonnes	2,156	2,746	2,727	3,011	2,710	4,001
Norway	tonnes	231	400	445	476	421	848
Denmark	tonnes	417	495	558	578	609	1,924
Finland	tonnes	435	592	621	659	689	1,716
The Netherlands	tonnes	502	580	488	622	547	394
Energy consumption	Unit	2020	2019	2018	2017	2016	Base year 2013*
Total energy consumption (in buildings)	MWh	94,263	98,426	102,494	100,114	103,642	118,923
Electricity consumption	MWh	38,888	41,404	44,101	43,669	45,835	53,704
Change in electricity consumption from preceding year	%	-6.1	-6.1	1.0	-4.7	-3.5	-
Proportion renewable electricity ⁶	%	100	100	100	99	99	80
Total electricity consumption per employee	MWh/employee	3.2	3.4	3.7	3.8	4.0	4.9
Use of heating and cooling	MWh	55,375	57,022	58,393	56,445	57,807	65,219
Business travel	Unit	2020	2019	2018	2017	2016	Base year 2013*
Total business travel	km	8,160,721	29,613,756	32,328,350	31,909,038	27,719,588	29,697,980
Business travel per employee	km/employee	664	2,424	2,703	2,782	2,437	2,683
Travel by air	km	3,743,976	19,417,459	21,872,038	21,531,214	18,034,955	18,584,368
Travel by car	km	3,147,867	6,451,782	6,970,747	7,558,391	7,080,995	7,203,086
Travel by train	km	1,268,878	3,744,515	3,485,565	2,819,433	2,603,638	3,910,526
Resource efficiency	Unit	2020	2019	2018	2017	2016	Base year 2013*
Paper use	tonnes	928	1,138	1,111	1,200	1,214	1,605
Paper use per employee	tonnes/employee	0.08	0.09	0.09	0.10	0.11	0.15

¹ Number of employees according to the definition in the Annual Report/number of full-time employees.

² Scope 1 – Direct emissions from stationary and mobile combustion of diesel, city gas and Eo1 fuel oil.

³ Scope 2 – Indirect emissions from purchased electricity, heating and cooling.

⁴ Scope 3 – Other indirect emissions from business travel, transport and use of paper.

⁵ Emission factors (see method description) are updated for the respective year when the relevant figure becomes available.

⁶ Refers to electricity from wind power and hydroelectric power.

* The year 2013 was when the Bank acquired its current structure, with six home markets, and is the base year for Handelsbanken's comparisons of emissions over time.

RESPONSIBLE FINANCING

Handelsbanken must act responsibly and for us, sustainability means acting responsibly and with a long-term perspective in areas where we can make a difference. One of our greatest opportunities to make a difference is through responsible financing and lending. We have clear guidelines for our business relations with several areas and sectors such as human rights, working conditions, environmental and climate-related concerns, armaments and defence industry, to mention some of them.

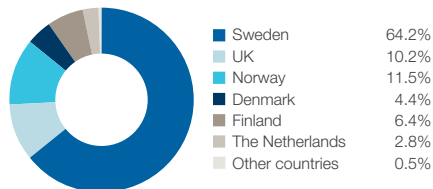
Responsible financing	2020	2019	2018	2017	2016
Green bonds – volume arranged, SEK bn	32.4	16.3	20.0	8.3	5.2
Green loans outstanding volume, SEK bn	16.0	7.4	1.8	0.3	-
Eligible green assets, SEK bn	14.1	12.1	10.1	-	-
Equator Principles					
Project financing, number of loans					
Category A	0	0	0	0	0
Category B	1	1	1	0	0
Category C	0	0	0	0	0
Project-related corporate loans, number of loans					
Category A	0	0	0	0	0
Category B	0	0	0	0	0
Category C	0	0	0	0	0
Total number of leased cars ¹	19,468	20,467	21,557	-	-
Total emission all cars (ton CO ₂ e)	30,609	34,464	37,463	-	-
Average emissions all cars CO ₂ (g/km)	128.2	137.3	141.7	-	-
Average emissions cars reg.< 3 years CO ₂ (g/km)	120.4	130.4	141.3	-	-
Average emissions Handelsbanken's company cars CO ₂ (g/km)	61.3	91.1	112.2	-	-

¹ In Sweden.

LOANS TO THE PUBLIC

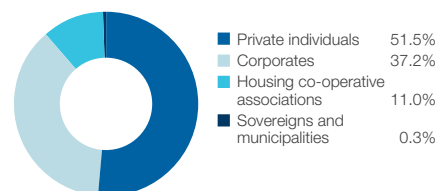
One of Handelsbanken's goal is to minimise the negative impact that its business decisions within financing and product development have on climate and the environment. This is to take place through long-term sustainable business decisions in which environmental and climate-related concerns are an integral part of the assessment. The basic principle is that business decisions are not to be made in cases where the negative impact is deemed to be too high.

Loans to the public 2020 – Geographic breakdown



Total: SEK 2,270 billion

Loans to the public 2020 – Sector breakdown



Total: SEK 2,270 billion

Loans to the public, 31 December 2020	SEK bn	Proportion of total lending, %
Private individuals	1,169	51.5
<i>of which mortgage loans</i>	976	43.0
Housing co-operative associations	250	11.0
Property management	635	28.0
Manufacturing	26	1.2
Retail	20	0.9
Hotel and restaurant	10	0.4
Sea transport	5	0.2
Other transport and communication	10	0.4
Construction	18	0.8
Electricity, gas and water	14	0.6
Agriculture, hunting and forestry	22	1.0
Other services	16	0.7
Holding, investment and insurance companies	49	2.2
Other corporate lending	19	0.8
Sovereigns and municipalities	7	0.3
Total loans to the public	2,270	100

RESPONSIBLE INVESTMENTS

Handelsbanken has a major responsibility in its assignment to manage customers' savings. We aim to generate a healthy return on savings capital while striving to contribute to a sustainable future. That is why Handelsbanken works to promote – in its asset and pension management – financially, environmentally and socially sustainable development in the companies in which the Bank invests on behalf of customers. We do so based on the Bank's policies and on our commitments under international conventions and guidelines. For details on our investment processes, see page 51 in our statutory sustainability report.

Excluded sectors	Max turnover production	Max turnover distribution
Prohibited weapons ¹	0%	0%
Nuclear weapons	0%	0%
Weapons and military equipment	5%	5%
Alcohol	5%	5%
Tobacco	0%	5%
Cannabis	5%	5%
Pornography	0%	5%
Commercial gambling	5%	5%
Fossil fuels – extraction	5%	5%
Fossil fuels – power generation	5% ²	5% ²
Oil sands	0%	-

¹ Cluster bombs, anti-personnel mines, chemical and biological weapons.

² For our actively managed funds, including our actively managed allocation funds, the principle of excluding fossil fuels can be waived for a temporary period, if the company fulfils or criteria for qualification as a company in transition.

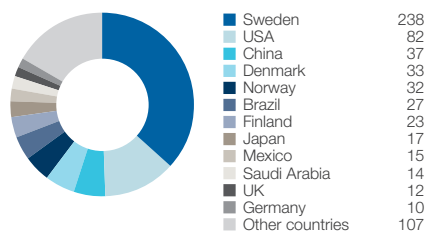
Corporate governance	2020	2019	2018	2017
Nomination committees	41	34	36	33
Number of nomination committee places to which we have appointed women	71%	65%	63%	50%
Shareholders' meetings¹	647	813	382	130
Of which Swedish companies	238	224	158	80
Of which non-Swedish companies	409	589	224	50

¹ On 1 April 2020, the funds previously managed by Xact Kapitalförvaltning were transferred to Handelsbanken Fonder AB.

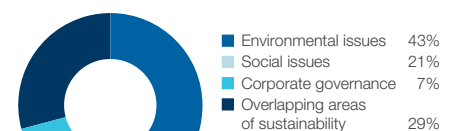
The totals for 2017 and 2018 include Luxembourg. The fund management operations in Luxembourg were discontinued in December 2018.

For a summary of our voting activity, see the report at handelsbankenfonder.se.

