

# Sustainability at Handelsbanken

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# Introduction

## New sustainability regulations

New sustainability legislation has been gradually implemented in a number of different areas, mainly, but not solely, related to the EU's aim of making Europe the first climate-neutral continent. Handelsbanken offers its customers financial products, services and advisory services that enable them to make sustainable choices, comply with applicable regulations and prepare for future legislation. Handelsbanken's 2024 Sustainability Report is presented on pages 259–370 and has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), with the exception that the Sustainability Report is presented outside the administration report. Parts of this Report also constitute the Bank's statutory sustainability report.

Handelsbanken has integrated sustainability as a natural part of its operations for a long time, focusing on long-term responsibility and close customer relationships. The five Group-wide sustainability targets, which were developed based on the UN global initiative Principles for Responsible Banking (PRB), have played an important role in driving the progress of the Bank's sustainability work. We are proud of how these targets have helped us strengthen our efforts, develop business products and services, build processes and working methods,

and position ourselves as a responsible actor. Given the new laws and regulations in the field of sustainability, the Bank now sees a need to align its objectives even more with its core values and unique working methods.

The Bank aims to achieve higher profitability than the average of peer competitors in our home markets. We use two means to achieve this: lower costs and more satisfied customers than our competitors. By further integrating sustainability into these pillars, the Bank can contribute to long-term stable and responsible development that benefits customers, society and the environment.

The Bank's ambition is to ensure that its operations can fully support our customers in their transition in line with current science and the climate targets of our home markets and the EU. Our aim is to provide capital and liquidity to meet customers' funding needs and to offer products, services and advisory services that enable a sustainable transition. Handelsbanken will thus enhance its ability to integrate sustainability into all customer meetings, regardless of where and how our customers choose to meet us.

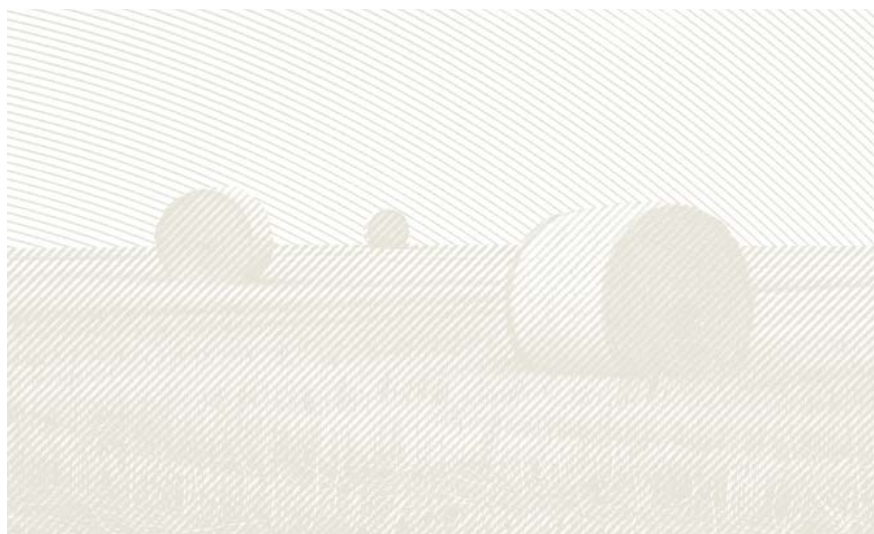
The Science Based Targets initiative (SBTi) is an independent initiative that helps companies set science-based climate targets in line with the Paris Agreement. According to the SBTi's general methodology, the current assessment is that our customers' properties in which the Bank holds collateral should achieve a standardised indicated emission

reduction of 56 per cent for residential properties and 53 per cent for commercial properties by 2030 (base year 2021), based on the market and property distribution of the portfolio. The Bank continuously monitors the development of its collateral portfolio to ensure an efficient funding structure for the Bank and to evaluate its pace towards a climate-neutral portfolio. Handelsbanken has a high ambition to make funding available to creditworthy property owners and thereby support their transition. With appropriate products, services and advisory services, and by ensuring sufficient capital and liquidity, the Bank ensures its ability to promote the necessary energy efficiencies and emission reductions. Moving forward, the Bank is focusing on improving both its analysis and its offering to continuously provide even more help to customers in their transition.

However, the real estate sector faces significant challenges to achieve the desired transition. Handelsbanken is well-positioned to be a leader in supporting development in the sector.

The Bank's previous sustainability targets will no longer be separate priorities, and instead are integrated into the Bank's core business. As previously, the focus of these efforts is on supporting customers in their transition journey through three key areas: lending, asset management and payment services. This means that our sustainability offering, which includes responsible lending and gender-equal advisory services, is fully integrated into the Bank's operations – in customer meetings, in our product development, in various local initiatives and in our knowledge exchanges. By providing advisory services and information, we improve the financial literacy of our customers and in doing so empower them to make well-informed financial decisions. The integration of sustainability thus increases the Bank's ability to better meet the individual needs of our customers. Handelsbanken strengthens its sustainability efforts by remaining close to the market and customers while maintaining its unique characteristics – long-term relationships, strong cost awareness and low risk-taking. Handelsbanken sees this as a natural step forward in further strengthening its role as a long-term and stable partner in a changing world.

In addition to adhering to the regulations that apply to the financial sector, Handelsbanken wants to raise its own ambitions in the area of sustainability, not least in terms of the direct climate impact of its own operations.



## Sustainable working methods

A cornerstone of Handelsbanken's business model is the processing of credit applications through a customer-oriented, highly decentralised approach. The local branch decides whether or not the credit is to be granted following a careful assessment and analysis, which includes the important factors of local connection and in-depth market knowledge. The Bank is financed by funding and equity. In addition, the Bank offers customers the opportunity to purchase and acquire various kinds of securities and savings products. Finally, the Bank processes payments, mainly in Sweden. Handelsbanken's value chain is described in more detail on page 267.

A variety of risks arise in the banking operations. A bank that fails to manage these risks adequately will quickly become a problem for its customers and owners. In the past, this has often had such far-reaching consequences that costs for restoring a functioning banking system had to be shouldered by society, central banks and, ultimately, taxpayers. Handelsbanken has never needed financial support from either central banks or taxpayers. We want to be a long-term, stable and accessible player – never part of the problem, always part of the solution. Handelsbanken's robust resilience to crises has been achieved over a long period of time, based on low risk tolerance and stable finances, combined with high know-how and expertise in credit management, and a strong corporate culture.

## Extensive experience in lending

Handelsbanken has over 150 years of experience in managing changes in the nature of credit risk, such as changes in technology. This takes place at the local level, but within the framework of a Bank-wide credit policy.

When granting credit, the Bank assumes that the relevant licensing authorities have made decisions in accordance with the applicable regulatory framework and that they issue permits and licences to meet publicly stated sustainability objectives. Besides assessing credit risk, the Bank ensures that the necessary permits are in place and considers their validity. The Bank's role is not to scrutinise legislation or government decisions since this would risk conflicting with democratically enacted laws and regulations. The Bank currently integrates climate risks into its credit assessments and overall risk management in accordance with the requirements of the Swedish Financial Supervisory Authority, read more in note G2 on pages 119–121.



In addition, Handelsbanken lends to public sector actors such as municipalities, counties and regions, sovereigns and central banks, and thereby also helps build strong and stable societies.

In accordance with the Taxonomy Regulation (EU 2020/852), Handelsbanken also reports how its activities and financing contribute to the Taxonomy's six environmental objectives, such as climate change mitigation and climate change adaptation. The Bank's Taxonomy reporting can be found on pages 293–295 and 326–370.

## A comprehensive savings offering

Handelsbanken offers its customers the opportunity to invest in a wide range of bonds, shares and funds. The Bank's own products, mainly funds, have been developed based on what the Bank regards as the most sought-after investment opportunities, which means that the range is primarily governed by customer needs and wishes. The same principles as for lending – complying with applicable laws and regulations – also apply to deposits and other investment services. As always at Handelsbanken, the range of products and services is curated based on customer needs. All securities offered are traded on regulated marketplaces, such as Nasdaq. The Bank is in regular contact with various exchanges to ensure that the listing agreements are produced so that customers can be confident that their investments correspond

to an actual asset, and that relevant information on issuers is available so that informed investment decisions can be made.

