ANNEX III

Pre-contractual 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: 549300IR251IBEIXZ124

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

[X] **Yes**	[ ] **No**
[X] It will make a minimum of **sustainable investments with an environmental objective:** 90%	[ ] It **promotes Environmental/Social (E/S) characteristics** ___%
[X] 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 sustainable objectives of this financial product are attained.

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.

What is the sustainable investment objective of this financial product?

The fund is a global equity fund with the objective of making investments in companies whose economic activities contribute to the attainment of the Sustainable Development Goals in Agenda 2030 in general and, in particular, Goal 7: Affordable and clean energy for all, and Goal 13: Climate action. The fund's objective will be attained through sustainable investments in companies that develop or use technologies and methodologies to ensure access to sustainable energy for all or to limit global warming by directly or indirectly limiting emissions of carbon dioxide and other greenhouse gases, including companies that contribute positively to energy efficiency through the use of alternative energy sources and environmental technologies.

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

Sustainable investments contribute primarily to the objectives stated above through investments in companies that support the Sustainable Development Goals or activities aligned with the EU Taxonomy by exceeding a minimum level of turnover in the company in line with the Sustainable Development Goals or the EU Taxonomy or a combination thereof. In addition to company turnover, the capital expenditures or operational expenditures (CAPEX/OPEX) can be used to assess a company's contributions to the objectives.

The fund's benchmark has not been selected with the aim of achieving the objective of sustainable investment.

- ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The attainment of the sustainable investment objective is measured based on the share of the fund's investments that are invested in sustainable investments with an environmental objective. Compliance with the taxonomy will be measured for applicable activities covered by the EU Taxonomy and where relevant information is available.

- ***How do sustainable investments 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 confirmed 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 impeding a sustainable development.

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 companies with an unacceptable risk for adverse impacts and instead includes companies that manage their sustainability risks in an acceptable manner.

Through screening and exclusion, the Management Company excludes companies 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 The Management Company engages 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?

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.

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

☒ **Yes**, The portfolio management takes into account the principal adverse impacts on sustainability factors (PAI). This is conducted through the PAI tool developed by the Management Company, which identifies and analyses any adverse impacts. Companies that are considered to have high risks linked to PAI are managed primarily through exclusion or active corporate governance and engagement. The fund invests widely across several sectors, primarily in companies that produce renewable energy, manufacture key components for renewable energy production, allow carbon neutral transport or offer energy efficient solutions, such as low energy lighting or efficient insulation. As a result, the PAI indicators that are relevant and the top priorities will therefore differ between the fund's investments depending on the sectors. The high priorities within the renewable energy sector include indicators linked to climate impact, deforestation and human rights. In addition, all sectors prioritize indicators linked to consumption of non-renewable energy, adverse impacts on biodiversity in sensitive areas, norm violations, equal pay, diversity on boards, whistle blower systems and anti-corruption. The quality and accessibility of the data also currently affects the integration of 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 is to ensure that the companies are not involved in activities with a higher risk for adversely impacting sustainability factors. This applies to activities related to the production and distribution of banned weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis, pornography, commercial gambling, fossil fuels, as well as companies that have confirmed violations of international norms and conventions related to human rights, the environment, employee rights or anti-corruption 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.

☐ No

What investment strategy does this financial product follow?

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

Sustainability analysis: The fund is managed through a thematic process that focuses on climate solutions. The fund's objective is to make investments in companies whose economic activities contribute to the attainment of the Sustainable Development Goals in Agenda 2030 in general and, in particular, Goal 7: Affordable and clean energy for all, and Goal 13: Climate action. All of the companies included in the fund are analyzed and assessed based on their contributions to these environmental objectives. 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 internal analyses.

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, corporate governance work 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 range 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, 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%
Depleted uranium	0%	0%	0%
Fossil fuels - total *)	5%	5%	50%
Coal	1%	1%	50%
Tar sands	0%	-	50%
Power from fossil fuels *)	5%	5%	50%
Electricity generation with GHG intenstity above 100g CO2e/kwh	50%	-	-

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

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.

