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 Infrastruktur och Beredskap **Legal entity identifier:** 636700FSDA8RTZOAFK93

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 30% 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 in 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 companies 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 in companies whose economic activities are considered to be contributing to a social objective under the Sustainable Development Goals in Agenda 2030.

Exclusion criteria for companies with activities linked to controversial weapons, nuclear weapons, 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.

The fund is a rules-based systematically-managed fund 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 in companies considered to be contributing to an environmental or social objective pursuant to 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.

  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.

  Fossil fuels:
  Share of investments in 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 in companies whose economic activities are considered as having a positive impact on the attainment of one or several environmental or social objectives or, 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 in companies considered to be contributing to both environmental and social objectives, but there is no internal ranking between various environmental or social objectives.

Sustainable investments primarily contribute to the aforementioned objectives through investments in companies 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 company turnover, the companies' capital expenditures or operational expenditures (CAPEX/OPEX) can be used to assess a company's contributions to the 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 for companies with activities linked to controversial sectors as well as specific PAI indicators, such as fossil fuels and controversial weapons.

2. Exclusion criteria for companies 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.

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

The indicators for adverse impacts on sustainability factors (PAI) are taken into consideration by excluding certain investments linked to sectors for fossil fuels, PAI 1.4; banned weapons, PAI 1.14; and companies with confirmed violations of international norms and conventions related to human rights, employee rights or anti-corruption and anti-bribery, PAI 1.10.

Beyond these, there are established thresholds for additional indicators, which include PAI 1.7 for biodiversity as well as high-emission sectors that are of particular relevance to PAI 1.1-1.4 and constitute part of the criteria for not causing significant harm.

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

The Management Company excludes companies with verified violations of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through screening and exclusion.

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**, The consideration of principal adverse impacts on sustainability factors (PAI) are included in the process for establishing the fund's investable universe (which is based on the fund's benchmark index). Accordingly, an exclusion strategy is applied in order to ensure that companies are not involved in activities with an increased risk of adversely impacting sustainability factors. This applies to activities concerning the production and distribution of banned weapons, nuclear weapons, weapons and military equipment where the company or issuer is based outside the EU or NATO, tobacco, cannabis, pornography, commercial gambling and fossil fuels, as well as to companies with confirmed violations of international norms and conventions related to human rights, the environment, employee rights or anti-corruption and anti-bribery. The fund's exclusion strategy is monitored on a continuous basis.

Companies that are considered as having high risks associated with PAI are primarily managed through active corporate management and engagement. The fund invests broadly across multiple sectors and therefore the PAI indicators that are relevant and highest prioritized differ between the fund's investments. The quality and access of data also currently impacts the integration of principal adverse impacts on sustainability factors in the fund management.

The disclosure of principal adverse impacts on sustainability factors will be published in the fund's annual report, which is available on the fund company's website.

☐ No

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

What investment strategy does this financial product follow?

The fund is a rules-based systematically managed fund with the objective of offering exposure to European infrastructure and resilience. In the management model, the companies' exposure to the themes of infrastructure and resilience is taken into account, and other factors such as liquidity, risk and market capitalization can affect the selection of companies and the companies' weight in the fund. Rule-based management means that the manager follows a clearly defined systematic model for selecting and weighting the companies in the fund. In the systematic model that the fund follows, sustainability factors and sustainability requirements are integrated, for example through the exclusion strategy applied for the fund.

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

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. The starting point for our efforts is based on our Policy for shareholder engagement and responsible investment, as well as our guidelines for nomination committee work.

Exclusion strategy: The fund applies sustainability criteria in the form of an exclusion strategy. The strategy includes companies with production and distribution of controversial weapons, nuclear weapons, weapons and military equipment where the company or issuer is domiciled outside the EU or NATO, 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
Cannabis (non-pharmaceutical)	5%	5%	50%
Commerical gambling	5%	5%	50%
Pornography	0%	5%	-
Tobacco	0%	5%	50%
Weapons and military equipment in companies seated outside Nato/EU	5%	5%	50%
Depleted uranium in companies seated outside Nato/EU	0%	0%	0%
Fossil fuels	-	-	-
Coal *)	5%	5%	50%
Oil *)	5%	5%	50%
Gas *)	5%	50%	50%
Oil sand	0%	-	50%
Fossil fuels total	-	50%	50%
Power from fossil fuels	-	-	-
Coal power	5%	5%	50%
Fossil power generation	50%	50%	50%

*) Except companies that meet Handelsbanken Fonder's criteria for companies in transition.

Exclusion based on norms and conventions	
Controversial weapons	Companies that are involved in the production or distribution of anti-personnel mines, biological weapons, chemical weapons and cluster weapons.
Nuclear weapons	Companies that are involved in the production or distribution of nuclear weapons.
International norms and conventions	Companies violating international norms and conventions.

- ***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 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 has developed an internal 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 or, alternatively, exclusion in the event the inadequacies are considered to be significant.

Asset allocation describes the share of investments in specific assets.

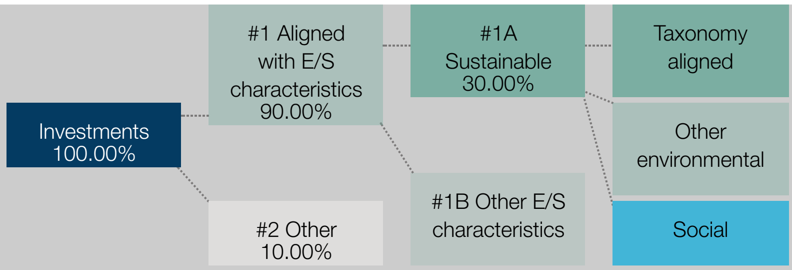
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee

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.

companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#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 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.

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

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]

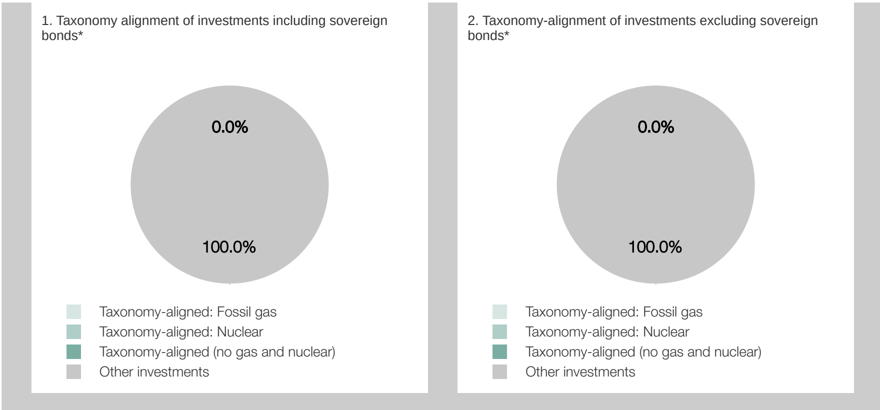
☐ **Yes:**

☐ **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.

[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



* 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.

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?

The fund may hold liquid assets for the management of liquidity and risks. Index-based financial instruments such as futures may also be used in the management of the fund's liquidity. The fund uses index-based financial instruments with sustainability criteria 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 Infrastruktur och Beredskap