Voting at shareholders' meetings



Engagement through dialogue



Responsible investment	2020	2019	2018	2017	2016
Assets under management in funds which excludes controversial operations, SEK bn	678	576	311	221	166
Assets under management in funds which excludes fossil fuels, SEK bn	678	576	311	221	166
Proportion of assets under management in funds ¹ with:					
negative screening regarding controversial sectors, %	88	85	42	32	29
negative screening regarding fossil fuels, %	88	85	42	32	29
negative screening regarding companies that violate international standards and conventions, %	88	85	42	32	29
Fund assets under management in companies:					
with positive screening regarding sustainability aspects (ESG), SEK bn	35.9	3.9	3.0	2.4	0.7
with screening regarding environmental aspects, SEK bn	3.8	0.3	-	-	-
Fund assets under management in green, sustainable and social bonds, SEK bn	32.0	22.2	-	-	-
Fund assets under management in impact investing, SEK bn ²	7.2	4.4	1.8	-	-
Proportion of fund assets under management evaluated according to PRI, % ³	100	100	100	100	100
Total number of dialogues for engagement	566	563	507	251	140
Number of funds with a quantified carbon footprint and official comparative figure	58	72	31	34	26

¹ Total fund volume refers to volume after eliminations on consolidation. Fund volumes for the years 2017 and earlier do not include Handelsbanken Wealth & Asset Management.

² Investments that generate measurable, positive impacts on society, combined with a financial return.

³ Requirement that fund managers, internal and external, have signed the Principles for Responsible Investment (PRI).

THE BANK AS AN EMPLOYER

Handelsbanken's values and strong corporate culture are vital to our success. Our concept of how to run a successful bank is based on trust

and respect for the individual – both customers and employees. The Bank's decentralised way of working creates commitment and opportuni-

ties for every employee to make an impact on the Bank's operations.

Total number and rate of new employee hires and staff turnover by age group, gender and region	2020				2019				2018			
	New employees by home market, age group and gender		Staff turnover ¹ by home market, age group and gender		New employees by home market, age group and gender		Staff turnover ¹ by home market, age group and gender		New employees by home market, age group and gender		Staff turnover ¹ by home market, age group and gender	
	Number	% ²	Number	% ²	Number	% ²	Number	% ²	Number	% ²	Number	% ²
Sweden	278	4	277	3.6	299	4	291	3.7	596	7.6	238	3.0
UK	270	10	134	4.9	299	12	146	5.6	288	11.8	122	5.0
Norway	66	8	35	4.2	44	5	41	5.1	41	5.1	25	3.1
Denmark	53	8	36	5.4	58	9	68	10.2	55	8.0	41	6.0
Finland	55	9	82	12.9	48	7	41	6.4	23	3.7	37	5.9
The Netherlands	59	15	23	5.8	51	14	42	11.3	48	13.5	16	4.5
Total home markets	781	6	587	4.5	799	6	629	4.9	1,051	8.3	479	3.8
Group total	788	6	673	5.1	816	6	656	5.0	1,076	8.2	509	3.9
men of which <30 yrs old	112		56		123		61		185		49	
30–50 yrs old	234		170		260		206		299		150	
>50 yrs old	76		73		42		84		75		50	
women <30 yrs old	133		55		125		55		179		45	
30–50 yrs old	183		161		210		166		245		139	
>50 yrs old	50		72		39		57		68		46	

¹ Staff turnover refers to the proportion of employees who have left the Bank (excluding retirements and deaths) in relation to all employees.

² Percentage of the number of employees in each home market.

Employees by form of employment	2020				2019				2018			
	Number	%	Men %	Women %	Number	%	Men %	Women %	Number	%	Men %	Women %
Regular employment												
Full-time	11,007	84	53	47	10,957	83	54	46	10,831	83	54	46
Part-time	1,379	11	20	80	1,477	11	19	81	1,503	11	19	81
Temporary employment	747	6	48	52	817	6	45	55	748	6	45	55
Group total	13,133				13,251				13,082			

Average number of employees	2020				2019				2018			
	Number	%	Men %	Women %	Number	%	Men %	Women %	Number	%	Men %	Women %
Sweden	7,320	58	48	52	7,394	59	48	52	7,262	59	48	52
UK	2,574	20	56	44	2,442	19	56	44	2,319	19	58	42
Norway	788	6	53	47	777	6	53	47	771	6	53	47
Denmark	644	5	51	49	651	5	51	49	659	5	50	50
Finland	621	5	44	56	617	5	44	56	635	5	43	57
The Netherlands	352	3	65	35	336	3	67	33	313	3	69	31
Other countries	264	2	47	53	331	3	46	54	348	3	48	52
Group total	12,563		50.3	49.7	12,548		50.2	49.8	12,307		50.5	49.5

Sickness absence by home market	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
%									
Sweden	1.9	4.0	3.0	1.9	4.0	3.0	2.1	4.0	3.1
UK	1.0	1.1	1.0	1.4	1.7	1.5	0.7	1.1	0.9
Norway	1.9	5.4	3.5	3.0	5.5	4.2	2.5	5.3	3.8
Denmark	1.0	2.1	1.6	1.6	2.9	2.3	1.0	1.5	1.2
Finland	1.1	1.6	1.4	1.8	2.1	2.0	1.1	2.7	2.0
The Netherlands ¹			2.3			2.3			2.7
Total sickness absence	1.6	3.3	2.5	1.8	3.5	2.7	1.7	3.3	2.6
of which long-term absence, Sweden	0.5	1.8	1.2	0.6	1.8	1.2	0.7	1.9	1.3
of which long-term absence, home markets excluding the Netherlands	0.5	1.4	1.0	0.6	1.5	1.0	0.5	1.4	1.0

¹ National legislation does not permit the reporting of sickness absence broken down by gender.

Sickness absence is stated as a percentage of total normal working hours. Long-term absence is a period of absence of 60 days or more.

The Bank as an employer	2020	2019	2018	2017	2016
Average number of employees	12,563	12,548	12,307	11,832	11,759
Gender breakdown, percentage women/men					
All employees	50/50	50/50	49/51	49/51	50/50
Branch managers	32/68	32/68	30/70	31/69	32/68
Managers	41/59	40/60	39/61	40/60	40/60
Executive management ¹	13/87	14/86	34/66	32/68	29/71
Percentage of managers recruited internally, Group	96	92	96	92	93
Percentage of managers recruited internally, Sweden	98	97	99	97	99
Number of vacant Managerial positions published internally	223	390	-	-	-
Applicants women/men, % ²	44/55	43/56	-	-	-
Appointed women/men, % ²	43/55	48/52	-	-	-
Staff turnover, Group %	5.1	5.0	3.9	4.7	4.0
Sickness absence rate, %					
Sweden	3.0	3.0	3.1	3.0	3.2
UK	1.0	1.5	0.9	1.0	1.0
Norway	3.5	4.2	3.8	3.0	3.1
Denmark	1.6	2.3	1.2	1.0	1.3
Finland	1.4	2.0	2.0	1.8	1.9
The Netherlands	2.3	2.3	2.7	2.8	2.9
Number of cases reported to national equality ombudsman or a corresponding official body (against the Bank in its capacity as employer)	1	0	0	1	0
Percentage of staff covered by a work environment survey, % ³	100	100	100	100	100
Number of employees who carried out a work environment survey	9,994	10,364	10,181	7,388	5,929
Total outcome (scale 1–4)	3.4	3.4	3.4	3.4	3.4
for Trust	3.4	3.3	3.4	3.3	3.3
for Respect	3.5	3.5	3.5	3.5	3.5
for Balance	3.2	3.2	3.2	3.2	3.2
for Communication	3.4	3.4	3.5	3.4	3.4
for Security	3.7	3.7	3.7	3.6	3.6
for Physical work environment	3.2	3.1	3.1	3.1	3.1
for Competence	3.5	3.5	3.5	3.5	3.4
for Pride	3.5	3.4	3.5	3.5	3.5
Staff covered by a periodic performance evaluation, %	100	100	100	100	100
Average salary, women in relation to men, all employees, %					
Sweden	81	82	79	78	76
UK	69	68	67	61	63
Norway	83	82	81	82	81
Denmark	75	71	73	74	71
Finland	73	74	74	72	70
The Netherlands	75	73	77	76	79
Average salary, women in relation to men, all managers, %					
Sweden	79	82	76	74	72
UK	83	79	87	86	81
Norway	88	87	87	90	89
Denmark	76	73	74	74	70
Finland	80	86	87	84	91
The Netherlands	96	92	95	90	92
Average salary, women in relation to men, branch managers, %					
Sweden	92	93	91	89	89
UK	80	81	82	82	80
Norway	90	89	91	91	90
Denmark	89	83	81	81	77
Finland	94	107	115	101	100
The Netherlands	92	91	87	87	81

¹ For 2016–2018, the figures refer to Senior Management.