The fund company obtains analyses from sustainability data providers to support the assessment of whether a company is subject to exclusion criteria. However, the fund company makes an independent assessment. Such an assessment can be complex and time-consuming in some cases and may result in fund holdings over a transition period that include companies which will need to be excluded following the analysis. This can, for example, be the case in conjunction with corporate events (e.g., IPOs, mergers and spin-offs), in situations where sustainability data has been updated, where the analysis from the sustainability data providers contracted by the fund company is inadequate, or where the fund company does not agree with the provider's assessment. There may also be situations in which there is a lack of data/analysis at the time of the investment that is only acknowledged after the fact.

The fund has the option of 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 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 of the activities is in line with a global warming of a maximum of 2˚C. The limits in the table referenced in the previous paragraph do not apply to so-called transition companies.

- *What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?*

  Sustainable investments: In accordance with the methodology applied by the Management Company to determine what constitutes a sustainable investment, the fund makes investments in companies whose economic activities contribute to the attainment of the Sustainable Development Goals in Agenda 2030 in general and, in particular, Goal 7: Affordable and clean energy for all, and Goal 13: Climate action. This is a binding element for the Management Company in the management of the fund.

  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.

- *What is the policy to assess good governance practices of the investee companies?*

  By excluding companies with confirmed violations of international norms and conventions linked to, for example, taxes, workers' 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 corporate governance.

  In addition to norm-based exclusion, the Management Company has developed an internal analysis tool to evaluate practices for good corporate governance in the investee companies with regard to issues linked to the companies' governance, such as relationships with employees, remuneration, management and management structures, as well as compliance with tax regulations. Any inadequacies identified as a result of the analysis can lead to dialogues and active corporate governance 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.

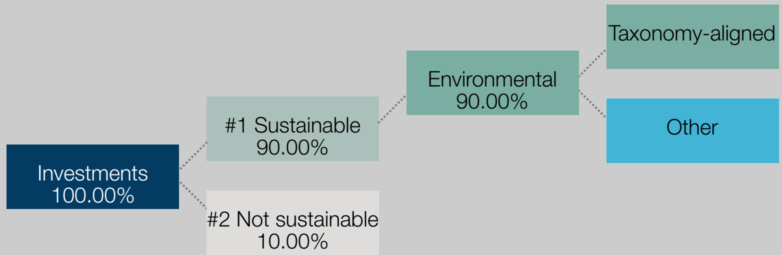
What is the asset allocation and the minimum share of sustainable investments?

The stated asset allocation is based on the fund's investment strategy and its objective to make investments in companies whose activities contribute to the Sustainable Development Goals in Agenda 2030 in general and, in particular, in particular, Goal 7: Affordable and clean energy for all, and Goal 13: Climate action. The fund's sustainable investments will only be made in investments with

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.

environmental objectives and the minimum share of such investments is intentionally set at a conservative level in light of the rules applicable to the fund's management. The result of the actual allocation in the fund will be reported in the fund's annual report.



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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-larbon 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]**

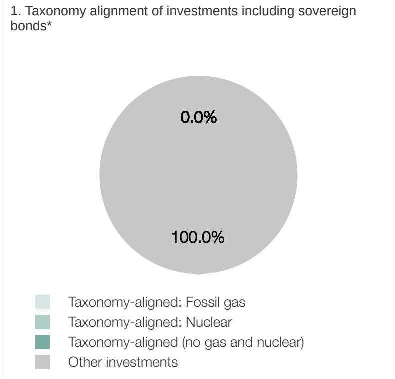
☐ **Yes:**

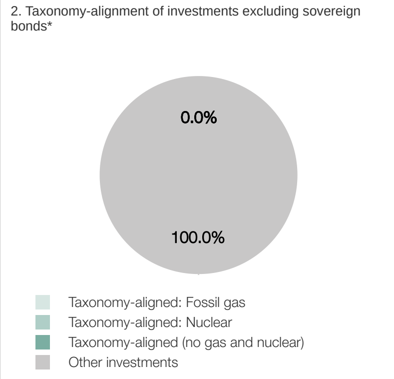
☐ **In fossil gas** ☐ **In nuclear energy**

☒ **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 environmentally sustainable investments 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 investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The fund may hold cash for the management of liquidity and risk. The fund may also invest in index-based financial instruments as well as use such instruments to manage the fund's liquidity and risk. This category may also include instruments for which there is a lack of relevant data. These assets are not covered by minimum environmental or social safeguards.

Where can I find more product specific information online?

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