## Fast and secure payments

Nowadays, payments are mostly made electronically, which is both fast and resource-efficient. One of the Bank's key priorities is to ensure that the payments systems are protected from being used for criminal activities. This includes working proactively to prevent payment flows from being used for money laundering, terrorist financing or other illegal activities.

## Looking ahead

Handelsbanken is well equipped to support its customers in their efforts to adapt themselves and their businesses to both current and future legislation. Following the requirements of the ESRS, the Bank has performed a double materiality assessment (DMA) which can be read on pages 273–277. In summary, Handelsbanken considers its social responsibility to ensure good availability of credit, offering customers relevant investment opportunities and preventing criminals from accessing payment services. Yet it is also natural for the Bank to support its customers in their transition process through close dialogue and advice on matters relating to the EU's net-zero emissions target. It is a

natural extension of the Bank's business model, which focuses on a long-term approach and customer benefit.

## Our community engagement

Our many years of engaging with the community, in the form of supporting independent knowledge sharing, research into finances and supporting the local initiatives and activities of clubs and associations, is part of our different approach to running a bank, based on long-term personal customer relationships and a strong local connection. We want to contribute to the strength and stability of the communities in which we operate. This is where we can find the most favourable conditions.

## Knowledge at the centre of Handelsbanken's community engagement

Handelsbanken's operations are based on an in-depth and broad knowledge of finances. The Bank sees that customers who have good financial knowledge often make more informed and better decisions, and thus pose a lower credit risk. It is therefore entirely natural that Handelsbanken wants to enhance knowledge about finances through education and research.

It is also important for the Bank that this knowledge, together with other insights and analysis of finances and society, is widely and impartially shared, without any influence from the Bank or motivated by other interests. Handelsbanken supports research and the dissemination of knowledge in both its foundation form and in its daily work. More than 1,200 post-doc researchers receive financing in various ways under these initiatives.

An independent media house has also been established to share new knowledge, insights and analysis through books, magazines, TV and podcasts. Collaborations take place with relevant knowledge centres to create more platforms for generating and disseminating knowledge. Scientific education is an area in which the Bank is dedicating extra resources over the next few years, and several ongoing projects will result in various forms of teaching materials. Research grants from the Handelsbanken-supported foundations in 2024 amounted to SEK 265 million, focusing mainly on research into business economic and economic science.

Handelsbanken has a major opportunity to make a difference in society within the areas of research and the dissemination of new knowledge. For this reason, Handelsbanken intends

to focus its community engagement on research, with the aim of sharing new insights that be given to and benefit many people. This is how the Bank creates the highest value for its customers while providing significant public benefit. At the same time, Handelsbanken is a highly decentralised organisation, with deep connections in its local markets. The branches know local needs the best, and therefore they know how to best support developments in their areas and choose how best to channel their community engagement locally.

## Handelsbanken as a taxpayer

Handelsbanken is a responsible taxpayer that contributes to the communities in the countries where the Bank operates. This takes place by withholding, paying and accounting for the Bank's own tax, on behalf of its co-workers and on behalf of its customers, in accordance with national and international laws and regulations. It is then the task of elected decision-makers to distribute this income to the public for the common good.

## One of Sweden's largest taxpayers

Handelsbanken's profit before taxes and regulatory fees amounted to SEK 38.2 billion in 2024.

This generated the following value:

- SEK 7.9 billion in total tax, making Handelsbanken one of the largest payers of corporate tax in Sweden
- SEK 2.9 billion in resolution fees and other regulatory fees
- SEK 29.7 billion in proposed dividends to shareholders.

## Transparent and responsible taxpayer

Handelsbanken complies with the OECD Transfer Pricing Guidelines, meaning that the Group's earnings are taxed where value is created. As part of this, the Bank produces a country-by-country report that includes information on earnings and tax paid by country. This report is submitted to the tax authority in Sweden, which then shares the report with the tax authorities in the other countries where the Bank operates. As a financial institution under the supervision of the Swedish Financial Supervisory Authority, Handelsbanken is required to publish geographical information by country in accordance with FFFS 2008:25. This public report provides essentially the

same information as the country-by-country report that is shared with tax authorities as described above.<sup>1)</sup>

In all countries in which Handelsbanken is established, the Bank conducts real operations with profits from local business operations for which the Bank is taxed locally in accordance with the normal local tax regulations. This also applies to the Bank's operations in Luxembourg, which consequently are not subject to local Luxembourg tax regimes that allow for lower tax rates.

## Handelsbanken's tax management framework

Handelsbanken's tax management framework consists of Handelsbanken's policy for sustainability, Handelsbanken's policy for ethical standards and Handelsbanken's CEO guideline on managing taxes. These serve as an important starting point for the Bank's work on tax-related matters and are published on the Bank's external website.

Under the framework, Handelsbanken disassociates itself from tax evasion and the Bank must manage tax in accordance with local and international tax laws and regulations and their intent. A fundamental principle is that the transactions carried out by the Bank as part of its own operations as well as the transactions carried out or participated in by the Bank in relation to its customers must always have a commercial purpose. The Bank is not to carry out or participate in artificial transactions, as part of its own operations or in relation to its customers, that have a primary objective of obtaining tax advantages in conflict with the intent of the tax regulations. If there is doubt, the Bank must refrain from participating.

Taxes withheld for customers and employees 2024, SEK 11,492 m

	%
Taxes withheld for customers	63
Taxes withheld for employees	37

Corporate tax and charges 2024, SEK 14,829 m

	%
Corporate tax	53
Social security costs	18
Fees for resolution fund, deposit insurance and risk tax	20
Non-deductible input VAT	10

1) Annual Report, Note G47.

# Sustainability Report

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# General information

Handelsbanken's Sustainability Report 2024 is based on the European Sustainability Reporting Standards (ESRS) and aims to provide an insight into the Bank's environmental, social and governance impacts, and how these aspects may affect the Bank's development.

This section presents the basis on which sustainability work is structured and the governance processes and strategies that support the Bank's role in the financial market. Sustain-

ability at the Bank is integrated into all parts of the operations, including lending, asset management and advisory services, and is governed by Handelsbanken's overarching princi-

ples and strategy of a long-term approach, trust in the individual, local connection and low risk tolerance.

## ESRS 2 General disclosures

### Basis for preparation

#### BP-1: General basis for preparation of sustainability reports

Handelsbanken's 2024 Sustainability Report is presented on pages 259–370 and has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), with the exception that the Sustainability Report is presented outside the administration report and it is the Executive Team of the Bank that is responsible for preparing the Report. Parts of this Report also constitute the Bank's statutory sustainability report, which also includes the Taxonomy reporting, and is defined in the table on page 11. The Sustainability Report aims to strengthen the Bank's sustainability work, enhance reporting and ensure greater transparency for external stakeholders.

The Sustainability Report was prepared at Group level in line with the financial statements. The subsidiaries included in the Group and that reference the Group's Sustainability Report are: Handelsbanken Finans AB, Stadshypotek AB, Handelsbanken Fonder AB, Ecster AB and Handelsbanken Liv Försäkring AB. The Report covers both Handelsbanken's own operations and upstream and downstream activities in the value chain. More information about the value chain is provided in

SBM-1 Strategy, business model and value chain on page 266.

No information on intellectual property rights, know-how or innovation results has been omitted. This also includes information on any future developments or ongoing negotiations.

#### BP-2: Disclosures in relation to specific circumstances

One of the changes from previous years is that the Sustainability Report was prepared in accordance with the ESRS, with the exception that the Sustainability Report is presented outside the administration report. This entailed new processes for the preparation of the Sustainability Report and also the development of the Bank's material sustainability matters and targets. See more information on page 278.

The Group-wide sustainability targets, based on the UN Principles for Responsible Banking (PRB) have been important to sustainability at the Bank. Given the new regulations, the Bank now sees a more urgent need to align its objectives with its core values and working methods. This does not mean changing the Bank's fundamental way of working, but rather further integrating sustainability into the Bank's business strategy. Previous Group-wide sustainability targets are no longer addressed separately and are now incorporated with the Bank's overall corporate goal: to have better profitability than the average of peer competi-

tors in its home markets, achieved though lower costs and more satisfied customers. Read more about the previous sustainability targets on page 278.