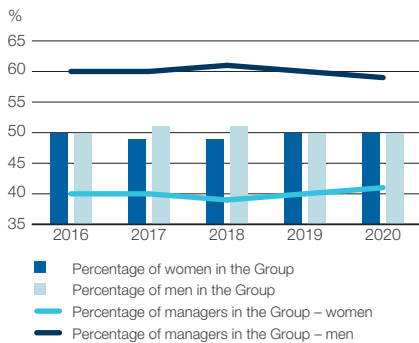
² Based on applicants gender identity; women, men, other or does not want to disclose.

³ Information regarding the work environment surveys for 2016 refers to Sweden.

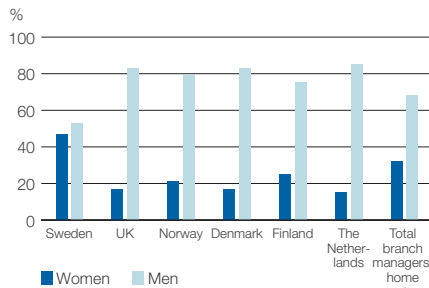
GENDER EQUALITY

The promotion of gender equality and diversity is part of our core values and must be a natural and integral part of our daily work. We aim to have an inclusive work environment, where we respect and appreciate our different backgrounds, competencies and experiences.

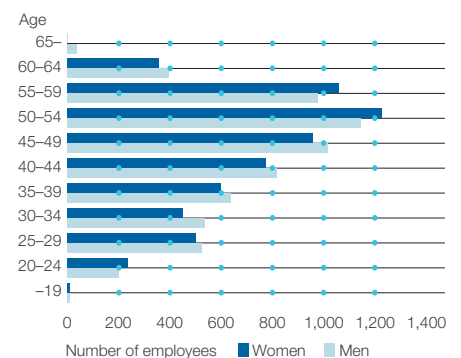
Gender breakdown – Group



Gender breakdown – branch managers 2020



Age and gender breakdown 2020



REMUNERATION AND BENEFITS

Handelsbanken aims to be an attractive employer and offers competitive terms of employment for all employees – temporary as well as permanent. In addition to the benefits stipulated by law, regulations, collective bargaining agreements and other local agreements, we offer benefits that promote our view of long-term employment, gender equality and participation in Handelsbanken's result. Pensions are part of the total remuneration to employees of Handelsbanken. The pension terms in the countries where the Bank conducts its operations must be competitive and adapted to legislation and regulations, in accordance with the conditions prevailing in each country. An occupational pension plan may include a retirement pension, disability pension and surviving family member protection. Employees can be offered pension solutions that are defined benefit, defined contribution or a combination of the two.

Salary contributions to defined contribution pensions 2020

%	Sweden ²	UK	Norway ³	Denmark	Finland ⁴	The Netherlands
Salary contribution by employers ¹	2 (4.5/30)	15.2	7/20	11.3	14.4	14.4
Salary contribution by employees, average	0	1.7	0	5.3	7.2/8.7	0

Salary contributions to defined contribution pensions 2019

%	Sweden ²	UK	Norway ³	Denmark	Finland ⁴	The Netherlands
Salary contribution by employers ¹	2	15.3	7/20	11	17.2	10.5
Salary contribution by employees, average	0	1.8	0	5.3	6.8/8.3	0

¹ In Sweden, the UK, Norway and the Netherlands, less than 100 per cent of salary is pension-qualifying, as there is an upper limit.

² In Sweden, retirement pension plans are 'defined benefit'. The premiums stated refer to defined contribution supplementary pensions. As of 1 March 2020, new employees and employees under 25 years of age are enrolled in a defined contribution pension plan (premium in brackets: for salaries equivalent to 0-7.5 income base amounts/for salaries equivalent to 7.5-30 income base amounts).

³ For salaries corresponding to 0-7.1 Norwegian base amounts/For salaries corresponding to 7.1-12 Norwegian base amounts.

⁴ Salary contributions refer to statutory public pensions. Salary contributions by employees are for up to/from 53 years of age.

Defined benefit pensions, pension obligations, and pension assets according to IAS 19¹

	31 December 2020		31 December 2019	
	SEK m	%	SEK m	%
Pension obligations	37,761	100	35,724	100
Earmarked pension assets	39,766	105	36,378	102
Assets part of Handelsbanken's general resources	-	-	-	-

¹ For more detailed information for 2020, see Annual & Sustainability Report 2020 note G8.

THE BANKS BUSINESS CULTURE

Handelsbanken upholds good business ethics and works systematically to take into account new requirements and expectations, as well as to integrate new regulations in daily operations.

The Bank's business culture	2020	2019	2018	2017	2016
Proportion of major suppliers (purchased volume in %) that have signed the Bank's code of conduct, or whose code the Bank has approved ¹	77	76	75	73	73
Percentage of employees who have completed training in anti-corruption, and prevention of money laundering and terrorist financing, % ²					
Sweden	92	97	91	-	-
UK	98	98	96	-	-
Norway	91	94	93	-	-
Denmark	99	97	97	-	-
Finland	92	95	89	-	-
The Netherlands	97	98	80	-	-
Other countries	92	98	90	-	-
Total business travel, million kilometres	8.2	29.6	32.3	31.9	27.7
Business travel per employee, kilometres	664	2,424	2,703	2,782	2,437
Number of video conferences	552,498	218,095	129,616	41,260	21,382

¹ Purchased volume over SEK 5 million.

² Percentage of employees assigned to the training programme.

THE BANK AS AN INVESTMENT

Responsible actions are essential to long-term value creation in Handelsbanken. Based on each customer's needs, we make long-term, responsible business decisions that foster the conditions for sustainable value creation.

The Bank as an investment	2020	2019	2018	2017	2016
Handelsbanken's green bond, volume, EUR m	1,000	500	500	-	-
Return on equity, %	10.0	11.9	12.8	12.3	13.1
Economic value creation (in accordance with GRI), SEK bn	42.1	41.3	40.1	38.0	37.7
Sustainability analysts' assessments of Handelsbanken SAM – new method ¹	74	74	77	77	-
RobecoSAM – old method	-	-	-	80	82
IMUG	positive (B) ²	positive (B) ²	neutral CCC ²	neutral CCC ²	neutral CC ²
	positive (B) ³	positive (B) ³	neutral CC ³	neutral CC ³	neutral CC ³
Sustainalytics – new rating scale	16.4	-	-	-	-
Sustainalytics – old rating scale	-	78	77	74	71
ISS-oekom	C (Prime)	C (Prime)	C (Prime)	C- (not Prime)	C- (not Prime)
MSCI ESG rating	AA	AA	A	A	A

¹ The method was revised for 2018. The 2017 results are those recalculated by RobecoSAM using the new method.

² Non-covered bonds.

³ Covered bonds.

Handelsbanken's share is included in the following sustainability indexes:

ECPI

Since the end of the 1990s, ECPI has provided financial markets with various sustainability indexes. Handelsbanken has been selected for the ECPI Global Developed ESG Best in Class Equity and ECPI World ESG Equity indexes

Ethibel Sustainability Index

The Brussels-based organisation Forum Ethibel provides financial markets with information on various companies and their sustainability activities. Its analyses are carried out by the Vigeo Eiris research company, and based on these results, Forum ETHIBEL creates a universe that forms a platform for sustainability products and responsible investment. Handelsbanken has been included in the Ethibel Excellence Investment Register since 2004. The Svenska Handelsbanken A share is confirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe.

FTSE4GOOD

Handelsbanken was also selected for the FTSE-4Good Index in 2020. The index is independent and is based on analyses of companies' work with environmental, social and governance (ESG) practices. Handelsbanken has been included in the index since 2001.

