ARMAMENTS AND DEFENCE INDUSTRY –
HANDELSBANKEN’S GUIDELINES
established by the Group Chief Executive on 12 May 2021

Handelsbanken’s view is that responsible actions are essential to long-term value creation. Long-term business relationships, low risk-taking and cost-awareness are cornerstones of Handelsbanken’s business culture. They form the basis of successful banking operations being run in a responsible, sustainable manner.

The purpose of these guidelines is to make clear the Handelsbanken Group’s (Handelsbanken’s) approach as regards the armaments and defence industry. The guidelines should provide a guide for decision-making and establish the basis for instructions for the business operations. The guidelines apply throughout Handelsbanken and to all its operations, e.g. providing credit, financing, asset management, and product development.

Background

Under the UN statutes, every country has the right to defend itself. The manufacture of and trade in weapons and other munitions are regulated by national legislation, intergovernmental regulations, international conventions and weapons embargoes issued by the UN Security Council or the EU. In addition to the obvious risks of human rights violations regarding the use of various types of weapons, there is a risk of corruption in the armaments and defence industry.

The 2030 Agenda and the Sustainable Development Goals provide a clear direction and objectives as regards human rights, peace and development. Individual players cannot resolve all the challenges associated with the 2030 Agenda. Instead, international cooperation, shared responsibility and global efforts will be required. As an important provider of financial services, Handelsbanken has a role to play in the realisation of the 2030 Agenda and the changeover to a sustainable economy.

Handelsbanken’s undertakings

In its business relations with companies operating in the defence industry, the Bank must verify that their operations do not constitute a breach of the UN or EU weapons embargoes, and that their operations are run in accordance with the national and international regulations regarding the manufacture of and trade in weapons and other munitions.

Handelsbanken must also evaluate and take account of the companies’ guidelines for opposing human rights violations and corruption, and must monitor and pay particular attention to how the companies comply with these guidelines.

Handelsbanken must not have business relations with companies that manufacture, maintain or trade in weapons that are prohibited under international conventions of which Sweden is a signatory. This includes biological weapons, chemical weapons, anti-personnel mines and cluster munitions.
Handelsbanken must not have business relations with companies that manufacture, maintain or trade in nuclear weapons.

**Relevant initiatives, guidelines and conventions**

Handelsbanken advocates co-operation and supports international initiatives aimed at reinforcing global efforts to ensure sustainable development. Initiatives and guidelines with the aim of encouraging and facilitating corporate sustainability and sustainable development are an important basis for Handelsbanken’s sustainability work. With regard to the armaments and defence industry, the following initiatives, guidelines and conventions can be mentioned in particular:

A) Initiatives and guidelines

- The UN Global Compact
- The UN Principles of Responsible Investment (PRI)
- The UN Principles for Responsible Banking (PRB)
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises

B) International conventions

- The UN Universal Declaration of Human Rights
- Treaty on the Non-Proliferation of Nuclear Weapons
- Biological and Toxin Weapons Convention
- Inhumane Weapons Convention
- Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction
- Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction
- The Convention on Cluster Munitions