

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.

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.

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

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 Latinamerika Impact Tema

Legal entity identifier: 549300TOYGM197R48N72

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 25.43% <input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> It made sustainable investments with a social objective: 72.42%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that 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"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



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

The goal of the fund is to invest in companies whose economic activities contribute to the achievement of the Sustainable Development Goals (SDGs) of Agenda 2030. Each company is analysed based on a framework that aims to evaluate what the company does, for whom, to what extent as well as the impact of the company. This framework aids in identifying who will benefit from the company's solutions or activities, where the stakeholders vary and may range from local inhabitants in regions where social challenges remain in the efforts to achieve the SDGs, to specific groups that lack access to basic human needs as well as climate solutions in general.

At the end of 2022, the fund had invested 97.85% of its holdings in companies that, according to the assessment method used by Handelsbanken Fonder, are considered to be sustainable investments.

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.

Other environmental objectives;

Achieving Sustainable Agriculture and Forestry (SDG 2 & 15), Conserving Water (SDG 6), Contributing to Sustainable Energy Use (SDG 7), Mitigating Climate Change (SDG 13), Optimizing Material Use (SDG 12), Preserving Terrestrial Ecosystems (SDG 15) & Promoting Sustainable Buildings (SDG 11).

Social objectives;

Alleviating Poverty (SDG 1), Attaining Gender Equality (SDG 5), Delivering Education (SDG 4), Ensuring Health (SDG 3), Providing Basic Services (SDG 1, 8, 9 & 10 & 11).

• *How did the sustainability indicators perform?*

Metric	Value
Share of sustainable investments (%)	97.85%
Carbon footprint (Scope 1,2,3) (tCO2eq/EURm)	294.42
Greenhouse gas emissions (Scope 1,2,3) (tCO2eq/EURm)	1,592.27
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%
Share of investments in companies that are active within the fossil fuels sector (%)	4.73%

• *...and compared to previous periods?*

During the previous reference period, the fund had no investments that were deemed to have verified violations of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The fund did not either have investments in bonds or other fixed income instruments distributed by issuers that were involved with controversial weapons. Additionally, the fund did not have any investments in bonds or other fixed income instruments distributed by issuers whose revenue to more than 5% derived from activities (production/distribution) linked to military equipment, alcohol, tobacco, cannabis, pornography, commercial gambling and fossil fuels, with the exception of possible investments in approved companies in transition.

For the sustainability indicators for which comparable data from previous reference periods is not available, comparable data will be disclosed in the fund's next annual report.

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

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.

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.

- 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	% coverage	% eligible
1.1 GHG Emissions	Scope 1 GHG emissions (tCO ₂ eq)	3,207.15	94.57%	98.02%
	Scope 2 GHG emissions (tCO ₂ eq)	2,593.04	94.57%	98.02%
	Scope 3 GHG emissions (tCO ₂ eq)	56,584.40	94.57%	98.02%
	Scope 1+2 GHG emissions (tCO ₂ eq)	5,800.22		
	Scope 1+2+3 GHG emissions (tCO ₂ eq)	62,384.65		
1.2 Carbon Footprint	Carbon Footprint Scope 1+2+3 (tCO ₂ eq/EURm)	294.42	94.57%	98.02%
	Carbon Footprint Scope 1+2 (tCO ₂ eq/EURm)	27.37	94.57%	
1.3 GHG intensity of investee companies	GHG Intensity Scope 1+2+3 (tCO ₂ eq/EURm)	1,592.27	90.18%	98.02%
	GHG Intensity Scope 1+2 (tCO ₂ eq/EURm)	76.36	90.18%	
1.4 Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (%)	4.73%	91.82%	98.02%
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 (%)	66.70%	50.87%	98.02%

