ANNEX II

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Handelsbanken Fokus 75

Legal entity identifier: 549300JISRUVUB646M71

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ with a social objective
	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental characteristics through:
Investments, directly or through investments in other funds, in sustainable bonds or in companies (as well as bonds issued by companies) whose economic activities are considered to be contributing to an environmental objective under the Sustainable Development Goals in Agenda 2030 and/or activities aligned with the EU Taxonomy.

Exclusion criteria for direct and indirect investments through funds, in companies or issuers with activities linked to fossil fuels and companies with verified violations of international norms and conventions related to environmental issues.

Considering the principal adverse impacts on sustainability factors (Principal Adverse Impact, PAI) linked to the environment and climate.

The fund promotes social characteristics through:
Investments, directly or through investments in other funds, in sustainable bonds or in companies (as well as bonds issued by companies) whose economic activities are considered to be contributing to a social objective under the Sustainable Development Goals in Agenda 2030.

Exclusion criteria for direct and indirect investments through funds, in companies or issuers with activities linked to controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography and commercial gambling, as well as by excluding companies with verified violations of international norms and conventions related to human rights, employee rights or anti-corruption and anti-bribery.

Considering the principal adverse impacts on sustainability factors (Principal Adverse Impact, PAI) linked to human rights, employee rights or anti-corruption and anti�bribery.

Sustainability-focused selection of funds: The fund invests in other funds. When selecting a fund, the fund's environmental and social characteristics, as well as the fund manager's integration of sustainability risks into the investment process, are essential components in the selection process.

The fund is actively managed and the fund's benchmark has not been selected for the purpose of attaining the environmental or social characteristics promoted by the fund.

- *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

  Sustainable investments:
  Share of the fund's investments that are invested directly and indirectly through funds, in sustainable bonds or in companies (as well as bonds issued by companies) that are considered to be contributing to an environmental or social objective under the Sustainable Development Goals in Agenda 2030 and/or the EU Taxonomy, at the same time as they do not significantly harm any other environmental or social objective and that the companies follow good governance practices. For investments in internal funds, a screening of the holdings in the fund investments will be conducted, based on the Management Company's definition of sustainable investments.

  Carbon footprint:
  Carbon footprint measured in the investee companies' greenhouse gas emissions Scope 1, 2 and 3 relative to the investee companies' enterprise value including cash (EVIC).

  Greenhouse gas intensity:
  The greenhouse gas intensity measured in the investee companies' greenhouse gas emissions Scope 1, 2 and 3 relative to the investee companies' revenue.

  UN Global Compact (UNGC) 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.

  Fossil fuels:
  Share of direct and indirect investments through funds in companies or bonds issued by companies that are active within the fossil fuels sector.

- *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives*

  The fund's sustainable investments are made primarily through investments in other funds, in sustainable bonds or in companies (as well as bonds issued by companies) whose economic activities are considered as having a positive impact on the attainment of one or several environmental or social objectives; alternatively, the company is involved in activities aligned with the EU Taxonomy. The environmental and social objectives are defined based on the Sustainable Development Goals in Agenda 2030.

The environmental objectives include, for example, the following areas: Sustainable agriculture and forestry, conserving water, contributing to sustainable energy use, promoting sustainable buildings, optimisation of material usage (sustainable production and consumption), mitigation of climate change, preserving marine ecosystems and preserving terrestrial ecosystems.

The social objectives include, for example, the following areas: Alleviating poverty, combating hunger and malnutrition, ensuring health, provide basic services, delivering education, attaining gender equality and safeguarding peace.

The fund's sustainable investments together contribute to several of the aforementioned environmental or social objectives. However, not to all of the objectives during the course of the current year.

The fund's sustainable investments contribute to the following environmental objectives as defined in the EU Taxonomy for environmentally sustainable activities: climate change mitigation and adaptation.

The fund may make sustainable investments directly as well as indirectly through funds in sustainable bonds or in companies (as well as bonds issued by companies) that are considered to be contributing to both environmental and social objectives, but there is no hierarchy between various environmental or social objectives.