The time perspectives used is in line with ESRS definitions, short term is one year, medium term is between one and five years, and long term is more than five years. Any value chain estimates and/or uncertainties used in metrics are indicated in the information presented. This also applies to any changes in comparative information. The following information is incorporated by reference to other parts of the administration report:

- Contribute to society (ESRS 2 MDR-M)
- Financial stability (ESRS 2 MDR-M).

For 2024, the Bank's reporting under the Task Force on Climate-related Financial Disclosures (TCFD) is part of the Sustainability Report, meaning that some information in section E1 Climate Change is derived from the TCFD. Some of the information in the E4 Biodiversity section is from the Bank's *Nature and Biodiversity Progress report* published for the first time in 2024, partly guided by the Taskforce on Nature-related Financial Disclosures (TNFD). Handelsbanken has previously reported on sustainability in accordance with the GRI and some ESRS metrics correspond to previously used GRI indicators. Taxonomy reporting is part of the statutory Sustainability Report. Information related to other EU legislation is presented in the table Relationship to other EU legislation on pages 280–283.



## Governance

### GOV-1: The role of the administrative, management and supervisory bodies

The Board is Handelsbanken's highest administrative body and is responsible for establishing the overall goals and strategy of the Bank. The Board was composed of nine elected members in 2024. In addition, there are two workers' representatives and two deputy members representing the employees, in accordance with Swedish law. All Board members are non-executive. Several members have worked on

the Bank's Board for a long time and are very familiar with the Bank's operations. The corporate governance structure of Handelsbanken, including the Board's roles and experience, is described in more detail in the Corporate Governance Report on pages 40–57. During the 2024 financial year, the percentage of women on the Board of the Bank was 44 per cent of the elected members, and the percentage of the elected members with a different geographical origin than Sweden was 11 per cent. The proportion of elected members who were independent of the Bank, its management and major shareholders was 78 per cent. The Board members have broad and extensive experience from the business community. Several are, or have been, chief executive officers or CFOs of major companies, and most of them are also board members of major companies.

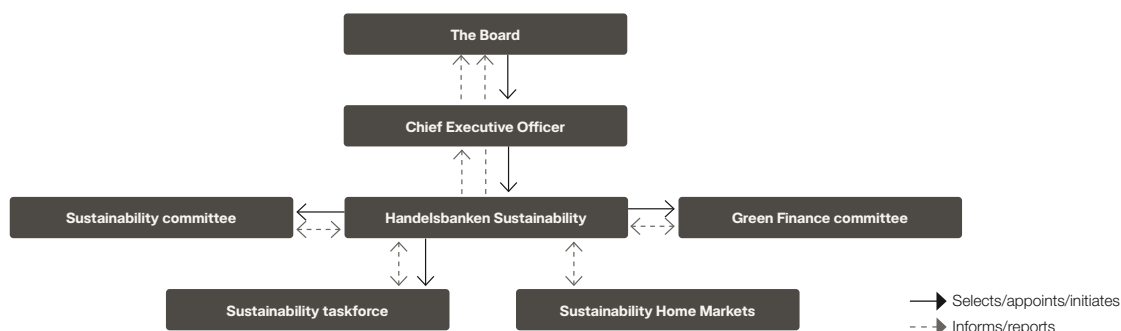
The Board has access to relevant sustainability expertise through the specialists employed in the organisation, including a dedicated sustainability and climate unit. This enables the Board to understand the strategic and operational challenges of the business operations and to make informed decisions on sustainability matters. The skills and expertise available to address sustainability matters are directly related to the Bank's operations and material sustainability risks and opportunities. The Bank's Chief Sustainability and Climate Officer (CSO) is a member of the Executive Team and reports every quarter to the Board and the CEO on the progress and development of sustainability, including issues of particular concern to the Bank.

The Board issues overarching policies that govern the entire Group's operations, serving

#### Selection of steering documents

Steering documents	Established by	Public	Climate change	Bio-diversity	Own workforce	Workers in the value chain	Consumers and end-users	Contribute to society	Business conduct	Counteract financial crime	Financial stability
Credit policy for the Handelsbanken Group	The Board	No	•			•					•
Policy for remuneration at the Handelsbanken Group	The Board	No			•						
Policy for ethical standards at the Handelsbanken Group	The Board	Yes			•			•	•	•	
Policy for the Handelsbanken Group on actions against financial crime	The Board	Yes								•	
Policy for management of conflicts of interest at the Handelsbanken Group	The Board	Yes							•		
Policy for sustainability at the Handelsbanken Group	The Board	Yes	•	•	•	•			•	•	
Policy for complaints management at the Handelsbanken Group	The Board	No					•				
Policy for operational risk at the Handelsbanken Group	The Board	No					•				•
Policy against corruption	The Board	Yes							•	•	
Handelsbanken's guidelines – Environment and climate change	CEO	Yes	•	•							
Human rights and working conditions – Handelsbanken's guidelines	CEO	Yes			•	•	•				
Guidelines for work environment at the Handelsbanken Group	CEO	Yes			•						
Guidelines for Handelsbanken's offering in forestry and farming	CEO	Yes		•							
Guidelines for supplier arrangements at the Handelsbanken Group	CEO	No				•					
Guidelines for security and data protection at the Handelsbanken Group	CEO	No					•				
Guidelines for actions against financial crime at the Handelsbanken Group	CEO	No								•	
Policy on governance and steering documents	The Board	No						•			•
Financial policy for the Handelsbanken Group	The Board	No									•
Capital policy for the Handelsbanken Group	The Board	No									•

## Sustainability governance at Handelsbanken



as a framework for the work processes of both management and employees. These policies are reviewed annually, but may be updated more frequently to ensure that the Bank can react quickly to changing conditions or new risks.

For example, **Handelsbanken's credit policy** describes the Bank's risk tolerance and strategies for managing credit risks. This policy ensures that the Bank's low risk tolerance for credit losses is maintained over time. The policy clarifies that sustainability risks and related environmental, climate, social and governance factors are to be an integral part of the credit risk assessment. The credit policy states that Handelsbanken's lending must be responsible and meet high ethical standards, and that the Bank puts customers first, not the Bank's products and services. The Bank's job is to satisfy customer needs, not to sell specific services.

Risk management is further strengthened by the **policy for risk control**, which sets out the basic principles for the independent monitor-

ing and control of the Group's risk management. This policy emphasises that all material risks to which the Bank is exposed, or can be expected to be exposed to, must be identified and managed systematically and transparently. This is reflected in the way business units are responsible for monitoring their respective risks and how this is followed up through the Bank's internal control functions.

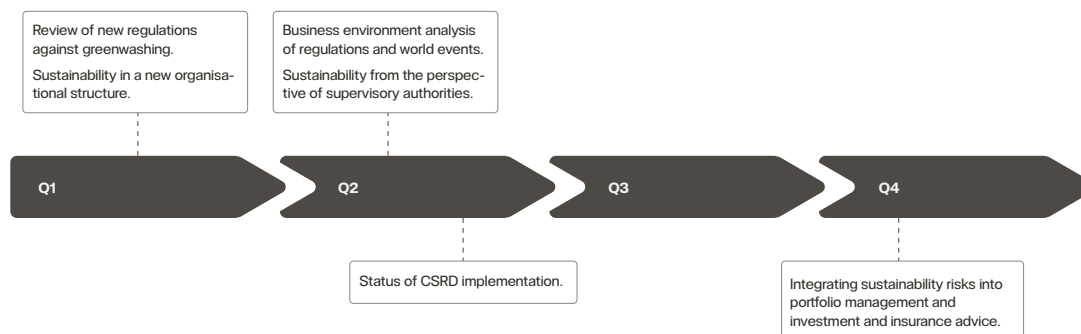
The **policy for ethical standards** states that all Handelsbanken employees must act in a way that upholds confidence in the Bank. All operations within the Group are to observe high ethical standards. Discrimination, victimisation, sexual harassment or other forms of harassment based on gender, transgender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, age or on any other grounds must not occur within the Bank, either internally towards and between employees or towards customers, suppliers and other external parties. The policy also describes how employees and other stake-

holders should act in case of suspected fraud or other irregularities. Handelsbanken has an established whistleblower system that can be used to report something anonymously. Identity and personal data must be protected at all times, and there must be no form of unfair treatment of the whistleblower.

