

Policy for sustainability at Stadshypotek

adopted by the Board on 25 April 2022

Information class: Open

1. Purpose

The purpose of this policy, which proceeds from the Handelsbanken Group's policy in the same area, is to establish the focus of Stadshypotek's sustainability work, which includes Stadshypotek's relationship with customers, its conduct as an employer and an institution in society, and its relationship with its owners and investors.

The policy is supplemented by steering documents covering areas such as ethical standards, corruption, management of conflicts of interest, and measures to combat financial crime (including money laundering and terrorist financing).

2. Scope of application

This policy applies to Stadshypotek, its operations and employees and encompasses all activities in relation to customers, suppliers and other business partners.

3. Background

A responsible approach to customers, employees, owners and investors are essential to long-term value creation. Long-term business relationships, low risk-taking and cost-awareness must be cornerstones of Stadshypotek's business culture. They form the basis of successful operations being run in a responsible, sustainable manner.

Stadshypotek's success is dependent on the confidence of customers, employees, owners, public authorities and other stakeholders that Stadshypotek is acting in a responsible manner. This confidence is based on ethical conduct and taking responsibility for financial, social and environmental development that is sustainable in the long term. In order for this confidence to be maintained, there must be transparency in Stadshypotek's sustainability activities, and Stadshypotek must work to ensure that there is active dialogue and communication with stakeholders concerning this work.

4. Focus

Stadshypotek must

- Integrate financial, social and environmental sustainability into all its operations, which means that Stadshypotek is to conduct financially sound, sustainable business operations and to encourage and contribute to sustainable development. This applies to day-to-day operations as well as, for example, to credit and investment decisions, business development, advisory services and purchase decisions. In this way, risks and costs can be reduced, while new business opportunities can be identified, employees motivated, and confidence maintained.
- Safeguard human rights and employees' rights, and not be complicit in breaches of these.
- Ensure that gender equality, diversity and an inclusive corporate culture comprise a fundamental part of Stadshypotek's core values.
- Endeavour to minimise negative impact on the environment, and to increase positive impact.
- Actively push for a greenhouse gas-neutral economy, in line with the Paris Agreement and the 1.5°C target.
- Not accept corruption, money laundering or terrorist financing.
- Manage conflicts of interest.
- Act in a responsible, proper and transparent manner in tax-related matters.
- Report and pay tax based on national regulations in the countries where its operations are run, and work to ensure that there is an open dialogue with the tax authorities in these countries,
- Refrain from participating in transactions or providing products that may be called into question in the light of prevailing tax legislation,
- Ensure the Stadshypotek is not allied to any political parties by refraining from providing financial support to any political party and making any other political donations.

5. Sustainability risks

Sustainability risks are a collective term for factors in the sustainability area which may have an adverse effect on Stadshypotek, including eroding external stakeholders' confidence in how Stadshypotek is measuring up to its sustainability profile. Sustainability risks may therefore arise if Stadshypotek does not act and communicate in accordance with the policies, guidelines and other steering documents and undertakings that form the basis of the sustainability work, or if the steering documents are inadequate in this respect. Stadshypotek's material sustainability risks are associated with a number of areas, such as human rights, working conditions, the environment and climate, financial crime, information security and IT security; these are described annually in the Handelsbanken Group's sustainability report.

Sustainability risks must be identified and be an integral part of risk assessment in the existing types of risk, such as credit

risk, liquidity risk, market risk, operational risk and compliance risk. Sustainability risks must be managed in line with Stadshypotek's generally low risk tolerance and comply with risk tolerance for the types of risk in which sustainability risk is an integral part of the risk assessment.

6. Follow-up, etc.

Stadshypotek must measure, follow up and report its sustainability work and the Group-wide sustainability goals. These reports are to be published annually in Handelsbanken's sustainability report, and regularly on Handelsbanken's website.

7. Reporting to the Board

The Chief Executive must report to the Board on Stadshypotek's work relating to sustainability.