Sustainable investments primarily contribute to the aforementioned objectives through investments directly as well as indirectly in other funds in companies or issuers whose revenue exceeds a stated minimum level related to contributions to the Sustainable Development Goals, the EU Taxonomy or a combination thereof. In addition to a company's or issuer's revenue, the capital expenditures or operational expenditures (CAPEX/OPEX) can be used to assess contributions to the objectives. Sustainable investments also contribute through investments in sustainable bonds in which the capital is used to finance projects with an environmental or social objective. So-called sustainability-linked bonds can also be considered as contributing to the referenced objectives in the case in which the financial and/or structural characteristics of the fixed income instrument are linked in to pre-defined sustainability objectives.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

To be defined as sustainable investments, the economic activities of the companies must contribute to the attainment of an environmental or social objective, while not impeding a sustainable development through other parts of its value chain (the "do no significant harm" principle). To ensure this, the Management Company applies the following principles:

1. Exclusion criteria, direct or indirectly, through funds for companies with activities linked to controversial sectors as well as specific PAI indicators, such as fossil fuels and controversial weapons.

2. Exclusion criteria, direct or indirect investments through funds, in companies or issuers with verified violations of international norms and conventions.

3. Assessment that the investments are not considered to result in significant adverse impacts on sustainability factors (PAI). This is conducted through the Management Company's internal PAI tool.

4. Assessment of what products and services in which the company is otherwise involved in, as well as if these can be considered as significantly obstructing a sustainable development.

5. Within the scope of the fund selection process for investments in other funds, an analysis and evaluation are conducted relating to how the fund manager ensures that the sustainable investments for each fund do not result in significant harm. The Management Company also conducts a screening of the holdings in the underlying funds, where possible, based on the aforementioned criteria.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the ongoing application of the three principal strategies in our fund management: Inclusion, Exclusion and Engagement.

The fund manager takes the adverse impacts on sustainability factors into account in the investment decisions to avoid investments in funds, companies or issuers with an unacceptable risk for adverse impacts and instead includes funds, companies or issuers that manage their sustainability risks in an acceptable manner.

Through screening and exclusion, the Management Company excludes investments directly and indirectly through funds, in companies or issuers with activities linked to controversial sectors as well as companies with confirmed violations of international norms and conventions, such as UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Through its Asset Stewardship activities in underlying internal funds, the Management Company engages the companies to manage their sustainability risks and any principal adverse impacts on sustainability factors.

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

Through screening and exclusion, the Management Company excludes direct and indirect investments through funds, in companies or issuers with verified violations of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ **Yes**, Within the scope of the fund selection process for investments in other funds, an analysis and evaluation are conducted relating to how the fund manager ensures that the adverse impacts on sustainability factors are taken into account in a satisfactory manner for each fund. The fund manager takes into account the principal adverse impacts on sustainability factors (PAI). This is conducted through one of the PAI tools developed by the Management Company, whereby any adverse impacts are identified and analysed. Companies that are considered as having high risks linked to PAI are primarily managed through exclusion or Asset Stewardship activities and engagement. The fund invests widely across several sectors and the PAI indicators that are relevant and prioritized highest will therefore differ between the fund's investments. The quality and accessibility of the data also currently affects the integration and principal adverse impacts on sustainability in fund management. In addition to the Management Company's PAI tool, an exclusion strategy is also applied to the fund. The purpose of this is to ensure that the company is not involved in activities with a higher risk for adversely impacting sustainability factors. This applies to activities related to the production and distribution of controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography, commercial gambling, fossil fuels, as well as companies that have verified violations of international norms and conventions related to human rights, the environment, employee rights or anticorruption and anti-bribery. Any deviations are managed through exclusion. Controls regarding the fund's exclusion strategy are conducted at the time of investment as well as on an ongoing basis.

Disclosures on the principal adverse impacts on sustainability factors will be reported in the fund's annual report, which is available on the Management Company's website.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What investment strategy does this financial product follow?