**Handelsbanken's policy against corruption** emphasises the importance of preventing and never accepting corruption in any form. The policy covers all types of corrupt behaviour, including bribery, breach of trust and improper use of one's position to gain advantages for oneself or others. All employees of the Group, as well as others representing the Bank, are expected in all their activities to act in a manner that maintains confidence in Handelsbanken and must avoid participating in actions that may involve improper influence or corruption.

The Bank follows the recommendations of the Swedish Anti-Corruption Institute's Code on Business Conduct, and rules regarding

## The Sustainability committee's work in 2024



bribery and other improper influence are applied in all contexts, including gifts, corporate hospitality and events.

The joint approval process for new and amended products is governed by the Bank's **policy for products and services** and adheres to an established checklist specifying the product's characteristics, risks and other relevant information. This process is designed to ensure that the Bank's sustainability matters are taken into account in product development.

**The policy for sustainability** sets the direction for the Bank's work and clearly sets out the Bank's view of sustainability. The policy encompasses all activities in relation to co-workers, customers, suppliers and other business partners. It states that sustainability matters should be integrated throughout the Bank's operations and that the Bank should strive to minimise negative impacts on the environment and society. This policy reflects the Bank's commitment to operate in a way that supports a transition to an economy with net-zero GHG emissions. The policy also states that Handelsbanken is to protect human rights and workers' rights and not contribute to violations of these. Gender equality, diversity and inclusive culture are to be part of Handelsbanken's core values. Handelsbanken does not accept corruption, money laundering or terrorist financing and conflicts of interest are to be managed.

The aim of the **policy on governance and steering documents** is to define the overall organisation and to describe the goals, steering documents and division of responsibilities that form the basis of the governance of the Group. The policy highlights Handelsbanken's targets, concept and corporate culture, which include the central pillars of trust in the individual, a strong local commitment and a decentralised way of working. The Bank endeavours to create value through personal meetings and long-term customer relationships. This is supplemented with a working method and remuneration system that support responsible and risk-conscious operations.

By running the banking operations in a responsible and sustainable manner and with stable finances, Handelsbanken earns the confidence of customers, shareholders and other stakeholders. Satisfied customers are required to ensure sustainable profitability and the ability to develop the Bank's business and customer offerings, regardless of changes in the world. The policy thus serves as a framework for good governance and a platform for creating value and contributing to the society in which the Bank operates.

The Bank's CEO also issues guidelines and instructions that complement the Board's policies. These steering documents cover many areas, from actions against financial crime to

guidelines on human rights, the environment and climate change.

In summary, these policies and guidelines show how the Board's and management's responsibilities for managing impacts, risks and opportunities are integrated into Handelsbanken's governance structure. A comprehensive framework of policies, guidelines and instructions ensures that all parts of the organisation have clear and effective processes to monitor, manage and report risks and opportunities. A summary of the Bank's steering documents can be found on Handelsbanken.com. Certain policies and guidelines are also available in their entirety on the website.

Handelsbanken's sustainability work is decentralised and carried out wherever the Bank's business and operational decisions are made. Handelsbanken's Chief Sustainability and Climate Officer (CSO) leads sustainability work and reports directly to the CEO. The CSO is responsible for ensuring that sustainability work is conducted in accordance with internal and external rules and that identified sustainability risks are managed. The function also reports on sustainability matters to the Board's Audit Committee and coordinates the Bank's sustainability work through the Sustainability committee.

The CSO is Chair of the Bank's Sustainability committee, which was established in 2010. The committee's role is to analyse and, when necessary, coordinate the Group's sustainability efforts. The scope of the Sustainability committee's work includes proactively identifying and addressing potential issues and business opportunities. The committee comprises decision-makers from both business and central departments, many of whom are also members of the Bank's Executive Team. The Sustainability committee convenes at least three times per year, or more often if necessary.

In 2024, in conjunction with the implementation of CSRD, a steering group was established to complement the Sustainability committee. The steering group comprises the Bank's CSO, CFO and the Bank's former Chief Strategy Officer who is now Head of Financial Crime Prevention. The steering group assumes the overall responsibility for making decisions on establishing boundaries, priorities and the focus of implementing the CSRD. The CSO has reported to the Board's Audit Committee on several occasions, on identified material sustainability matters and on the sustainability targets developed in line with the reporting requirements.

The management of sustainability matters and risks is integrated into the Bank's risk management, which follows a three-line-of-defence structure. This is described in more detail in the Corporate Governance Report on pages 48–49 and covers responsibility of the business operations (first line), risk control

(second line), and independent review (third line). For more information on the management of sustainability risks, see note G2 on pages 119–121, and the Bank's report *Risk and Capital Information according to Pillar 3*.

The CSO reports regularly to the Board or relevant committees on the progress of the Bank's sustainability work, the achievement of the sustainability targets established in line with the ESRS and the strategic issues raised by them. The Audit Committee has a key role in overseeing the implementation of the CSRD and adjusting and developing sustainability targets on behalf of the Board. These targets and progress are regularly monitored to ensure that they are in line with the Bank's overall business goals and risk management.

## GOV-2: Information provided to and sustainability matters addressed by Handelsbanken's administrative, management and supervisory bodies

Reporting on the Bank's overall sustainability work, including key issues related to regulatory frameworks, policies and actions, is provided on a quarterly basis to the Board, or the committee designated by the Board, and to the CEO by the CSO. Any significant deviations are also reported, which includes progress in the sustainability work. No significant deviations were reported in 2024.

Handelsbanken's Board of Directors considers impacts, risks and opportunities in a number of key sustainability areas primarily through the steering documents issued by the Board, including on overall strategy, transactions and risk management. These steering documents set out the fundamental principles of the Bank's operations and provide a framework for its sustainability work, including how the Bank manages sustainability-related risks and opportunities. These steering documents are complemented by detailed internal rules that provide instructions and guidance on how sustainability work is to be conducted in practice.

The following items have been addressed by Handelsbanken's Board or relevant committees in 2024:

- **Governance:** The Bank's policies, guidelines and organisation have been assessed, and the Board was informed of the Bank's climate transition plan.
- **CSRD and double materiality assessment:** Handelsbanken has conducted a double materiality assessment to identify which sustainability matters are of greatest importance to the Bank.
- **Sustainability targets in accordance with CSRD:** Definition of targets and internal preparation, including timetable, in relation to new requirements under the CSRD.

- **Sustainability targets in accordance with PRB:** Reporting and fulfilment of the sustainability targets adopted by the Bank's CEO in 2021 in connection with Handelsbanken joining the Principles for Responsible Banking (PRB).
- **Gender-equal finances:** Updated goals for gender-equal advisory services, particularly in financial literacy and perceived expertise.
- **External initiatives and commitments:** Significant external initiatives and commitments affecting the Bank's sustainability work.
- **Fossil fuel commitments:** The Bank's commitments related to reducing exposure to fossil fuels.
- **Greenwashing:** Risks related to the Bank describing its activities and products as more sustainable than they actually are.

### GOV-3: Integration of sustainability-related performance in incentive schemes

Handelsbanken's remuneration system is designed to promote sound and sustainable operations and is linked to the Bank's business goals and culture. It includes fixed remuneration, pension, and some salary benefits. Variable remuneration is generally applied with great caution in Handelsbanken and is not applied to members of its administrative, management and supervisory bodies. There is therefore no significant proportion of variable remuneration directly linked to sustainability targets. The Oktogonen profit-sharing scheme applies to the Bank's Executive Team on the same terms as all other employees and aims to reward long-term, stable and sustainable operations.

The Bank's remuneration policy emphasises the importance of sustainability by aligning remuneration to the Bank's business strategy and the policy is designed to ensure that sustainability aspects are an integral part of the company's business model. There are no specific sustainability targets linked to variable remuneration, as the focus is on promoting long-term interests and a sustainable business model by applying fixed remuneration as a general rule. As remuneration is fixed, and variable remuneration is applied very cautiously, sustainability-related performance is mainly assessed through the Bank's general principles for sound and sustainable operations rather than specific performance metrics or benchmarks.