OMX ESG INDEX

Together with research companies, Sustainalytics and ISS-Ethix, the Nasdaq Stockholm stock exchange has launched a sustainability index that provides investors with a universe of companies that fulfil sustainability requirements. Handelsbanken has qualified to be listed in the OMXS30 Ethical and OMX Stockholm 30 ESG Responsible (OMXS30ESG) indexes.

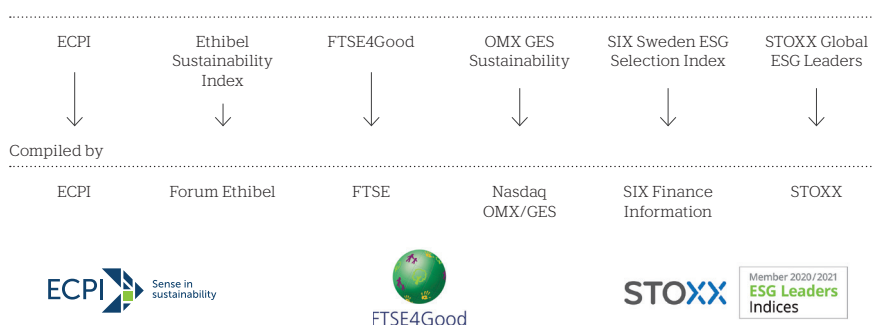
SIX SWEDEN SRI INDEX

The SIX Sweden SRI Index is a collaboration between SIX Financial Information and ISSethix. It consists of companies listed on the Nasdaq Stockholm stock exchange that meet ISS-Ethix's sustainability criteria comprising a modern standard for social, environmental and ethical criteria, where the concepts of sustainability and responsibility are in focus.

STOXX GLOBAL ESG LEADERS

Handelsbanken is included in the STOXX Global ESG Leaders index. The companies included in the index were selected in a process of analysis based on environmental, social responsibility and corporate governance topics. The Index consists of three underlying indexes: STOXX Global ESG Environmental Leaders, STOXX Global ESG Social Leaders and STOXX Global ESG Governance Leaders. Handelsbanken is included in all three of these indexes.

Sustainability Indexes



Sustainability initiatives

As part of the business community, Handelsbanken participates in many initiatives and collaborations to demonstrate our commitment and contribute through various efforts in line with our operations, and also for a vital exchange of information with representatives from different spheres of society. In addition to the initiatives and collaborations presented here, which guide Handelsbanken's efforts, the Bank also adheres to the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Sustainable Development Goals, the International Labour Organization's core conventions, and the Children's Rights and Business Principles.

INITIATIVES AND COLLABORATIONS

GLOBAL COMPACT

WE SUPPORT



In 2009, Handelsbanken signed the UN Global Compact, an initiative aimed at companies which advocates 10 principles based on international conventions. These

principles, established in 2000, cover human rights, labour law, the environment and anti-corruption.

PRI

Signatory of:



Principles for Responsible Investment

Principles for Responsible Investment (PRI) was

launched in 2006 and is a network of investors and service providers that work together with the United Nations, UNEP Finance Initiative and Global Compact to implement principles for responsible investment. The purpose is to promote responsible behaviour among institutional investors and to work for increased openness and awareness of environmental, social and corporate governance issues in the companies in which these actors invest. The PRI also work to achieve a sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation. Handelsbanken became a signatory to the principles in 2009. PRI has over 3,500 signatory members, from more than 50 countries, with total assets under management of roughly USD 100 trillion.

UNEP FI



UNEP FI is a partnership between the United Nations Environment Programme (UNEP) and the global financial sector, created after the 1992

Earth Summit, with a mission to promote sustainable finance. More than 200 financial institutions, including banks, insurers and investors, work with UNEP to understand today's challenges regarding the environment, society and corporate governance, why they matter to the financial sector and how to actively address them. Handelsbanken has been a member of UNEP FI since the mid-1990s.

PRB



PRINCIPLES FOR RESPONSIBLE BANKING

The Principles for Responsible Banking (PRB) were launched at the UN Climate Action Summit in

September 2019. Handelsbanken is one of 130 banks to endorse the initiative. The purpose is to increase and highlight the contribution to sustainable development from the global banking sector. The principles aim to highlight the requirement that the financial sector is governed in line with the Paris Agreement and the 17 Sustainable Development Goals and also comprise a common, transparent framework for a positive impact on society and the environment by the banking sector.

IÄF



Institutionella Ägares Förening – IÄF (The Institutional Owners

Association for Regulatory Issues in the Stock Market) – is a non-profit organisation whose purpose is to safeguard members' interests as institutional owners in the Swedish stock market by promoting sound development of self-regulation in the stock market. This is principally done by the association participating in the Swedish stock market's self-regulation bodies in appropriate forms and, where necessary, appointing or nominating members of their boards or to participate in other activities.

IÄF was formed in 2003 and comprises Swedish institutional owners. IÄF is one of the principals behind the Association for Generally Accepted Practice in the Securities Market which works through the following self-regulation bodies: Swedish Securities Council, Swedish Corporate Governance Board and Swedish Financial Reporting Board.

THE SWEDISH NATIONAL ADVISORY BOARD FOR IMPACT INVESTING



The Swedish National Advisory Board for Impact Investing

The Swedish National Advisory Board for

Impact Investing is a newly formed non-profit association with members from the public and private sectors and also capital market participants with the purpose of actively directing capital to investments with a quantifiable positive impact on society. This is known as impact investing.

CLIMATE ACTION 100+



Climate Action 100+ is a five-year-long, global, co-operative initiative linked to the Paris Agree-

ment. The aim is to persuade companies emitting the most greenhouse gases to be accountable and lead the transition to clean energy. The investors behind the initiative call on companies to combat climate change, curb emissions and improve transparency.

CDP



CDP is an independent international non-profit organisation which works

for transparency and dialogue on companies' environmental impacts and to make such information available to investors. Over 8,400 organisations worldwide measure and report their environmental impact through CDP.

CDP acts on behalf of more than 500 institutional investors. Handelsbanken has been a member since 2015 and reports to CDP annually.

EQUATOR PRINCIPLES



EQUATOR PRINCIPLES

Handelsbanken has signed the Equator Principles.

The Principles are a framework that provides guidance to financial institutions for assessing social and environmental risks in project finance. The Equator Principles were formally launched in 2003, but over the years they have been updated to better support members in identifying, assessing and managing environmental and social risks in project financing.

The more than 110 members of the initiative represent financial institutions from 37 countries. Members undertake to implement the principles in their internal guidelines, processes and procedures for project finance and to report annually on projects that have been assessed or financed based on the framework.

BUSINESS@BIODIVERSITY SWEDEN



Handelsbanken is a member of Business@Biodiversity Sweden, a business network for companies and organisations that want to

work with biodiversity and sustainable business models. The network is run by Ecogain, Sweden's leading knowledge company in the field.

CLIMATE BONDS INITIATIVE

Climate Bonds The Climate Bonds Initiative (CBI) is an international non-profit organisation that promotes investment in climate-change solutions.

The organisation aims to facilitate the mobilisation of capital in the global bond market by developing a large and liquid market for green bonds.

Handelsbanken has been active in green and sustainable finance for several years and has been a CBI partner since 2017.

GREEN BOND PRINCIPLES



The Green Bond Principles (GBP) are voluntary,

international guidelines that recommend transparency, disclosure and reporting in the market for green bonds. The GBP were established in 2014, but the principles were updated in 2018. Handelsbanken has been a member since 2014, and the Bank's green finance framework complies with the GBP recommendations.

IIGCC



The mission of the Institutional Investors Group on Climate Change (IIGCC) is to mobilise capital for the

low-carbon future by amplifying the investor voice and collaborating with business, policy-makers and investors. Handelsbanken has been a member of IIGCC since December 2018. Within this network we are participating in developing a new framework called PAII Net Zero Investment Framework for how investors can contribute to positive change in society, in line with the Paris Agreement. This framework will help to harmonise how investors act and communicate in relation to the Paris Agreement.

TRANSPARENCY INTERNATIONAL SWEDEN



In 2017, Handelsbanken became a

member of Transparency International Sweden's Corporate Supporters Forum, as part of the Bank's commitment to work against corruption. This is a Swedish business forum that serves as a platform for companies to pool their experience and knowledge related to anti-corruption.