Sustainability analysis: Sustainability analysis is an integral part of the portfolio management's investment analysis in which each portfolio company is carefully analyzed based on relevant issues related to how the company conducts its business, as well as what products and services the company offers. Analyses are also conducted of the company's strategy, financial and non-financial results and risks, capital structure, social and environmental impact as well as corporate governance. The analyses are based on information provided by the company, external sources and through in-house analyses. The fund selection process evaluates how a fund manager works with sustainability issues and integrates them into their portfolio construction. Furthermore, an analysis is conducted on the fund's strategies and risks, the social and environmental impact as well as, for example, engagement dialogues. This involves an analysis of the fund's sustainable investments, policy for good corporate governance, as well as the consideration of adverse impacts on sustainability factors. The analysis is based on information from the Management Company, external sources and through in-house analyses.

Asset Stewardship: Active engagement is an essential strategy to influence companies in a more sustainable direction. The Management Company and the fund manager manage this through company dialogues, voting, nomination committees, and work within investor networks. Company dialogues are conducted directly between the fund manager and the company, together with other investors or within the scope of investor networks and other collaborations. The dialogues include a broad spectrum of sustainability issues. The Management Company conducts an active and responsible corporate governance through representation in nomination committees and voting at shareholders' meetings.

Exclusion strategy: The fund applies sustainability criteria in the form of an exclusion strategy. The strategy includes direct and indirect investments through funds in companies or issuers with production and distribution of controversial weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography, commercial gambling, fossil fuels, as well as companies with verified violations of international norms and conventions related to human rights, the environment, employee rights or anti-corruption and anti-bribery.

Product and activity-based exclusion for turnover exceeding thresholds

Area	Production	Distribution	Services
Alcohol	5%	5%	50%
Cannabis (non-pharmaceutical)	5%	5%	50%
Commercial gambling	5%	5%	50%
Pornography	0%	5%	-
Tobacco	0%	5%	50%
Weapons and military equipment	5%	5%	50%
Fossil fuels *)	5%	5%	50%
Power from fossil fuels *)	5%	5%	50%
Tar sands	0%	-	50%

**) Exempted companies that meet the fund company's criteria for so-called transition companies.*

Exclusion based on norms and conventions	
Controversial weapons	Companies with exposure to anti-personnel mines, biological weapons, chemical weapons, cluster weapons and depleted uranium.
Nuclear weapons	Companies with exposure to nuclear weapons.
International norms and conventions	Companies violating international norms and conventions.

The fund has the option of, directly and indirectly through funds, including so-called transition companies involved in power generation, transmission and distribution of electricity and with some exposure to fossil fuels. Transition companies refer to bonds or other interest-bearing instruments issued by companies that have been considered by the Management Company's sustainability committee as those that are in the process of transitioning business operations in a manner that is expected to contribute to, rather than counteract, the attainment of one or several of the Sustainable Development Goals. The company's rate of transition is assessed based on the following dimensions: that the companies' activities do not consist primarily of fossil power generation, that the company's current investment rate supports the transition from fossil fuels to renewable energy, as well as that the company's forecasted business development is in line with a global warming of a maximum of 2°C. Therefore, the limits in the table above do not apply to so-called transition companies.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  Exclusion strategy: The fund applies sustainability criteria in the form of an exclusion strategy. The strategy is a binding element for the Management Company in the management of the fund.

  Minimum proportion of sustainable investments: The stated minimum proportion of sustainable investments, in accordance with the methodology applied by the

Management Company, is a binding element for the Management Company in the management of the fund.

- ***What is the policy to assess good governance practices of the investee companies?***
  By excluding investments both directly and indirectly through funds in companies with verified violations of international norms and conventions linked to, for example, taxes, employee rights, as well as anti-corruption and anti-bribery, the Management Company ensures that the fund's investee companies comply with current practices related to good governance.

  In addition to norm-based exclusion, the Management Company use an analysis tool to evaluate practices for good governance in the investee companies with regard to issues linked to the issuing companies' governance, such as employee relations, remuneration, sound management structures and tax compliance. Inadequacies identified as a result of the analysis can lead to engagement or other stewardship activities from the Management Company. The fund's policy to assess good governance practices is also monitored and evaluated within the scope of the fund evaluation process for investments in other funds.