The decision-making process for the remuneration system takes place through the Bank's Remuneration committee, which is responsible for preparing proposals for guide-

lines for remuneration to executive officers.

The Board of Directors decides on any changes to the guidelines and draws up new guidelines at least every four years if there is a need for significant changes. The committee also evaluates compliance with the guidelines and reviews remuneration structures and levels. If necessary, the Board of Directors may deviate from the guidelines in order to safeguard the long-term interests of Handelsbanken.

Read more about Handelsbanken's approach to variable remuneration and the Bank's remuneration policy in the Corporate Governance Report on page 49 and in Handelsbanken's Remuneration Report on Handelsbanken.com.

### GOV-4: Statement on due diligence

The Due diligence table presents an overview of how the elements of due diligence for people and the environment are handled in Handelsbanken and where in the Sustainability Report these disclosures can be found.

Due diligence		
Core elements of due diligence	Disclosure Requirements	Page
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	264
	ESRS 2 GOV-3	265
	ESRS 2 SBM-3	268
b) Engaging with affected stakeholders	ESRS 2 SBM-2	268
	ESRS 2 IRO-1	273
	ESRS 2 MDR-P	301, 309, 313
c) Identifying and assessing adverse impacts for the environment and people	ESRS 2 IRO-1	273
	ESRS 2 SBM-3	268
d) Taking action to address negative impacts on people and the environment	Environmental:	287, 297
	Social:	302, 314, 316
	Governance:	320, 322, 324
	Environmental:	289, 297
	Social:	304, 311, 315, 316
	Governance:	321, 323, 325

### GOV-5: Risk management and internal controls over sustainability reporting

Handelsbanken Sustainability has overall responsibility for sustainability reporting, including responsibility for ensuring that effective processes are in place for the risks that have been identified. To minimise risks and increase the quality and traceability of the Bank's sustainability reporting, Handelsbanken has improved its processes in connection with the transition to ESRS reporting. Responsibilities have been clarified for the internal stakeholders that provide information, and stricter traceability requirements have been introduced for data sources and supporting documentation, including expanded requirements for internal controls on reported information wherever deemed appropriate. For example, a duality requirement was introduced for information related to Taxonomy reporting for the reconciliation of information, which in turn is derived from systems with previously established control functions. Handelsbanken's internal control process for sustainability reporting is based on a clearly defined division of responsibilities and steering documents, whereby decision-making paths, authority and responsibility in sustainability are specifically defined and communicated. Handelsbanken Sustainability and Handelsbanken Finance are responsible for identifying and evaluating operational control activities linked to sustainability and taxonomy reporting, where controls in business processes and systems are deemed essential to reduce the risk of significant errors in sustainability reporting. The greatest risk of significant errors is that operational errors are made in the preparation of information for reporting.

## Strategy

### SBM-1: Strategy, business model and value chain

Handelsbanken's operations are based on a fundamental respect and trust in individuals. The customer relationship is at the very core of the business, with the Bank following customers through different stages of life and designing its business models according to their needs. The Bank's strategy integrates sustainability into a decentralised working method with a focus on risk mitigation and a long-term approach on customer relationships. This includes providing lending, investment and advisory service products and services that are tailored to customers' sustainability requirements.

The Bank aims to achieve better profitability than the average for banks in our home markets. We use two means to achieve this: lower costs and more satisfied customers than our competitors. By further integrating sustainability into these pillars, the Bank can contribute to long-term stable and responsible development that benefits customers and society. Customer surveys carried out by EPSI/SQI have confirmed that sustainability efforts lead to satisfied customers, with sustainability and social responsibility highlighted as an important factor. At the same time, effectively managing sustainability risks contributes to lower costs, for example, by mitigating credit losses.

A sustainable society requires a robust financial system that is protected from being abused. For this reason, the fight against money laundering and terrorist financing are central elements of the 2030 Agenda and the SDGs. Handelsbanken regards the prevention of financial crime as a fundamental condition for ensuring safe and stable banking operations.

Handelsbanken's home markets are Sweden, the UK, Norway and the Netherlands. The Bank also does business in Luxembourg and the USA. At the end of 2024, Handelsbanken had 424 branches and meeting places.

Characteristics of Handelsbanken's employees, including the number of employees in home markets, are presented in section S1-6 Characteristics of Handelsbanken's employees, see page 305.

In 2021, the decision was made to initiate a process to divest the operations in Finland. In 2023, an agreement was signed to sell the Finnish private, SME and life insurance operations. These transactions were completed in 2024. Handelsbanken's remaining operations in Finland are being handled in a separate sales process.

Handelsbanken's customers are private individuals and companies, with a particular focus on property companies and owner-managed companies. Handelsbanken primarily offers lending, asset management and payment solutions of various kinds and is always developing its sustainable products and services to ensure a competitive offering, and thus to improve profitability while maintaining a low level of risk.

Handelsbanken's funding offering includes:

- **Green loans for corporate customers:** aimed mainly at property companies and companies financing projects with defined environmental benefits, such as energy-efficient buildings, renewable energy or actions to improve the environment.
- **Loans with ESG-linked features:** these loans are tailored for companies and the loan terms are linked to the customer achieving specific sustainability targets. These loans are particularly relevant for larger companies that actively work to integrate sustainability into their business model.
- **Climate and energy loans:** Tailored for investments aimed at reducing energy consumption or implementing solutions that reduce climate impact. These loans are aimed at both businesses and private individuals.
- **Green mortgages:** For private individuals who own a home that meets high environmental standards.

Handelsbanken has a wide range of funds for customers to choose from. For customers wanting to invest in funds with a sustainability focus, Handelsbanken's offering includes:

- **Article 9 funds:** funds that have sustainable investments or reductions of carbon emissions as their objective, targeting private and corporate customers who are looking for a distinct sustainability profile in their investments.
- **Article 8 funds:** funds that promote environmental or social characteristics and target both private and corporate customers.

Handelsbanken's greatest impact on sustainable development, whether in a positive or negative direction, lies in its business operations: through financing customers' projects and businesses, and in managing customers' assets.

On issues such as the climate, environment, biodiversity, human rights and inclusivity, the Bank has the greatest chance to make a positive difference by supporting customers through their sustainable transition. By assisting our customers – whether large companies, SMEs or private customers – to be more sustainable, Handelsbanken itself becomes more sustainable. The decentralised working model and local connection enable Handelsbanken to adapt to sustainability-related requirements and changes in the market.

The Bank is facing a continued transition to a low-carbon economy. This includes addressing risks related to both climate change and the global transition towards sustainable energy consumption. The Bank must ensure that the financing of the property sector, which accounts for a large share of its lending, is in line with future energy

#### Loans to the public – by sector

	SEK bn	Proportion of total lending, %
<b>31 December 2024</b>		
Private individuals	1,172	49.4
Housing co-operative associations	283	11.9
Property management	730	30.8
Manufacturing	32	1.3
Retail	25	1.1
Hotel and restaurant	8	0.3
Passenger and goods transport by sea	0	0.0
Other transport and communication	6	0.3
Construction	16	0.7
Electricity, gas and water	10	0.4
Agriculture, hunting and forestry	22	0.9
Other services	15	0.6
Holding, investment, insurance companies, mutual funds, etc.	28	1.2
Sovereigns and municipalities	2	0.1
Other corporate lending	25	1.1
<b>Total</b>	<b>2,372</b>	<b>100</b>

