

ANNEX V

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852.

Product name: Handelsbanken Hållbar Energi

Legal entity identifier: 549300IR2511BEIXZ124

**Sustainable investment**

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> 97.95%	<input type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
<input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



**To what extent was the sustainable investment objective of this financial product met?**

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The goal of the fund is to invest in companies whose economic activities contribute to the achievement of the Sustainable Development Goals of the 2030 Agenda, particularly goal 7 concerning affordable and clean energy and goal 13 concerning climate action. The fund's goal is to be achieved through sustainable investments, meaning investments in companies whose economic activities are deemed to contribute to an environmental or social objective in line with the Sustainable Development Goals of Agenda 2030 and/or activities aligned with the EU Taxonomy. The contribution to the environmental objectives defined in the EU Taxonomy have been measured through the companies' estimated alignment with the taxonomy in terms of revenue. In regard to the other environmental and social objectives, the contribution to these goals has been measured through the companies' revenue from products and services that, according to the fund company's assessment, can be considered to contribute to the Sustainable Development Goals of the 2030 Agenda. Qualifying as a sustainable investment requires an estimated 20% taxonomy aligned

revenue, or a 25% revenue from products and services that contribute to the Sustainable Development Goals of the 2030 Agenda. In certain cases, the assessment of the company's contribution to environmental or social objectives is based on different criteria than a minimum level of revenue, such as capital expenditure or operational expenditure (CAPEX/OPEX).

The fund's share of sustainable investments in 2023 amounted to 97.95%, based on an average outcome of the fund's sustainable investments per quarter.

Through these sustainable investments, the fund contributed to the following objectives:

**Environmental objectives defined in the EU Taxonomy with technical screening criteria**  
Climate change mitigation., Climate change adaptation.

#### Other environmental objectives

Contributing to Sustainable Energy Use (SDG 7), Promoting Sustainable Buildings (SDG 11), Optimizing Material Use (SDG 12), Mitigating Climate Change (SDG 13).

#### Social objectives

Providing Basic Services (SDG 1, 8, 9, 10 & 11).

A company can via its economic activity contribute to both environmental and social objectives. For the disclosure of sustainable investments a company's economic activity can however only be disclosed as contributing to either an environmental or social objective. The contribution to social objectives stated above are therefore social objectives that the Fund's sustainable investments contribute to but where the sustainable investments in all cases are categorized as contributing to an environmental objective.

#### ● *How did the sustainability indicators perform?*

Metric	Value 2023	Value 2022
Share of sustainable investments (%)	97.95%	97.04%
Carbon footprint (Scope 1,2,3) (tCO <sub>2</sub> eq/EURm)	2,047.32	1,852.37
GHG Intensity (Scope 1, 2, 3) (tCO <sub>2</sub> eq/EURm)	6,573.41	9,421.11
UN Global Compact principles and OECD Guidelines for Multinational Enterprises: Share of investments in investee companies that have been involved in violations of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises (%)	0.00%	0.00%
Share of investments in companies that are active within the fossil fuels sector (%)	0.00%	0.00%

#### ● *...and compared to previous periods?*

The fund company does not invest in companies deemed to have verified violations of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, nor does the fund company make investments with exposure to banned or controversial weapons or companies with revenue in excess of 5% that is derived from activities (production/distribution) linked to weapons and military equipment, alcohol, tobacco, cannabis, pornography, commercial gambling and fossil fuels, with the exception of any investments in approved transition companies. In exceptional cases, an existing holding can obtain a modified analysis, in which case the holding will be sold as soon as possible, although an exposure may exist during the short period between the changed signal and the sale.

Refer to the table above for a comparison to previous periods.

#### ● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

Principal adverse impacts are the most

significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Through the application of the principles stated below during the reference period, the sustainable investments have been ensured to not cause significant harm to any environmental or social sustainable investment objective.

- Criteria for excluding companies with activities linked to controversial sectors as well as specific PAI-indicators, such as fossil fuels and controversial weapons.
- Criteria for excluding companies with confirmed violations of international norms and conventions.
- Assessment of the investment not causing significant adverse impacts on sustainability factors (PAI). The assessment is conducted in the fund company's internal PAI tool.
- Assessment of which products and services the company is otherwise involved with, and if these could be deemed to significantly counteract sustainable development.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

Through the usage of the fund company's internal PAI tool, indicators of adverse impacts on sustainability factors have been analysed and evaluated. Investments that are considered to cause significant adverse impacts are, in accordance with the fund company's assessment method, not deemed as meeting the requirements in regard to not causing significant harm within the framework of sustainable investment.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

During the reference period, the fund's investments have been aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This has been ensured through applying the fund company's exclusion strategy.