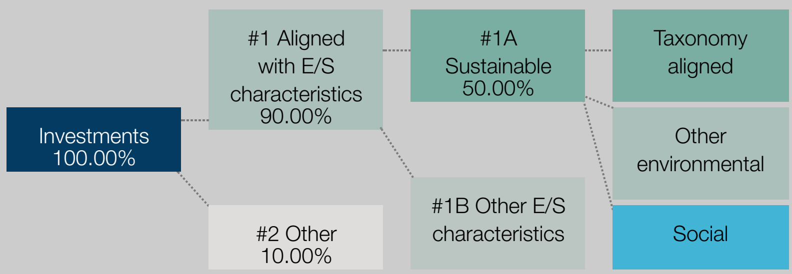
Asset allocation describes the share of investments in specific assets.

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 is the asset allocation planned for this financial product?

The schematic description of the asset allocation reflects the minimum proportion of the fund's investments that meet the environmental or social characteristics promoted by the fund and the planned minimum proportion of sustainable investments in total within the fund. However, the planned asset allocation is expected to exceed the stated minimum shares. The result of the actual allocation will be reported in the fund's annual report.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

and switching to 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.

As a rule, companies currently have not begun to disclose the extent to which their activities are aligned with the EU Taxonomy. There also are no comprehensive technical standards for all environmental objectives. In light of this, the Management Company has chosen at the present time to not state a minimum level with regard to alignment with the taxonomy and therefore reports 0%.

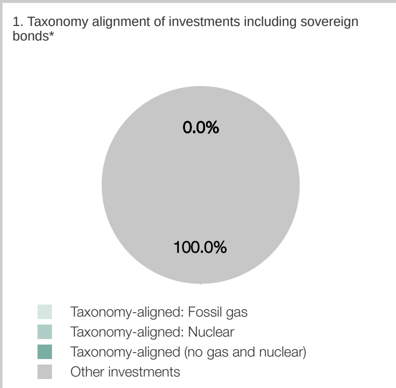
- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***[1]

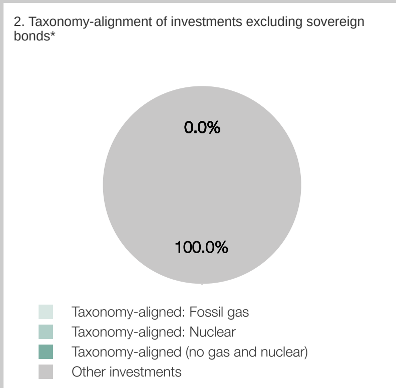
  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

The two graphs below show in green the minimum percentage of investments that are 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.





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

- ***What is the minimum share of investments in transitional and enabling activities?***

  There is no commitment with regard to a specific minimum share of investments in transitional and enabling activities.

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 is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund has the option of investing in economic activities that at present cannot be classified as aligned with the EU Taxonomy. This occurs in part due to the lack of comprehensive technical standards for all of the environmental objectives and due to the inadequate access to reported data from the companies. The fund can make sustainable investments in companies considered to be contributing to both environmental and social objectives. The fund does not make a distinction in importance between various environmental or social objectives and therefore has not stated a minimum proportion of sustainable investments for each objective. However, the fund has a commitment regarding the minimum proportion of sustainable investments, as reported.

[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

What is the minimum share of socially sustainable investments?

The fund may make sustainable investments in companies considered to be contributing to both environmental and social objectives. The fund does not make a distinction in importance between various environmental or social objectives and therefore has not stated a minimum proportion of sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

With the purpose of liquidity and risk management the fund may hold cash. The fund investments in underlying funds have exposure to derivative instruments. Index-based financial instruments such as futures can also be used in the fund's liquidity management. The fund use index-based financial instruments with sustainability requirements built into the underlying index when available in the current market and when otherwise considered to be appropriate. This category may also include securities for which relevant data is unavailable.

Where can I find more product specific information online?

- *More product-specific information can be found on the website:*
  Sustainability-related disclosure - Handelsbanken Fokus 75