#### Loans to the public 2024 – Geographical breakdown

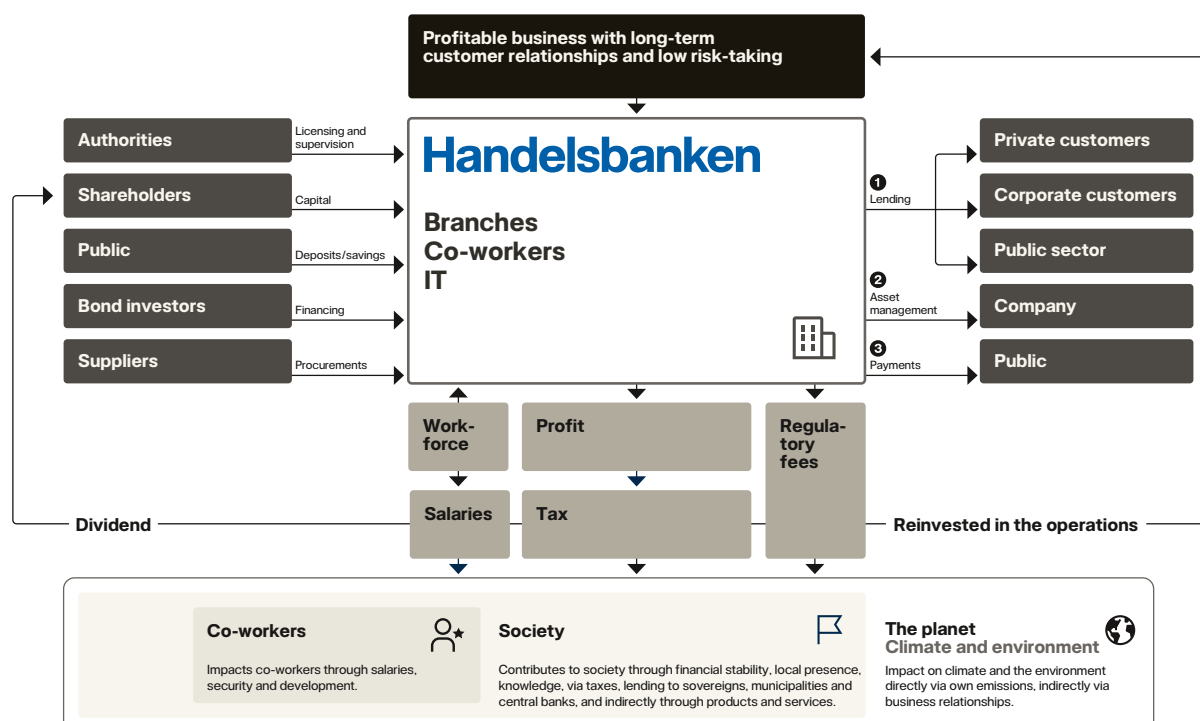
	%
Sweden	68.1
UK	10.4
Norway	13.5
Finland	3.2
The Netherlands	4.4
Other countries	0.3
<b>Total</b>	<b>100</b>

#### Loans to the public 2024 – Sector breakdown

	%
Private individuals	49.4
Corporates	38.6
Housing co-operative associations	11.9
Sovereigns and municipalities	0.1
<b>Total</b>	<b>100</b>



## Handelsbanken's value chain

**1 Loans**

Upstream lending comprises the sources of funding that enable the Bank to grant credit. This includes bonds issued and deposits from the public. Downstream lending encompasses the impacts and effects arising from the Bank's lending on customers and society, as well as sovereigns, municipalities and central banks. Products such as mortgages, property lending and other corporate and public sector lending are examples of lending downstream in the value chain.

**2 Asset management**

Upstream asset management includes customers' savings and deposits in various savings products, such as mutual funds. The capital is further invested downstream through the fund's investments in shares, bonds and other assets in various companies. The Bank's role here is to offer advisory services and products to customers that enables them, based on their choice of products, to consider sustainability aspects and the impact on society.

**3 Payments**

Upstream payments consist of deposits of customers' funds into payment accounts, as well as the technical infrastructure and service providers that enable the transaction flows and the Bank's connection to payment service providers and card networks. Downstream, it consists of processing payments for customers' purchases and invoices, whereby the Bank mediates transactions with a focus on security and efficiency.

Mapping and understanding the company's value chain is crucial in the context of sustainability, particularly for double materiality under the CSRD. This assessment identifies impacts, risks and opportunities both upstream, downstream and own operations, and the effects this has on the company's stakeholders.

Handelsbanken's value chain can be divided into three main value chains: lending, asset management and payments, which together constitute the Bank's overall business operations. Upstream lending refers to the sources of funding that enable the Bank to grant credit, with the input mainly consisting of bonds issued and deposits from the public. Downstream, lending comprises the products offered to customers, such as mortgages, personal loans, property lending and other

corporate lending. Furthermore, lending comprises lending to customers in the public sector, such as municipalities, counties and regions as well as sovereigns and central banks. Asset management includes upstream activities that are based on customer savings and deposits in savings products, such as mutual funds. These monetary funds are then invested downstream through the funds' purchase of shares, bonds and other assets in companies around the world. Upstream payments include deposits into payment accounts, as well as the technical infrastructure and the service providers that enable the transaction flows and the Bank's connection to payment service providers and card networks. Downstream, payments involve the processing of transactions for customers' purchases

and invoices when the Bank acts as mediator. The Bank's own operations comprise internal processes, procedures and IT systems that support business flows and related activities. These are handled by the Bank's co-workers with a focus on stability, efficiency, low risk and long-term customer relationships. The business activities carried out within this value chain create value that is shared between the Bank's shareholders and society through taxes and regulatory fees, while some of the value benefits co-workers in the form of remuneration, and some is reinvested in the operations to support its long-term development.

efficiency and climate change adaptation requirements.

Handelsbanken wants to meet customers' growing expectations about the sustainability performance of the financial industry. Handelsbanken can see continuing strong demand for green and ESG-linked financing products, as well as sustainable investment alternatives.

To achieve this, Handelsbanken has intensified its efforts to offer green solutions and investment opportunities by developing and

expanding its green offering. This includes products such as green loans, which finance projects that benefit the environment, and loans with ESG-linked features, whose loan terms are linked to the borrower achieving specific sustainability targets. In asset management, Handelsbanken offers a wide range of funds, including funds reported as Article 9, funds with sustainable investment or a reduction in carbon emissions as their objective, or

Article 8, funds that promote environmental or social characteristics.

Handelsbanken has also developed digital tools, such as Energiikollen, which helps customers make their properties more energy efficient, and Hållbarhetskollen, which allows the Bank's corporate customers to automatically calculate their carbon emissions based on their accounting records. The Bank has long since reduced its exposure to fossil fuels and this now represents a very limited share of

the Bank's total lending. The Bank works continuously to continue reducing its exposure and has reduced its lending to the fossil fuel sector 87 per cent since 2021. For more information on the Bank's lending, see table Lending (Gross) to TCFD sectors under section ESRS 2 IRO-1 E1 on page 276.

By combining a long-term business strategy with responsible solutions, Handelsbanken is helping to accelerate the sustainable transition in the sectors and markets that are most critical to achieving the Bank's climate and sustainability ambition.

## SBM-2: Interests and views of stakeholders

Handelsbanken's principal stakeholders are customers, co-workers, owners and investors, trade unions, and the rest of society, including special interest organisations, public authorities and legislators. These stakeholder groups have been identified on the basis of their significant impact on, or impact from, the

Bank's activities. The Bank also maintains continual dialogue with other stakeholders, such as equity research analysts, trade associations, sustainability analysts, non-profit organisations, international organisations, municipalities and regions, suppliers, press and media, students and educational establishments, including schools and universities. Further details on how Handelsbanken incorporates perspectives from workers in the value chain can be found in the section S2-2, see page 309. For Handelsbanken, business conduct means that the Bank meets the expectations of these stakeholders and acts in a way that maintains their continued trust. Based on the dialogues conducted with key stakeholders, Handelsbanken gains a deeper understanding of their views and expectations of the Bank's sustainability work. These insights are embedded into the Bank's strategy and business model, with sustainability integrated into the decentralised way of working and governed by long-term customer care and a focus on low risk. By actively listening to customers, investors and other social actors, the Bank can tailor its offerings, guide-

lines and processes to meet both business and sustainability-related challenges. By integrating stakeholder perspectives into ongoing strategy development, the Bank can ensure that its business model is adjusted to changing conditions, customer preferences and regulatory requirements. When affected stakeholders have views or where other external factors emerge that have a bearing on the Group's sustainability activities and business operations, the standard reporting process is that the CSO informs the Bank's Board.

## SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

13 sustainability matters, presented in table IRO definitions and descriptions, have been identified as material to Handelsbanken based on the double materiality assessment, read more about the process behind the result in the section IRO-1 on page 273. These matters will be addressed in the sections E1 Climate

### Stakeholder dialogue

Stakeholders	How stakeholder engagement and dialogue takes place	Purpose of dialogue
Co-workers	<ul style="list-style-type: none"> <li>Annual activity plan linked to a co-worker's goals through the Planning and Development Interview (PLUS). Group-wide work environment survey.</li> <li>Employee representatives on the Board.</li> <li>Joint health and safety forum comprising employer and workers' representatives.</li> </ul>	<ul style="list-style-type: none"> <li>That each employees has an individual action plan that is followed up during the year and which forms the basis for salary negotiations.</li> <li>Ensure that employee perspectives and interests are taken into account in strategic decisions at the highest level.</li> <li>Promote a safe and healthy work environment through continuous dialogue and follow-up between employers and co-workers.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Daily meetings, both advisory services and customer support. Meetings take place physically at branches, by phone, digitally and on social media.</li> <li>Regular customer surveys.</li> </ul>	<ul style="list-style-type: none"> <li>Have more satisfied customers than peer competitors.</li> <li>Maintain a close relationship with customers and adapt services to their needs.</li> <li>Ensure that customer needs and queries are handled quickly and efficiently across all channels.</li> <li>Collect feedback to better understand customer expectations and improve the Bank's products and services.</li> </ul>
Owners and investors	<ul style="list-style-type: none"> <li>Annual General Meeting.</li> <li>Quarterly and annual reports are presented followed by investor calls.</li> <li>Individual investor meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Present financial results and allow shareholders to vote on important issues.</li> <li>Provide information about the company's profits and strategy, followed by talks with investors to answer questions.</li> <li>Opportunity to discuss specific issues, such as sustainability.</li> </ul>
Authorities and legislators	<ul style="list-style-type: none"> <li>Ongoing dialogue with stakeholders including supervisory authorities, central banks and regulatory bodies.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with laws and regulations and contribute to the development of new regulations for a stable and sustainable financial sector.</li> </ul>
Trade unions	<ul style="list-style-type: none"> <li>Ongoing dialogue with trade unions at national level and via the European Works Council on common cross-border issues.</li> <li>Regular meetings to discuss health and safety issues and conduct risk assessments.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure cooperation on labour practices, health and safety and strategic issues, both at national and international level.</li> <li>Promote a safe work environment.</li> </ul>
Society	<ul style="list-style-type: none"> <li>Cooperation on local community projects.</li> <li>Partnerships with NGOs.</li> <li>Grants for research via foundations.</li> <li>Offer independent journalism through the subsidiary EFN.</li> </ul>	<ul style="list-style-type: none"> <li>Support and contribute to community development through local initiatives.</li> <li>Collaborate with non-profit organisations to drive social and environmental issues.</li> <li>Promote economic and social research and higher education through grants from the Bank's foundations.</li> <li>Raise awareness about finances to empower people to make informed financial decisions and thereby improve their economic and social situation.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Continuous dialogue.</li> <li>Implementation of the Code of Conduct.</li> <li>Monitoring key performance indicators.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance sustainability work at the Bank and its suppliers.</li> <li>Ensures compliance with the Bank's high ethical and social standards.</li> </ul>



change, E4 Biodiversity, S1 Own workforce, S2 Workers in the value chain, S4 Consumers and end-users, G1 Business conduct and the entity specific matters of Contribute to society, Counteract financial crime and Financial stability.

In summary, the Bank has both a direct and indirect impact on the environment, people and society in these areas. A well-run and responsible bank can have a significant positive impact on the economy, not only through direct economic impacts such as corporate tax payments, but also through indirect impacts. For example, the conditions under which the Bank lends money can make a difference, to both the individual and society. On issues such as the climate, environment, biodiversity, human rights and inclusivity, the Bank has the greatest chance to make a positive difference by supporting customers through their sustainable transition. Handelsbanken thus works actively to support and accelerate its customers' sustainable development. This takes the form of dialogue and advice, within the framework of financing, in discussions regarding savings and by building close relationships with customers.

Although banking operations have a relatively small direct impact on the environment and climate, the Bank works continuously to streamline energy consumption, reduce unnecessary paper consumption and reduce travel by car and air, and is instead investing in digital solutions and remote meetings to reduce its climate footprint. These digital solutions also help customers to reduce their climate impact.

Handelsbanken currently sees no significant changes in the business model, value chain, strategy or decision-making as a result of identified positive and negative impacts, risks and opportunities. These aspects are continuously addressed within the scope of day-to-day work, with ongoing assessments and adjustments where necessary. The Bank is taking action to address the identified positive and negative impacts, risks and opportunities in different areas, but currently sees no need for major strategic changes. The actions identified for each ESRS area and the entity specific matters are presented in more detail in later sections of the Sustainability Report.

The Bank has a robust strategy and business model that is well-positioned to manage

material impacts and risks and capitalise on identified opportunities. By working on long-term business relationships, low risk-taking and cost-consciousness, the Bank is able to address the challenges posed by sustainability matters, such as climate change and social risks. Handelsbanken considers the prevention of direct and indirect risks as part of its sustainability work. The Bank is aware that social and environmental matters can significantly increase credit risk, investment risk and reputation risk. Sustainability risks are thus integrated into normal processes and procedures.

For more information on quantitative resilience in the context of climate change work, see ESRS 2 SBM-3 E1 Climate change section on page 286.

The IRO definitions and descriptions table presents the results of the double materiality assessment and shows where in Handelsbanken's business model the identified issues can be found. It clarifies whether the impacts, risks and opportunities related to sustainability matters are in the Bank's own operations or whether they are upstream or downstream in the Bank's value chain.

Summary of material impacts, risks and opportunities

ESRS	Material sustainability matter	Material impacts, risks and opportunities	Value chain	Upstream (U) Downstream (D) <sup>1)</sup>	Time horizon
<b>E1</b>	<b>Climate change adaptation</b>	Potential positive impact Potential negative impact Risk Opportunity	Asset management & lending Asset management & lending Lending Lending	U & D U & D D D	Short/medium/long Short/medium/long Long Short/medium/long
<b>E1</b>	<b>Climate change mitigation</b>	Actual positive impact Actual negative impact Risk Opportunity	Asset management & lending Asset management & lending Lending Lending	U & D U & D D D	Short/medium/long Short/medium/long Long Long
<b>E1</b>	<b>Energy</b>	Potential positive impact Actual negative impact	Payment, own operations & downstream Payment, own operations & downstream	U & D U & D	Short/medium/long Short/medium/long
<b>E4</b>	<b>Direct impact drivers of biodiversity loss</b>	Actual negative impact	Asset management	D	Long
<b>S1</b>	<b>Working conditions (Own workforce)</b>	Actual positive impact Actual negative impact	Own operations Own operations		Short/medium/long Short/medium/long
<b>S1</b>	<b>Equal treatment and opportunities for all (Own workforce)</b>	Actual positive impact Potential negative impact	Own operations Own operations		Short/medium/long Short/medium/long
<b>S2</b>	<b>Working conditions for workers in the value chain</b>	Potential positive impact Potential negative impact	Asset management, suppliers & lending Asset management, suppliers & lending	U & D U & D	Medium/long Short/medium/long
<b>S4</b>	<b>Information-related impacts for consumers and end-users</b>	Potential positive impact Potential negative impact Risk	Payment & lending Payment & asset management Payment, asset management & lending	D U & D U & D	Short/medium/long Short/medium/long Short/medium/long
-	<b>Entity specific Contribute to society</b>	Actual positive impact Opportunity	Own operations, asset management & lending Own operations, asset management & lending	U & D U & D	Short/medium/long Short/medium/long
<b>G1</b>	<b>Corporate culture</b>	Actual positive impact Opportunity	Own operations Own operations		Short/medium/long Short/medium/long
<b>G1</b>	<b>Corruption and bribery</b>	Actual positive impact Actual negative impact	Own operations Own operations		Short/medium/long Short/medium/long
-	<b>Entity specific Counteract financial crime</b>	Actual positive impact Potential negative impact Risk	Payment, own operations & downstream Payment & own operations Payment & lending	D D D	Short/medium/long Short/medium/long Short/medium/long
-	<b>Entity specific Financial stability</b>	Actual positive impact Opportunity	Own operations & lending Own operations & lending	U & D U & D	Short/medium/long Short/medium/long

1) U = upstream and D = downstream.