**How did this financial product consider principal adverse impacts on sustainability factors?**

The portfolio manager considers principle adverse impacts on sustainability factors (PAI). This is done through one of the fund company's developed PAI tools where potential adverse impacts are identified and analysed. Companies deemed to have high risks in regard to PAI are managed primarily through exclusion or asset stewardship.

Below, the indicators that have been analysed for the fund are disclosed:

Adverse sustainability indicator & metric	Value 2023	% coverage 2023	Value 2022	% coverage 2022
1.1 GHG Emissions - Scope 1 GHG emissions (tCO2eq)	110,677.01	96.25%	128,422.24	94.85%

Contn

Adverse sustainability indicator & metric	Value 2023	% coverage 2023	Value 2022	% coverage 2022
1.1 GHG Emissions - Scope 2 GHG emissions (tCO <sub>2</sub> eq)	69,923.40	96.25%	68,122.84	94.85%
1.1 GHG Emissions - Scope 3 GHG emissions (tCO <sub>2</sub> eq)	5,019,066.82	96.25%	4,957,337.97	94.85%
1.1 GHG Emissions - Scope 1+2 GHG emissions (tCO <sub>2</sub> eq)	180,600.45		196,544.97	
1.1 GHG Emissions - Scope 1+2+3 GHG emissions (tCO <sub>2</sub> eq)	5,199,667.23		5,153,882.94	
1.2 Carbon Footprint - Carbon Footprint Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	2,047.32	96.25%	1,852.37	94.85%
1.2 Carbon Footprint - Carbon Footprint Scope 1+2 (tCO <sub>2</sub> eq/EURm)	73.07	96.25%	70.64	94.85%
1.3 GHG intensity of investee companies - GHG Intensity Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	6,573.41	93.70%	9,421.11	90.09%
1.3 GHG intensity of investee companies - GHG Intensity Scope 1+2 (tCO <sub>2</sub> eq/EURm)	227.39	93.70%	259.86	90.09%
1.4 Exposure to companies active in the fossil fuel sector - Share of investments in companies active in the fossil fuel sector (%)	0.00%	95.51%	0.00%	92.05%
1.5 Share of non-renewable energy consumption and Production - Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage (%)	82.65%	52.01%	82.06%	52.83%
1.5 Share of non-renewable energy consumption and Production - Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage (%)	19.72%	36.24%	17.90%	36.47%
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm)				
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - A – AGRICULTURE, FORESTRY AND FISHING	0.48		0.50	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - B – MINING AND QUARRYING	1.16		6.69	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - C – MANUFACTURING	1.23		1.39	

Contn

Adverse sustainability indicator & metric	Value 2023	% coverage 2023	Value 2022	% coverage 2022
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - D – ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1.98		1.92	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - E – WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.00			
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - F – CONSTRUCTION	122.44		102.49	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - G – WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.00			
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - H – TRANSPORTATION AND STORAGE	0.00			
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - L – REAL ESTATE ACTIVITIES	0.00			
1.7 Activities negatively affecting biodiversity-sensitive areas - Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%)	3.32%	97.15%	0.00%	93.73%
1.8 Emissions to water - Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	3.43	17.28%	5.14	18.04%
1.9 Hazardous waste ratio - Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	6.60	85.17%	25.48	57.89%

Contn

Adverse sustainability indicator & metric	Value 2023	% coverage 2023	Value 2022	% coverage 2022
1.10 Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises - Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	0.00%	97.95%	0.00%	97.04%
1.11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises - Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	58.46%	93.01%	58.94%	78.22%
1.12 Unadjusted gender pay gap - Average unadjusted gender pay gap of investee companies (%)	0.00%	0.00%		0.00%
1.13 Board gender diversity - Average ratio of female to male board members in investee companies (%)	29.36%	97.08%	27.85%	93.73%
1.14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) - Share of investments in investee companies involved in the manufacture or selling of controversial weapons (%)	0.00%	97.95%	0.00%	97.04%
2.4 Investments in companies without carbon emission reduction initiatives - Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (%)	48.51%	97.08%	50.21%	93.73%
3.9 Lack of a human rights policy - Share of investments in entities without a human rights policy (%)	10.93%	94.78%	12.25%	86.91%
1.15 GHG Intensity - GHG intensity of investee countries (KtonCO2eq/EURm)	0.00	0.00%		0.00%
1.16 Investee countries subject to social violations - Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	0.00%	0.00%		0.00%