	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage (%)	23.71%	12.32%	98.02%
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			
	B – MINING AND QUARRYING	6.69		
	C – MANUFACTURING	7.94		
	D – ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0.03		
	E – WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.96		
	F – CONSTRUCTION			
	G – WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.08		
	H – TRANSPORTATION AND STORAGE	0.39		
	L – REAL ESTATE ACTIVITIES	0.02		
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 (%)	0.00%	92.54%	98.02%
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)	3.46	2.50%	98.02%
1.9 Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	52.93	34.11%	98.02%
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%	96.59%	98.02%
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 (%)	71.92%	79.38%	98.02%
1.12 Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (%)	5.22%	2.87%	98.02%
1.13 Board gender diversity	Average ratio of female to male board members in investee companies (%)	17.97%	92.21%	98.02%
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%	96.59%	98.02%
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 (%)	69.89%	89.84%	98.02%
3.9 Lack of a human rights policy	Share of investments in entities without a human rights policy (%)	11.82%	76.67%	98.02%
1.15 GHG Intensity	GHG intensity of investee countries (KtonCO2eq/EURm)		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%



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: 2022-12-31

Largest investments	Sector	% Assets	Country
Itau Unibanco Banco Holding SA Pref	Banks	8.48%	BR
America Movil	Wireless Telecommunication Services	5.87%	MX
Banorte	Banks	5.06%	MX
B3 Brasil Bolsa Balcao Ord Shs	Capital Markets	4.94%	BR
WEG SA	Electrical Equipment	4.34%	BR
Regional-A Rg	Banks	3.64%	MX
Banco Santander Chile	Banks	3.46%	CL
Corporacion Inmobiliaria Vesta Ord Shs	Real Estate Management & Development	3.24%	MX
Totvs	Software	3.18%	BR
Klabin Units	Containers & Packaging	2.87%	BR
Companhia Paranaense de Energia - Copel	Electric Utilities	2.84%	BR
Grupo Aeroportuario del Centro Norte	Transportation Infrastructure	2.82%	MX
Arcos Dor Hldg A	Hotels, Restaurants & Leisure	2.70%	UY
Localiza Rent A Car SA	Road & Rail	2.65%	BR
Genera Sab De CV Ord Shs	Consumer Finance	2.63%	MX



What was the proportion of sustainability-related investments?

Asset allocation

describes the share of investments in specific assets.

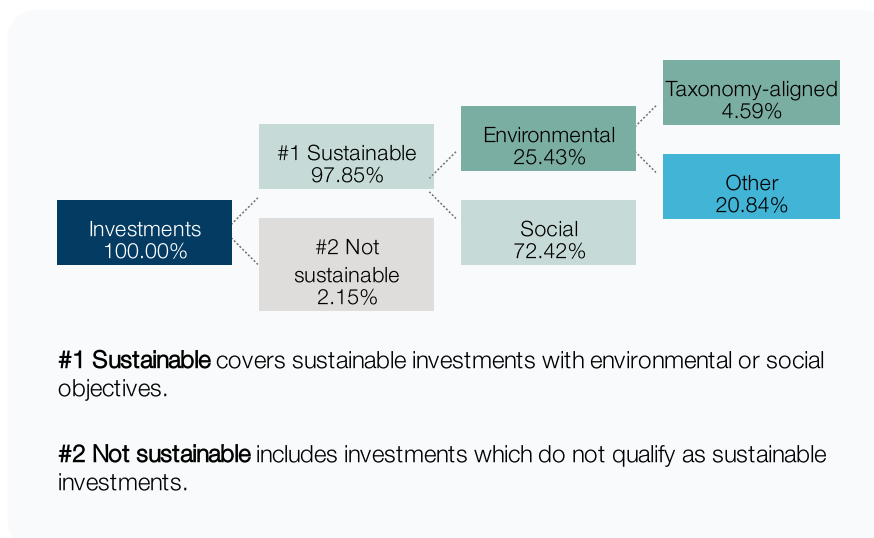
Taxonomy-aligned activities are expressed as a share of:

- **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?



- In which economic sectors were the investments made?