WOMEN IN FINANCE CHARTER



As part of its efforts towards gender equality, Handelsbanken in the UK signed the Women in Finance Charter, an initiative from HM

Treasury, which means the Bank is committed to work for more gender balance in the financial sector.

NMC, SWEDISH ASSOCIATION FOR SUSTAINABLE BUSINESS



Nätverket för Hållbart Näringsliv Handelsbanken is a member of NMC, Nätverket för Hållbart Näringsliv (Swedish Association for Sustainable Business). It is a non-profit association, not allied to any political party, which is a cross-industry platform for more than 200 companies and organisations from all over Sweden. Its purpose is to share knowledge, experience and ideas regarding a sustainable and successful business community.

SUSTAINABLE VALUE CREATION



Since 2009, Handelsbanken Asset Management has collaborated with other major Swedish investors on the Sustainable Value Creation project. Its aim is to highlight the importance of Swedish listed companies working with sustainability topics in a structured manner. To encourage, support and follow up on the companies' sustainability efforts, the project conducts surveys and organises seminars and round-table discussions.

As one of the 100 largest listed Swedish companies, Handelsbanken has itself responded to the surveys on sustainability activities.

SISD

Swedish Investors for Sustainable Development is a platform where Swedish long-term investors and actors in the financial sector can learn and exchange best practices and experience within the 2030 Agenda. The aim is to explore, from various angles and perspectives, the role of long-term investors in the 2030 Agenda and provide ideas and inspiration for the way forward.

SWESIF



Handelsbanken Asset Management is a member of Swesif, an independent, not-for-profit forum for organisations working with sustainable investment in Sweden. The forum aims to increase knowledge of and interest in sustainable and responsible investment. To make it easier for savers to compare mutual funds and how sustainability is integrated in their management, Swesif has developed a sector-wide sustainability declaration for funds. Since 2015, most of Handelsbanken's funds have this type of sustainability declaration. For more information, see swesif.org/swesif/hallbarhetsprofilen-english. Since spring 2016, Handelsbanken has served on Swesif's board.

Handelsbanken, or in some cases a subsidiary, is a member of the following trade associations:

Swedish Bankers' Association

The Swedish Bankers' Association represents banks in Sweden and creates conditions for them to be able to provide attractive and competitive financial products and services to households and companies. The Association works to promote the sound development of Swedish banking.

Insurance Sweden

Insurance Sweden is a trade association that strives to promote good business conditions for insurance companies. The association also works to achieve a high level of trust for the insurance industry and to improve awareness of the significance of private insurance in society.

UK Finance

UK Finance was formed in July 2017 to represent the banking and financial sector in the UK. The association has around 300 members in the UK, providing credit, banking and market services and also payment-related services.

Swedish Securities Dealers Association

The Swedish Securities Dealers Association represents the common interests of companies that conduct securities operations in Sweden. The association's overall goal is a sound, strong and efficient Swedish securities market.

Swedish Investment Fund Association

The Swedish Investment Fund Association strives for a sound industry in the interest of savers. The association monitors work on legislation related to the mutual fund sector and comments on proposed legislation from Swedish and EU government bodies.

Swesif

Swesif is an independent, non-profit forum for organisations that work with sustainable investment in Sweden. The forum aims to increase knowledge of and interest in sustainable and responsible investment.

Norsif

Norsif is an independent association that works with sustainable investment in Norway. The association strives to increase knowledge about and contribute to progress in responsible investment in the financial sector and among other stakeholders.

Finsif

Finland's Sustainable Investment Forum is a member-based organisation that works with sustainable investment in Finland. Its purpose is to increase interest in sustainability and to encourage members to integrate sustainability in their investment decisions.

Dansif

The Danish Social Investment Forum is an impartial forum for players with a substantial interest in responsible investment in Denmark. Its purpose is to spread and exchange experiences among members of the Forum and to facilitate a diversified debate on responsible investment.

Global Reporting Initiative (GRI) index

Handelsbanken reports its sustainability activities in accordance with the Global Reporting Initiative (GRI) Reporting Standards. The Sustainability Report consisting of the Statutory Sustainability Report found in the Group's Annual Report and this Sustainability Factbook satisfies the core level information requirements, confirmed by the Bank's external auditors. Handelsbanken reports the Group's sustainability

activities annually. This year's Sustainability Report is Handelsbanken's eleventh in accordance with the GRI and relates to the 2020 calendar year. The preceding report was submitted in February 2020 and related to the 2019 calendar year.

The Sustainability reporting contains information relating to the Group unless otherwise stated. The information presented in the reports

covers the largest and most important parts of the operations, with the focus on banking operations. Any limitations are indicated in the reports where applicable.

No major corrections or amendments to previous information provided in previous years' sustainability reports have been made in this report.

GRI STANDARD	DISCLOSURE	PAGE SFB ¹	PAGE AR ²	RELEVANT SUSTAINABLE DEVELOPMENT GOALS
Organisational profile				
GRI 102: General disclosures 2016	102-1	Name of the organisation	Inside front cover	3
	102-2	Activities, brands, products, and services	Inside front cover	Inside front cover, 7–11
	102-3	Location of headquarters	Back cover	256
	102-4	Location of operations	Inside front cover	256–264
	102-5	Ownership and legal form	61	36–37
	102-6	Markets served	Inside front cover	20–35
	102-7	Scale of the organisation	9	18
	102-8	Information on employees and other workers	13	145
	102-9	Supply chain	3	150
	102-10	Significant changes to the organisation and its supply chain	61	
	102-11	Precautionary principle or approach	Handelsbanken applies the precautionary principle in accordance with Global Compact and Swedish legislation	
	102-12	External initiatives	6, 17–18	52, 54
	102-13	Membership of associations	17–18	
Strategy and analysis				
	102-14	Statement from senior decision-maker		4-5
Ethics and integrity				
	102-16	Values, principles, standards, and norms of behaviour	7	40, 75–76
Governance				
	102-18	Governance structure		40–43, 68–70
Stakeholder engagement				
	102-40	List of stakeholder groups	2-3	
	102-41	Collective bargaining agreements		59
	102-42	Identifying and selecting stakeholders	2	
	102-43	Approach to stakeholder engagement	2-3	
	102-44	Key topics and concerns raised	4-5	42
Reporting practice				
	102-45	Entities included in the consolidated financial statements	19	
	102-46	Defining report content and topic boundaries	4-5, 19	42
	102-47	List of material topics	4-5	42
	102-48	Restatements of information	19	
	102-49	Changes in reporting	19	
	102-50	Reporting period	19	
	102-51	Date of most recent report	19	
	102-52	Reporting cycle	19	
	102-53	Contact point for questions regarding the report	19	
	102-54	Claims of reporting in accordance with the GRI Standards	19	
	102-55	GRI content index	19–21	
	102-56	External assurance	27	253

¹ SFB Refers to the 2020 Sustainability Fact Book.

² AR Refers to the 2020 Annual Report.

