

Summary for a fund reported as an Article 8

Pursuant to EU regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). This fund promotes environmental and social characteristics through its investments but does not have sustainable investments as its objective.

Fund: Handelsbanken Pension 40**No sustainable investment objective**

This fund promotes environmental and social characteristics but does not have sustainable investments as its objective. In promoting environmental and social characteristics, the fund takes into account the environment and climate, as well as human rights, employee rights and equal opportunity. In the promotion of environmental and social characteristics, the fund may also invest in sustainable investments, in accordance with the assessment method applied by the Management Company.

Environmental or social characteristics of the financial product

The fund promotes **environmental characteristics** through:

- Investments, primarily by investing 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 sustainable development linked to the environment and climate.

The fund promotes **social characteristics** through:

- Investments, primarily by investing 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 principal adverse impacts on sustainability factors (Principle Adverse Impact, PAI) linked to human rights, employee rights or anti-corruption and anti-bribery.
- The fund is a fund of funds and has a pre-determined allocation to a number of funds managed by the Management Company. All of the included funds meet the requirements for exclusion and practices for good governance as the fund of funds in question.
- The fund is a rules-based mixed fund and the fund's benchmark index has not been selected for the purpose of attaining the environment or social characteristics promoted by the fund.

Investment strategy

The fund invests primarily in other funds managed by Handelsbanken Fonder. Each underlying fund must fulfil the fund's sustainability requirements to be included in the fund.

Dialogue and Asset Stewardship: The fund invests only in funds managed by Handelsbanken Fonder. Active engagement and corporate governance work is conducted within the scope of these underlying funds through dialogue, voting at shareholders' meetings and representation in nomination committees.

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.

Proportion of investments

The fund makes primarily indirect investments in other funds.

The minimum proportion of the fund's investments used to attain the environmental or social characteristics promoted by the fund shall total 90.00%. The minimum proportion of sustainable investments shall total 20.00% of the fund's investments.

Monitoring of environmental or social characteristics

The Management Company's risk control function monitors the environmental/social characteristics promoted by the fund on a daily basis to ensure compliance.

The following sustainability indicators are used to assess the environmental/social characteristics of the fund:

- *Sustainable investments:* Share of the fund's investments that are invested both 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. A screening of the holdings in the fund investments will be conducted for the investments in internal funds,

based on the Management Company's definition of sustainable investments. Follow up is conducted by the Management Company's risk control function.

- *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). Follow up is conducted by the Management Company's sustainability group.
- *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' revenues. Follow up is conducted by the Management Company's sustainability group.
- *UN Global Compact (UNGC) principles and Organization 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. Follow up is daily conducted by the Management Company's risk control function.
- *Fossil fuels*: The Management Company's risk control function conducts a daily follow-up to ensure that the revenue derived from fossil fuels by any of the investee companies does not exceed 5%. The proportion of investments in companies that are active within the fossil fuel sector is reported in the fund's annual report. Follow up is conducted by the Management Company's risk control function.

Methodologies

The Management Company applies regular follow up at the holdings level to ensure that companies with activities in the sectors excluded by the fund and/or companies that violate international norms and conventions are not included in the fund. Investments may only be made in funds that fulfil equivalent sustainability requirements as those of the fund. Given that the fund only invests in other funds management by the Management Company, a control of the exclusion criteria is conducted on a daily basis by the Management Company.

Data sources and processing

Information on the companies' exposure to excluded activities and incidents that lead to violations of international norms and conventions is obtained from external data providers. The external data providers gather information about the companies' exposure to excluded activities from public presentations made by the companies and/or through direct contact with the companies. Information about violations of international norms and conventions are obtained from ISS ESG. The Management Company's risk control function receives the data and carries out the ongoing control of the fund.

The Management Company conducts ongoing discussions with the external data providers to ensure high-quality data. Specific analyses are completed when there is contradictory information. In questionable situations, the company concerned is contacted to have the opportunity to provide their view on the situation.

Limitations to methodologies and data

Information about the companies' exposure to excluded activities is limited to the information made available from companies themselves. Consequently, it is not always possible to ensure the exact exposure to these activities. The limitations are most prominent for companies with a smaller portion of the business involved in the excluded activities, such as a grocery store that also sells tobacco.

Due diligence

The Management Company has established routines for due diligence to ensure that sustainability risks and the sustainability requirements specified for each fund are taken into account in the investment decisions. These routines differ depending on the focus of the asset management.

Our passive allocation funds, which invest primarily in the Management Company's own funds, make investments only in funds that fulfil the sustainability requirements of the passive allocation fund.

The risk control function also conducts daily controls of the funds' underlying assets for all of the Management Company's funds to ensure that these are aligned with the sustainability requirements imposed for each fund. For additional information, refer to "Due diligence routines" at handelsbankenfond.se.

Engagement policies

As a significant investor, the Management Company has a responsibility and an opportunity to engage with companies to act responsibly and conduct their business activities in a sustainable manner, in addition to promoting the development of the sustainability efforts in the asset management industry. The Management Company engages through company dialogues, corporate governance work and investor networks. Our engagement efforts are based on Handelsbanken's core values, our commitments, as well as the international norms and conventions supported by the Management Company.

Designated reference benchmark

The fund has the following index as its reference value: Solactive ISS ESG Screened Paris Aligned Nordic Index NTR 12.5%, Solactive ISS ESG Screened Paris Aligned Global Markets Index NTR 12.5%, HMNI Swe All Government Dur Const 6Y 26.25%, HMNI Swe All Mortgage Dur Const 2.5Y 11.25%, OMRXTBILL 37.5%).

The fund has a composite index and the fund's equity index takes into account the same environmental and social characteristics as those promoted by the fund. This is not the case with the fixed income index, but where the environmental and social characteristics promoted by the fund are taken into account through the fund's investments as described in the fund's Prospectus under the heading "Methods used to integrate sustainability risks, promote environmental or social characteristics or attain a sustainability-related objective".

For the index' methodology see solactive.com/indices.