Sector/Industry code	Sector/Industry name	Sum
15	Materials	9.19%
151030	Containers & Packaging	2.87%
151040	Metals & Mining	2.15%
151050	Paper & Forest Products	4.16%
20	Industrials	16.45%
201040	Electrical Equipment	4.49%
202010	Commercial Services & Supplies	0.45%
202020	Professional Services	0.68%
203040	Road & Rail	2.66%
203050	Transportation Infrastructure	8.17%
25	Consumer Discretionary	5.02%
252010	Household Durables	0.48%

253010	Hotels, Restaurants & Leisure	2.70%
253020	Diversified Consumer Services	1.84%
30	Consumer Staples	5.12%
301010	Food & Staples Retailing	4.24%
302020	Food Products	0.88%
35	Health Care	2.73%
351020	Health Care Providers & Services	2.73%
40	Financials	40.60%
401010	Banks	26.36%
402010	Diversified Financial Services	0.27%
402020	Consumer Finance	2.63%
402030	Capital Markets	10.67%
403010	Insurance	0.67%
45	Information Technology	3.18%
451030	Software	3.18%
50	Communication Services	8.39%
501010	Diversified Telecommunication Services	1.51%
501020	Wireless Telecommunication Services	5.87%
502010	Media	1.01%
55	Utilities	5.27%
551010	Electric Utilities	3.63%
551040	Water Utilities	1.35%
551050	Independent Power and Renewable Electricity Producers	0.29%
60	Real Estate	3.24%
601020	Real Estate Management & Development	3.24%

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?

As of now, the companies have typically not started reporting on the extent that their activity is aligned with the EU Taxonomy. This means that only estimated data is available. The fund company has assessed that this estimated data can be considered reliable enough to be used to determine if the company contributes to an environmental objective defined in the EU Taxonomy and on that basis be considered a sustainable investment. However, the fund company cannot with sufficient certainty determine an investment's exact alignment with the EU Taxonomy. Therefore, investments aligned with the taxonomy are currently reported at 0% below.

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

Yes:

In fossil gas

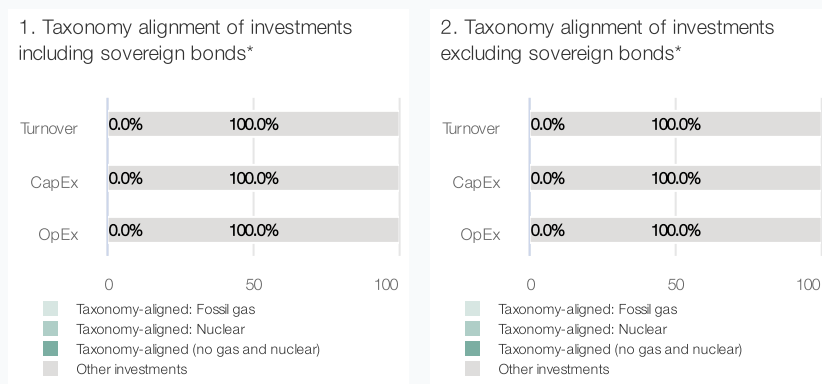
In nuclear energy

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

¹ 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

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.



*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 has not reported any taxonomy aligned investments and therefore neither any investments in transitional or enabling activities.

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

Comparable data is not available from previous reference periods, and therefore this data will not be reported until the fund's next annual report.



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 2022, the fund had 20.84% of sustainable investments with an environmental objective not aligned with the EU Taxonomy.

Additionally, the fund had 4.59% of sustainable investments that the fund company, based on estimated 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?

At the end of 2022, the fund had 72.42% 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?

During the year, the fund has invested in a waste management company. The company consolidates the waste management market with the intention of accelerating the transition to correctly managed waste from dumping and thereby reducing the negative impact on climate and water. There are ambitious national objectives in line with the company's objectives, which we believe will create a solid demand for the company in the long term.

During the year, we also organised a field visit to the company's Ecoparque Paulínia (SP), where investments have been made in a biogas and biomethane plant including power generation as well as a recycling station, which prevents greenhouse gas emissions while generating new streams of revenue for the company.

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 197 direct engagements between the fund company and companies. 23 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 224 companies have been addressed together with other investors. 0 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 47 shareholders' meetings during the reference period.

Nomination committees

The fund company has through its ownership share taken part in 70 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.