SPECIFIC STANDARD DISCLOSURES

MATERIAL TOPICS	GRI STANDARD	DISCLOSURE	PAGE SFB ¹	PAGE AR	OMISSIONS/ COMMENTS	RELEVANT SUSTAINABLE DEVELOPMENT GOALS
Economic						
ECONOMIC PERFORMANCE		103-1/2/3	Management of material topics	4–5 , 6, 7, 16	39–42	
<i>Handelsbanken's material topics:</i> – Financial sustainability – Creating shareholder value – Salaries and remuneration	GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	8, 16	42	
		201-3	Defined benefit plan obligations and other retirement plans	15		
		201-4	Financial assistance received from government	8		
INDIRECT ECONOMIC EFFECTS		103-1/2/3	Management of material topics	4–5, 8	39,48	
<i>Handelsbanken's material topics:</i> – Local presence and community engagement	GRI 203: Indirect economic impacts 2016	203-1	Infrastructure, investments and services supported	8	48	Goal 9, 11
		203-2	Significant indirect economic impacts		39	
ANTI-CORRUPTION		103-1/2/3	Management of material topics	4–5, 6, 7	40, 43, 60–61	
<i>Handelsbanken's material topics:</i> – Counteract financial crime	GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		61	Goal 16
		205-2	Communication and training about anti-corruption policies and procedures	15	43, 46 ,61	Goal 16
		205-3	Confirmed incidents of corruption and actions taken		60	Goal 16
Environmental						
ENERGY AND EMISSIONS		103-1/2/3	Management of material topics	4–5, 7	40, 41, 43, 48–49, 51, 56–57	
<i>Handelsbanken's material topics:</i> – Minimise environmental and climate impact	GRI 302: Energy 2016	302-1	Energy consumption within the organisation	10	49	Goal 8, 13
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	10		Goal 13
		305-2	Energy indirect (Scope 2) GHG emissions	10		Goal 13
		305-3	Other indirect (Scope 3) GHG emissions	10		Goal 13
Social						
EMPLOYMENT		103-1/2/3	Management of material topics	2, 4–5	58–60	
<i>Handelsbanken's material topics:</i> – Salaries and remuneration – Responsible employer	GRI 401: Employment 2016	401-1	New employee hires and employee turnover	13		Goal 5, 8
LABOUR/MANAGEMENT RELATIONS		103-1/2/3	Management of material topics	4–5	58–60	
<i>Handelsbanken's material topics:</i> – Employee commitment	GRI 402: Labour/ management relations 2016	402-1	Minimum notice periods regarding operational changes		59–60	The negotiation procedure concerning material changes is regulated in the collective bargaining agreements for Sweden
OCCUPATIONAL HEALTH AND SAFETY		103-1/2/3	Management of material topics	4–5	58–60	
<i>Handelsbanken's material topics:</i> – Work environment, working conditions and union rights	GRI 403: Occupational health and safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety		58	Goal 8
TRAINING AND EDUCATION		103-1/2/3	Management of material topics	4–5	58–60	
<i>Handelsbanken's material topics:</i> – Responsible employer – Leadership and development – Employee commitment	GRI 404: Training and education 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes		58	Goal 8
		404-3	Percentage of employees receiving regular performance and career development reviews	14	45	Goal 8
DIVERSITY AND EQUAL OPPORTUNITY		103-1/2/3	Management of material topics	4–5, 15	39, 58	
<i>Handelsbanken's material topics:</i> – Gender equality and diversity	GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	14	40, 58	Handelsbanken currently reports by gender, age, and nationality

MATERIAL TOPICS	GRI STANDARD	DISCLOSURE	PAGE SFB ¹	PAGE AR ²	OMISSIONS/ COMMENTS	RELEVANT SUSTAINABLE DEVELOPMENT GOALS
NON-DISCRIMINATION		103-1/2/3 Management of material topics	4-5	40, 58-60		
<i>Handelsbanken's material topics:</i> – Gender equality and diversity	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	14	45		Goal 5, 8, 16
INVESTMENT		103-1/2/3 Management of material topics	4-5	44, 51-57		
<i>Handelsbanken's material topics:</i> – Responsible investment	GRI 412: Human rights assessment 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	12	43, 44, 55		
LOCAL COMMUNITIES		103-1/2/3 Management of material topics	4-5	10-11, 48		
<i>Handelsbanken's material topics:</i> – Local presence and community engagement	GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	8	44, 48		
PRODUCT AND SERVICE LABELLING		103-1/2/3 Management of material topics	4-5	10-11, 41, 47, 60		
<i>Handelsbanken's material topics:</i> – Responsible advisory services	GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labelling		47		
		417-2 Incidents of non-compliance concerning product and service information and labelling		60		Goal 16
CUSTOMER PRIVACY		103-1/2/3 Management of material topics	4-5, 15	10, 47-48, 60		
<i>Handelsbanken's material topics:</i> – Integrity and confidentiality	GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		47-48		Goal 16
COMPLIANCE		103-1/2/3 Management of material topics	4-5, 7	40, 43, 47-48, 60-61		
<i>Handelsbanken's material topics:</i> – Counteract financial crime – Responsible advisory services	GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regula- tions in the social and economic area		60		Goal 16
Financial Services Sector Supplement (FSSS)						
FINANCIAL SERVICES SECTOR SUPPLEMENT (FSSS)	GRI 103: Management approach 2016	103-1/2/3 Management of material topics	4-5, 11-12	50-57		
<i>Handelsbanken's material topics:</i> – Responsible investment – Responsible lending						
PRODUCT PORTFOLIO	GRI 103: Management approach 2016	103-1/2/3 Management of material topics	4-5, 10-11	50-57		
<i>Handelsbanken's material topics:</i> – Responsible investment – Responsible lending – Responsible financing – Sustainable products		FS6 Percentage of the portfolio for business lines by specific region, size and by sector	11	51		
		FS8 Monetary value of products and services designed to deliver a specific environ- mental benefit	12	44, 50, 52		
ACTIVE OWNERSHIP	GRI 103: Management approach 2016	103-1/2/3 Management of material topics	4-5	50-57		
<i>Handelsbanken's material topics:</i> – Responsible investment		FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	12	54-55		
		FS11 Percentage of assets subject to positive and negative environmental or social screening	12	44		
LOCAL COMMUNITIES	GRI 103: Management approach 2016	103-1/2/3 Management of material topics	4-5, 8	10, 48		
<i>Handelsbanken's material topics:</i> – High availability – Local presence and community engagement		FS13 Access points in low-populated or economically disadvantaged areas	8	10, 48		
		FS14 Initiatives to improve access to financial services for disadvantaged people	12	44, 55		

¹ SFB Refers to the 2020 Sustainability Fact Book.² AR Refers to the 2020 Annual Report.

Auditor's Limited Assurance Report on Svenska Handelsbanken AB (publ)'s Sustainability Report. This is the translation of the auditor's report in Swedish.

To Svenska Handelsbanken AB (publ), corporate identity number 502007-7862

INTRODUCTION

We have been engaged by the Board of Directors of Svenska Handelsbanken AB (publ) (Handelsbanken) to undertake a limited assurance engagement of Handelsbanken's Sustainability Report for the year 2020, on pages 38–65 of Handelsbanken's annual report, and the separate Sustainability Fact Book for the year 2020, published on Handelsbanken's website (www.handelsbanken.se). We refer to these publications collectively as the "Sustainability Report".

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT FOR THE SUSTAINABILITY REPORT

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, which are explained on page 19 of the separate Sustainability Fact Book, and which comprise the parts of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative) that are applicable to the Sustainability Report, as well as the accounting policies and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or mistake.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information, with the application of RevR 6 Assurance of Sustainability Reports issued by FAR. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Svenska Handelsbanken AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Consequently, the procedures performed as part of a limited review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures performed in the limited assurance engagement are based on the criteria defined by the Board of Directors and the Executive Management, as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

CONCLUSIONS

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, 11 February 2021

Ernst & Young AB

Jesper Nilsson
Authorised Public Accountant

Marianne Förander
Expert Member of FAR

Principles for Responsible Banking

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. As a signatory bank Handelsbanken needs to report on our implementation of the Principles the first

time within latest 18 months after signing and annually thereafter in line with our annual reporting cycle.

In the table below we report on the self-assessment requirements. Further information in