#### What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period

which is: 2023-01-01 to 2023-12-31

Largest investments	Sector	% Assets 2023	% Assets 2022	Country
Darling Ingredients	Manufacturing	4.22%	4.24%	US
Bakkafrost	Agriculture, Forestry and Fishing	3.60%	3.61%	FO
Enel	Electricity, Gas, Steam and Air Conditioning Supply	3.54%	3.09%	IT
EDP Renovaveis	Electricity, Gas, Steam and Air Conditioning Supply	3.50%	3.41%	ES
Vestas Wind Systems	Manufacturing	3.42%	3.15%	DK
Iberdrola	Electricity, Gas, Steam and Air Conditioning Supply	3.22%	2.92%	ES
Hannon Armstrong	Financial and Insurance Activities	3.08%	2.78%	US
Sunnova Energy International	Manufacturing	2.73%	2.55%	US
Mowi	Manufacturing	2.71%	2.44%	NO
Allkem	Mining and Quarrying	2.61%	3.33%	AU
Array Technologies	Manufacturing	2.52%	1.58%	US
Ameresco	Construction	2.46%	2.90%	US
Taiwan Semiconductor	Manufacturing	2.32%	1.97%	TW
Sunrun	Manufacturing	2.30%	2.42%	US
Nexttracker A	Manufacturing	2.17%	-	US



### What was the proportion of sustainability-related investments?

#### Asset allocation

describes the share of investments in specific assets.

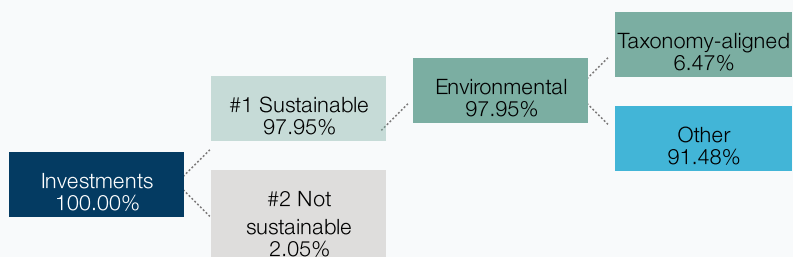
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#### What was the asset allocation?



**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

#### In which economic sectors were the investments made?

Sector/Industry code	Sector/Industry name	Sum
A	Agriculture, Forestry and Fishing	3.60%
03	Fishing and aquaculture	3.60%
B	Mining and Quarrying	2.61%
08	Other mining and quarrying	2.61%
C	Manufacturing	54.24%
10	Manufacture of food products	8.02%
19	Manufacture of coke and refined petroleum products	1.97%
20	Manufacture of chemicals and chemical products	0.88%
23	Manufacture of other non-metallic mineral products	1.82%
25	Manufacture of fabricated metal products, except machinery and equipment	2.52%
26	Manufacture of computer, electronic and optical products	16.66%

27	Manufacture of electrical equipment	13.88%
28	Manufacture of machinery and equipment n.e.c.	6.57%
29	Manufacture of motor vehicles, trailers and semi-trailers	1.92%
D	Electricity, Gas, Steam and Air Conditioning Supply	20.22%
35	Electricity, gas, steam and air conditioning supply	20.22%
F	Construction	4.40%
42	Civil engineering	4.40%
J	Information and Communication	1.43%
58	Publishing activities	1.09%
62	Computer programming, consultancy and related activities	0.34%
K	Financial and Insurance Activities	3.08%
64	Financial service activities, except insurance and pension funding	3.08%
M	Professional, Scientific and Technical Activities	0.40%
74	Other professional, scientific and technical activities	0.40%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The companies have, where possible, started to report the extent to which their operations are compatible with the EU taxonomy. In addition to reported data, estimated data is available. The fund company has made assessments that this estimated data can be considered sufficiently reliable to be used to assess whether the company contributes to an environmental goal defined in the EU taxonomy and can on this basis be considered a sustainable investment in line with SFDR article 2 (17).

In the fund company's taxonomy reporting, only the taxonomy compatibility reported by the companies themselves is reported. The fund's share of taxonomy-compliant investments for 2023 amounted to 4.24% based on the companies' turnover.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup>**

Yes:

In fossil gas  In nuclear energy

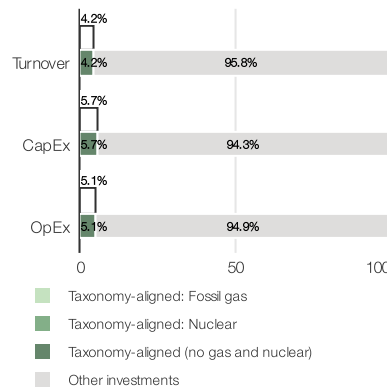
No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

