

Guidelines regarding business relations with the armaments and defence industry

Established by the Group Chief Executive on 8 June 2016

These guidelines describe Handelsbanken's view of business relations with companies that operate within the armaments and defence industry. The aim of these guidelines is to guide employees in business relations, as well as to explain Handelsbanken's view to our stakeholders. These guidelines apply throughout the Bank's operations. e.g. payment transfer services, financing, deposits and asset management.

Background

Under the UN statutes, every country has the right to defend itself. Manufacture of and trade in weapons and other munitions is regulated by national legislation, intergovernmental regulations, international conventions and weapons embargoes issued by the UN Security Council and 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 defence industry, according to the independent organisation Transparency International.

General principles

Handelsbanken must not have business relations with companies which manufacture 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 which manufacture or trade in nuclear weapons.

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 specified above (under 'Background').

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.

Implementation

Application of, and compliance with, these guidelines is regulated in the policy documents for the Bank's various operations.

Relevant conventions and guidelines, etc.:

A) *Relevant guidelines:*

- The UN Global Compact, particularly principles 1, 2 and 10
- The UN's guiding principles for companies and human rights
- The OECD Guidelines for Multinational Enterprises, particularly parts IV and VII

B) *International conventions:*

- 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
- Convention on Cluster Munitions

C) *Weapons embargoes:*

- EU
- UN

D) *Applicable national legislation*