regards to the evaluation process and target setting is available on pages 63-65 in the Annual & Sustainability Report 2020.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
PRINCIPLE 1: Alignment		
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	<p>Handelsbanken is one of the world's strongest banks and one of the largest Nordic banks. We have extensive household and corporate lending and deposits completed with a wide range of banking and financing products. Our history dates back to 1871 and our share is the oldest share listed on the Stockholm Stock Exchange. Our home markets are Sweden, the UK, Norway, Denmark, Finland and the Netherlands.</p> <p>Handelsbanken has a decentralised business model, stable finances, a low risk tolerance and high ambitions regarding sustainability. Through our extensive branch network and digital solutions we build close and long-term relationships with our customers.</p> <p>82 percent of the total loan volume to the public of SEK 2.270 billion is related to real estate and represents lending to private individuals, housing co-operative associations and property management companies. Real estate is the main lending sector in all home markets.</p> <p>Handelsbanken's savings business is growing. Our successful sustainable asset management creates good conditions for our growth in the market to continue. In recent years, the Bank has improved its offering and strengthened its position within several asset management services, in both Sweden and other home markets.</p>	<p>Handelsbanken.com Handelsbanken.com/ir</p> <p>Annual & Sustainability Report 2020, page 0-1</p> <p>Annual & Sustainability Report 2020, page 51</p> <p>Annual & Sustainability Report 2020, page 23, 34, 51-57</p>
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>Sustainability is integrated into Handelsbanken's corporate culture and working methods, and encompasses the Group's operations in all markets. As a bank we aim to contribute to sustainable development, chiefly through our business operations, and our products and services. Long-term relationships, local presence, financial stability and low risk tolerance are cornerstones in Handelsbanken's business and corporate strategy. A well-maintained bank acting in a sustainable and responsible way has positive impact on society.</p> <p>Handelsbanken's Sustainability Council has analysed the 17 Sustainability Development Goals (SDGs) from the perspective of level of impact from our activities, products and services (directly and indirectly) and identifying risks from our most relevant sustainability issues. The result of the analyses implied six focus SDGs to the support our business strategy and to be integrated in our material sustainability issues.</p> <p>We support the Paris Agreement's goal of transitioning to net zero emissions by 2050 by lowering our direct emissions and by offering responsible financing and investment products. We have also set a group target for net zero emissions 2040.</p>	<p>Annual & Sustainability Report 2020, page 39-42</p> <p>Annual & Sustainability Report 2020, page 41</p> <p>Annual & Sustainability Report 2020, page 62</p>
PRINCIPLE 2: Impact and Target Setting		
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		
2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) Show that building on this analysis, the bank has • identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts	<p>In all our home markets Handelsbanken's core business activities are within household and corporate lending and deposits.</p> <p>Financing and investments are crucial for the transition to a sustainable society. We have a predominant share of real estate financing, a sector which has a major impact on emissions world-wide. Our corporate clients are represented within the large corporate as well as the SME segment and there are ongoing discussions on the development of suitable financing products to support a sustainable transition.</p> <p>A substantial share (56 per cent) of our private customers put part of their savings in mutual funds within our Swedish mutual fund company Handelsbanken Fonder and the interest in this type of investments, along with awareness of how savings can affect society, is increasing. Our customers expect to be offered transparent and sustainable saving options.</p> <p>Handelsbanken has the ambition to support all our customers. Around 50 percent of our private customers are women. Since women often come out less favourable in economic contexts it is important to us to provide opportunities for reducing the economic gap between men and women.</p>	<p>Annual & Sustainability Report 2020, Principles for Responsible Banking, page 63-65</p>
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.		
We conducted an analysis of the impact of our business areas and identified major impact areas in line with the requirements of the principles. During 2021 we will continue this analysis in order to optimise the implementation of our targets.		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>2.2 Target Setting:</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>We have set targets within our main business areas based on our Impact Analysis implemented so far. We will continue to improve our knowledge of the impact of our products and activities to maximise our positive contribution to the Paris Agreement, national and regional regulations as well as the SDGs and minimise any negative impact. The baseline is year 2020.</p> <ul style="list-style-type: none"> Responsible financing – in 2025, 20 percent of the lending will be green or provide terms that contribute to a sustainable and measurable transition related to the borrowers business activities and our focus SDGs. Responsible investments – in order to Paris-align our investment portfolios and a maximise our investments' contribution to the SDGs we will, not later than 2021, have set targets for our assets under management to 1) a reduction of the level of emission intensity and an increased exposure to climate solutions as well as 2) a higher proportion of sustainable investments and intensified impact dialogues by 2025. Advisory services – not later than 2023 we will, through the further development of advisory tools and education of our staff, in a measurable way have created conditions to support reducing the gap between men's and women's returns on investments. 	<p>Annual & Sustainability Report 2020, Principles for Responsible Banking, page 63–65</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p> <p><i>We have set two and are on our way to set a third target relevant to our business and our impact areas, which is well in line the requirements of the Principles. As our impact areas and our understanding of them continues to evolve, we will continue to review our targets. We continue to make progress in assessing our significant positive and negative impacts.</i></p>		
<p>2.3 Plans for Target Implementation and Monitoring:</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>The impact analysis will be refined.</p> <p>Responsible financing products will be developed and offered to customers with the ambition to support a wide range of different customer segments and taking into account national and regional conditions in our home markets. During the next two years focus will be on SMEs to improve the availability of sustainable lending products to a customer group that so far has had less access to such products than large corporates. Because of our decentralised organisation, this will involve and encourage a focus on sustainability for a large number of the bank's employees. Each home market will put in place their own process for progress and reporting.</p> <p>In 2021 our asset management division will put in place targets as described under 2.2 and provide plans for implementation in line with such final targets.</p> <p>The development of advisory tools and plans for training will be developed together with our branches, Group HR and our employees. The development of digital solutions will be a prerequisite.</p> <p>Handelsbanken's management and board will receive updates on the overall process and provide feedback on a regular basis.</p>	<p>Annual & Sustainability Report 2020, page 63–65</p> <p>Annual & Sustainability Report 2020, Principles for Responsible Banking, page 63–65</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p> <p><i>We have set the requested number of targets and as the related impact areas and our understanding of them continues to evolve, we will continue to review the implementation and monitoring of our targets.</i></p>		
<p>2.4 Progress on Implementing Targets:</p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Initial steps have been taken.</p> <p>Responsible financing – existing green and sustainable financing products are adapted, working groups in the home markets have been or will be put in place for further product development.</p> <p>Responsible investments – the process of setting final targets is in progress.</p> <p>Advisory services – working groups are in place, contacts for cooperation with the academic world and access to related existing research work has been taken and the required digital developments are under discussion.</p>	<p>Annual & Sustainability Report 2020, Principles for Responsible Banking, page 63–65</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.</p> <p><i>We have implemented key actions to demonstrate progress and commitments against the targets. We will continue to report on our progress against the targets outlined.</i></p>		
<p>PRINCIPLE 3: Clients and Customers</p> <p><i>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</i></p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Handelsbanken's goal of long-term relationships and decentralised work-methods, where many essential decision can be made at the branch, constitutes a sound basis for cooperation on sustainable topics. For instance, some of our corporate customers are quite experienced within the sustainability field and have extensive knowledge of green financing. For several years we have had a regular dialogue on our development of green financing products and have exchanged ideas and experiences. Our SME customers will benefit from the experience gained in such dialogues when we intensify development of products designated for other customer segments. We will also formalise dialogues with SME customers locally in each home market.</p>	<p>Annual & Sustainability Report 2020, page 10–11, 39</p> <p>Annual & Sustainability Report 2020, Principles for Responsible Banking, page 63–65</p> <p>Handelsbanken.se/sustainable-finance</p>
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Through our extensive branch network we have built a close relationship also with private customers through personal advisers, which provide many opportunities to discuss customer expectations on sustainable investments as well as economic advice in different life situations.</p>	