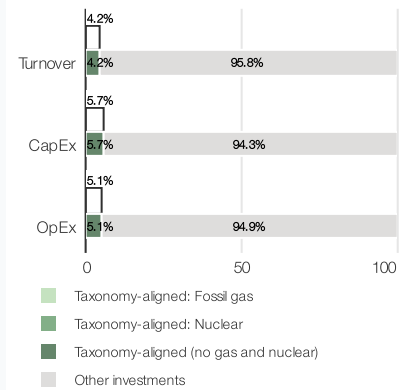
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214



1. Taxonomy alignment of investments including sovereign bonds\*



2. Taxonomy alignment of investments excluding sovereign bonds\*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

• **What was the share of investments made in transitional and enabling activities?**

The fund's share of taxonomy-compliant investments for 2023 amounted to 0.00% in transition activities and 1.66% in enabling activities.

• **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

In 2023, the fund's proportion of taxonomy-aligned investments totaled 4.24%

In 2022, the fund did not report any taxonomy-aligned investments since companies had not typically begun to report on the extent to which their activities were aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The fund is able to invest in economic activities that currently cannot be classified as aligned with the EU Taxonomy. This occurs, among other reasons, due to the environmental objectives currently not having complete technical screening criteria and due to the access to reported data from companies being insufficient.

At the end of the reference period, the fund had 91.48% of sustainable investments with an environmental objective not aligned with the EU Taxonomy.

Additionally, the fund had 6.47% of sustainable investments that the fund company, based on estimated and/or reported data, deems as contributing to an environmental objective aligned with the EU Taxonomy (but which cannot with sufficient certainty be classified as compatible with the EU Taxonomy as such).



**What was the share of socially sustainable investments?**

During the reference period, the fund had 0.00% of sustainable investments with a social objective.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, the fund held cash for liquidity and risk management. No environmental or social safeguards have been deemed necessary for this position.



### **What actions have been taken to attain the sustainable investment objective during the reference period?**

The fund's investments were in line with its investment focus, i.e., global investments in companies that develop or use technologies and methodologies to limit global warming by directly or indirectly limiting carbon emissions and other greenhouse gases, including companies that can contribute positively to energy efficiency.

The fund company has followed the developments within policy-making in the US, as well as in Europe and Asia, to gain insights on how political initiatives impact the markets, portfolio companies and the pace of the projects and investments that drive the transition towards a low-carbon economy. In December 2023, for example, the regulations for the US Inflation Reduction Act were clarified, which is expected to increase incentives to reactivate planned projects that had been put on hold.

To increase our knowledge of context-specific sustainability factors, risks and opportunities, a trip was organised to parts of China, Europe and the US. For example, fund managers and sustainability specialists visited one of the portfolio company's salmon farms to better understand and discuss the management of risks and engagement with regard to the climate and fish health, as well as to more thoroughly understand how the fund's previously made capital contributions have had an impact on sustainability and productivity.

#### **Exclusions**

During the reference period, the fund has been managed in line with its exclusion strategy, meaning that potential companies that during this period no longer meet the fund's sustainability requirements have been divested.

#### **Asset stewardship**

The fund company and portfolio manager have during the reference period conducted active asset stewardship in order to improve upon the portfolio companies' sustainability efforts, reduce sustainability risks and to manage and reduce potential risks regarding adverse impacts on sustainability factors.

#### *Engagement*

During the reference period, the fund company carried out 199 direct engagements between the fund company and companies. 15 of these were dialogues with companies held by this fund on balance day. These dialogues aim to support the continuous improvement of the companies' sustainability work and include questions regarding how to handle the company's sustainability risks, the prevention of adverse impacts and contributions to sustainable development. The dialogues can also be reactive/incident based.

Human rights are a focal area in the fund company's engagement, and during the year we have engaged in dialogue with Chinese companies regarding how they manage their risks, particularly related to alleged claims of forced labour. In situations where companies in the renewable energy industry claim large amounts of land, issues related to the movement of populations can become relevant. As a result, we have conducted dialogues with several companies to ensure that they comply with the UN's Human Rights Principles.

In addition to direct dialogues, the fund company has during the reference period taken part in collaborative engagements where 388 companies have been addressed together with other investors. 8 of these were dialogues with companies held by this fund on balance day.

Through participating in initiatives, investor statements and networks, the fund company has carried out engagement efforts during the reference period.

#### *Voting at shareholders' meetings*

As a part of the fund company's asset stewardship, the fund company voted on behalf of the fund at 67 shareholders' meetings during the reference period.

*Nomination committees*

The fund company has through its ownership share taken part in 68 nomination committees and worked to put forward proposals for boards characterised by expertise and diversity. Among these, the fund had holdings in 0 of these companies on balance day.