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
PRINCIPLE 4: Stakeholders		
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.		
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	<p>We engage and consult with a wide range of internal and external stakeholders including investors, NGOs, national and international initiatives, academia, authorities, industry organizations, customers, unions and employees in our home markets. The purpose is to seek their view on our sustainability work and to benefit from each other's experiences under informal as well as formal circumstances.</p> <p>It is our intention to expand and deepen the cooperation with relevant stakeholders during 2021 when progressing the implementation of the targets and developing sustainable products and advice.</p>	<p>Annual & Sustainability Report 2020, page 41</p> <p>Annual Report 2020, Principles for Responsible Banking, page 63–65</p> <p>handelsbanken.com/sustainability</p>
PRINCIPLE 5: Governance & Culture		
We will implement our commitment to these Principles through effective governance and a culture of responsible banking		
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	<p>Handelsbanken's governance framework provides a structure for an effective and responsible decision-making through a decentralised way of working, close to the customer.</p> <p>The Board issues policies as part of its governance of the Bank. These policies are revised every year, but can be adjusted more often when necessary. The Group Chief Executive issues guidelines and more detailed directions, which in turn supplement and clarify these policies. These together result in the Bank's instructions, which support work processes.</p> <p>Sustainability risk can arise in any of the Bank's roles and operations. Our efforts for managing sustainability risk follow the Bank's decentralised model and are in line with the Bank's low tolerance of risk. The Bank's business operations bear the responsibility for identifying sustainability risk and managing it. This is done within a framework of established processes for risk and management.</p> <p>Our sustainability report is integrated in our annual report and covers our most important sustainability topics, and how we implement them in our work. The report also describes activities and results for the past year. We publish our sustainability report annually and it covers the Group as a whole. The report is prepared in accordance with the GRI Standards: Core option and is reviewed by external auditors. From 2020 our sustainability report is integrated in the Annual Report.</p>	<p>Annual & Sustainability Report 2020, pages 40, 43</p> <p>handelsbanken.com/policy-documents</p>
5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.	<p>The local branch office is responsible for all the Bank's business conducted in its area and this decentralised way of working gives us the chance to really know our customers and the community. It gives us the opportunity to close cooperation on sustainability issues and will help us to deliver on our responsible banking targets.</p> <p>To further acknowledge the importance of cooperation we participate in numerous initiatives and collaborations. Through these initiatives we demonstrate our commitment to an even more sustainable future regarding environmental, social and financial issues. This also gives us the opportunity to exchange knowledge and experiences with representatives from different spheres of society and to implement the principles and reach our targets.</p> <p>In Handelsbanken each employee participate in a mandatory training in sustainability and is expected to apply such training in their daily work. We also have a designated team working with co-ordinating the sustainability work in the Group's overall operations. The team reports on the progress of sustainability implementation to the CEO and the board on a regular basis.</p>	<p>handelsbanken.com/en/sustainability/sustainability-governance</p> <p>handelsbanken.com/en/sustainability/initiatives</p>
5.3 Governance Structure for Implementation of the Principles Show that your bank has a governance structure in place for the implementation of the PRB, including: a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.	<p>The target-setting and performance against them will be monitored regularly by the CEO and the Board. The Group sustainability team will support the branches and the home markets in the daily work and in their efforts to ensure continuous development and progress of responsible banking targets in the organisation and initiate necessary activities and structures when needed.</p>	<p>Annual & Sustainability Report 2020, Principles for Responsible Banking, page 63–65</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p> <p>Our governance disclosures highlight the extent of measures taken to provide governance and oversight of the activities underpinning our activities relevant to the Principles for Responsible Banking.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
PRINCIPLE 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.		
<p>6.1 Progress on Implementing the Principles for Responsible Banking:</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1–2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>Below is a snapshot of some of the work Handelsbanken has done in the last 18 months in line with each of the Principles:</p> <ul style="list-style-type: none"> • Alignment <ul style="list-style-type: none"> – increased focus of integration of sustainability in core business areas such as lending and savings, and in the bank's own funding – continued work to align disclosures of the entire group with TCFD – continued work to support the Paris Agreement's goal of transitioning to net zero emissions by 2050 by lowering our direct emissions and by offering responsible financing and investment products to reach our group target of net zero emissions by 2040 • Impact and Target-setting <ul style="list-style-type: none"> – performed impact analysis to identify our main impact areas, positive and negative aspects – identified such areas – set targets based on the analysis • Customer and Clients <ul style="list-style-type: none"> – initiated external discussions with customers on further development of green and sustainable lending products – internal discussions of optimisation of targets in savings and investment advice • Stakeholders <ul style="list-style-type: none"> – consulted and planned to engage in a more formal way with a number of stakeholders for developing and implementing the targets • Governance and Culture <ul style="list-style-type: none"> – set up structures for the development and progress of the targets in the entire organisation – further developed mandatory training in sustainability for integration in each employees daily work 	<p>Full details of our progress made during the year of 2020 against the Principles and our targets can be found throughout our Annual & Sustainability Report 2020 and especially in the section for Principles for Responsible Banking, pages 63–65.</p>
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking <i>This is our first year of reporting regarding our implementation of the Principles for Responsible Banking. We are well in progress and will seek to achieve further alignment in the coming year.</i>		

Annex: Definitions

- Impact: An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- Significant Impact: Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of significant impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of "materiality".

Auditor's Limited Assurance Report

To Svenska Handelsbanken AB (publ), corporate identity number: 502007-7862

INTRODUCTION

We have been engaged by Svenska Handelsbanken AB (publ) (Handelsbanken) to undertake a limited assurance engagement of Handelsbanken's self-assessments of its fulfilment of its commitments as a signatory of the Principles for Responsible Banking, for the year 2020. The self-assessment is defined on pages 23–26 in Handelsbanken's Sustainability Factbook 2020. The reporting criteria against which this information was assessed are Handelsbanken's self-assessment of its fulfilment of its commitments as signatory of the Principles for Responsible Banking that are described on pages 23–26 and cover the Principle for Responsible Banking assessment areas including 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Plans for Target Implementation and Monitoring, 2.4 Progress on Implementing Targets, 5.3 Governance Structure for Implementation of the Principles and 6.1 Progress on Implementing the Principles for Responsible Banking.

Our assurance does not extend to any other information in the self-assessment.

RESPONSIBILITIES OF THE EXECUTIVE MANAGEMENT FOR THE SUSTAINABILITY REPORT

The Executive Management is responsible for the preparation of the self-assessment of Handelsbanken's fulfilment of its commitments as a signatory of the Principles for Responsible Banking in accordance with the applicable criteria. This responsibility also includes the internal control relevant to the preparation of a self-assessment that is free from material misstatements, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the self-assessment based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the self-assessment and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Svenska Handelsbanken AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. Consequently, the procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Executive Management as

described above. We consider these criteria suitable for the preparation of the self-assessment. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the selected information disclosed in the self-assessment has not been prepared, in all material respects, in accordance with the criteria defined above.

Stockholm, 11 February 2021

Ernst & Young AB

Jesper Nilsson
Authorised Public Accountant

Marianne Förander
Sustainability Expert Member of FAR

Would you like to know more

More information about Handelsbanken and the latest news about our sustainability work is available at handelsbanken.com/sustainability.

The Bank and its customers

More information about the Bank and its customers is available at handelsbanken.com.

Here, for example, you can read about how we develop our availability, digitalisation and how we work with responsible advisory services.

The Bank's role in the community

More information about the Bank's roles in the community is available at handelsbanken.com/sustainability.

Here, for example, you can read about how we work with human rights and about our environment and climate work. Here you will find, for example:

- Environment and climate change – Handelsbanken's guidelines
- Supplier Code of Conduct.

More policies and guidelines are available at handelsbanken.com/policy-documents.

Responsible financing

More information about responsible financing at Handelsbanken is available at handelsbanken.com/responsible-financing.

Here, for example, you can read about how we integrate sustainability aspects into our lending. Here you will find, for example:

- Sustainability summary for Handelsbanken – lending to corporates.

More information about green financing is available at handelsbanken.se/en/corporate/financing/sustainable-finance. Here, for example, you can read about our criteria for green loans.

Material relating to Handelsbanken's green bonds can be found at handelsbanken.com/handelsbankens-green-bonds. This includes:

- Handelsbanken's Green Bond Framework
- Green Bond Impact Report
- An independent evaluation of Handelsbanken's Green Bond Framework.

Responsible investment

More information about responsible investment at Handelsbanken is available at handelsbanken.com/responsible-investments. Here you can read about how we work with responsible investment, for example:

- Policies and guidelines for responsible investment
- List of excluded companies
- Vote summary
- Sustainability and corporate governance report
- Carbon footprint
- Sustainability report Svanen (the Swan) – the Nordic Council's environmental certification
- Climate reports.

The Bank as an employer

More information about Handelsbanken as an employer is available at handelsbanken.com/en/careers.

Here, for example, you can read about how Handelsbanken works with gender equality, diversity and an inclusive culture. It also includes information about Handelsbanken's Student Programme.

The Bank's business culture

More information about the Handelsbanken's business culture is available at handelsbanken.com.

Information available here includes ethical standards at Handelsbanken and how we work to prevent financial crime. Here you will find, for example:

- Policy for ethical standards in the Handelsbanken Group
- Policy for sustainability in the Handelsbanken Group
- Policy for management of conflicts of interest.

The Bank as an investment

More information about Handelsbanken as an investment is available at handelsbanken.com/ir.

Here, for example, you can read about business model and the various sustainability indexes which include Handelsbanken.

At handelsbanken.com/ir you can find information about the Handelsbanken share, financial results and other investor information. Here you will find, for example:

- Annual reports
- Interim reports
- Presentations and fact books.

PLEASE CONTACT US

If you would like to ask questions about our sustainability work or if you have opinions to share, feel free to contact us at sustainability@handelsbanken.se.