## Environmental information

### E1 Climate change

#### Climate change adaptation

Definition	Impact, risk, opportunity	Description
Provide information and support customers on physical climate risk	Potential positive impact	The Bank can make a positive contribution to customers' adaptation to climate change through products, services and advisory services as well as in funding and investing.
Finance/invest in projects with high climate-related risk	Potential negative impact	The Bank can potentially have a negative impact by financing operations or investing in companies that operate in locations that prove unsuitable due to climate change.
Unmanaged climate-related risk can pose a financial risk	Financial risk	Particularly in the long term, climate change may pose new and higher risks to geographies, industries and sectors that are relevant to the Bank, not least flood risk linked to the Bank's collateral in property.
Reducing physical climate risk requires investment	Financial opportunity	To retain or reduce risks linked to a changing climate may require investments that could be financed by Handelsbanken, which normally generates a business opportunity.

#### Climate change mitigation

Definition	Impact, risk, opportunity	Description
Enabling transition	Actual positive impact	Through its products and services, the Bank can accelerate and streamline the transition of customers by supporting them in making long-term sustainable investment decisions and financing climate-smart solutions.
Financing/investing in companies with excessive climate impact	Actual negative impact	The Bank can have a negative impact by financing operations or investing in companies that do not reduce their climate impact at the required rate.
Unmanaged transition risk can pose a financial risk	Financial risk	The transition to net-zero GHG emissions will require investments and emission reductions. If the Bank's customers are unable to make the transition, or are unable to bear the costs of necessary investments, the transition may pose financial risks to the Bank, especially in the long term.
Financing climate-smart investments	Financial opportunity	The transition to net-zero GHG emissions will in many cases require increased investment, not least in the property sector where the Bank has many customers, which may bring new business opportunities for the Bank.

#### Energy

Definition	Impact, risk, opportunity	Description
Energy transition	Potential positive impact	Energy transition encompasses both energy efficiency and the use of renewable energy. Upstream and in own operations this could include the purchase of renewable energy. Downstream, this could include offering financing solutions that enable or encourage customers to make the energy transition, or investing in companies that provide energy transition solutions.
Energy consumption	Actual negative impact	Energy consumption throughout the Bank's value chain risks having a negative impact. Fossil energy consumption in particular contributes to climate change, geopolitical tensions and loss of nature and biodiversity.

### E4 Biodiversity and ecosystems

#### Direct impact drivers of biodiversity loss

Definition	Impact, risk, opportunity	Description
Invest in companies with activities that negatively affect biodiversity	Actual negative impact	Handelsbanken's negative impact is mainly indirectly in the value chain. This could be through investing in activities that contribute negatively to climate change, land-use change, direct exploitation, invasive alien species, environmental pollution, and other impacts.

## Social information

### S1 Own workforce

#### Working conditions for own employees

Definition	Impact, risk, opportunity	Description
Safe labour practices and positive work environment	Actual positive impact	The Bank strives to be a secure employer by offering competitive terms and benefits to promote long-term employment. Terms and conditions are based on collective bargaining agreements, laws, regulations or other local agreements. The Bank creates the conditions for a positive work environment where employees feel good, develop and perform their work optimally and have a balanced life.
Risk of work-related incidents	Actual negative impact	There is a risk of work-related incidents occurring in the Bank's operations.

#### Equal treatment and opportunities for all

Definition	Impact, risk, opportunity	Description
Skills development	Actual positive impact	The Bank creates the conditions for each co-worker to develop their skills in line with the needs and wishes of the business.
Promoting diversity	Actual positive impact	Handelsbanken endeavours to reflect the diversity of the communities where the Bank operates, and to achieve and maintain a balanced gender representation in different roles and parts of the Bank. Through an inclusive culture, the Bank can best harness the advantages inherent to gender equality and diversity.
Unfair pay gaps	Potential negative impact	An unfair pay gap between women and men is an injustice and may affect the economic position of employees now and in the future. This could also negatively affect the work environment and employee engagement. In addition, unfair pay gaps may damage the Bank's reputation, reduce its attractiveness as an employer, and lead to difficulties in retaining and recruiting competent co-workers, which in turn could affect the Bank's long-term success.

### S2 Workers in the value chain

#### Working conditions for workers in the value chain

Definition	Impact, risk, opportunity	Description
Promote good labour practices for workers in the value chain	Potential positive impact	The Bank can work to promote good labour practices in the value chain. Influence can be achieved through a structured approach in relation to the Bank's suppliers and the companies it finances and invests in.
Business relationships with companies where poor management of working conditions may occur	Potential negative impact	The Bank may also potentially have a negative impact by financing operations, investing in companies or entering into contracts with suppliers that fail to manage working conditions for their workers.

### S4 Consumers and end-users

#### Information-related impacts for consumers and end-users

Definition	Impact, risk, opportunity	Description
Active and dynamic security work	Potential positive impact	Proactive and dynamic management of IT security that meets identified potential threats, and to ensure that procedures are in place for managing changes in the IT environment so that no breaches occur and various transactions can be carried out.
Disruption in service deliveries	Potential negative impact	Disruptions in service deliveries to customers could be caused either directly or indirectly as a result of a cyber-attack or inadequate procedures when introducing changes to the IT environment.
Leakage of customer data	Potential negative impact	Leakage of customer data, such as personal data, may result from a cyber-attack or inadequate procedures.
Fines or sanctions	Financial risk	Failure to handle customer data properly, or significant disruptions in service delivery, may result in fines or sanctions.

### Entity specific Contribute to society

#### Contribute to society

Definition	Impact, risk, opportunity	Description
Responsible and local banking operations create value and growth through access to good advisory services and capital	Actual positive impact	The Bank makes a positive contribution through responsible risk management, advisory services and lending that promote economic growth. Its local presence provides a deeper understanding of customers, meaning that support can be offered for the different stages of business and life. In addition, the Bank strengthens the national economy through taxes and fees.
Responsible banking operations close to customers creates customer satisfaction, distribution and business opportunities and thus income	Financial opportunity	By providing responsible banking services and a local presence, the Bank can attract and retain customers, strengthen its brand, create long-term business opportunities and establish a strong foundation for distributing our products and services.

## Governance information

### G1 Business conduct

#### Corporate culture

Definition	Impact, risk, opportunity	Description
Strong corporate culture	Actual positive impact	Our decentralised ways of working, with trust and respect for individuals, permeates our corporate culture. Our co-workers have great responsibility and authority to make decisions in all kinds of matters that concern our customers. The strong corporate culture creates commitment, a clear structure for development and gives every co-worker an opportunity to influence the Bank's operations.
Attracting talent	Financial opportunity	The Bank's strong corporate culture may be a strong contributing factor to attracting more talent to Handelsbanken as an employer and to low staff turnover. Internal recruitment spreads our way of working and strengthens the culture in all parts of the organisation. When employees develop, the Bank develops. It can lead to financial opportunities.

#### Corruption and bribery

Definition	Impact, risk, opportunity	Description
Counteracting corruption and bribery	Actual positive impact	Handelsbanken is committed to high ethical standards, which include active efforts to prevent bribery and corruption.
Risk of incidents linked to corruption and bribery	Actual negative impact	In Handelsbanken's operations, there is a risk of incidents linked to corruption and bribery and certain specific roles are more exposed to risk.

### Entity specific Counteract financial crime

#### Counteract financial crime

Definition	Impact, risk, opportunity	Description
Contribution to counteract financial crime in society	Actual positive impact	Financial crime continues to be an enormous problem for society, and more collaboration and exchange of information is needed to prevent it. As part of the financial sector, the Bank has the opportunity, together with other stakeholders, to counteract the negative impact of financial crime.
Risk of incidents link to financial crime	Potential negative impact	The risk of incidents where the Bank's customers, products or services are exploited for financial crime.
Risk of loss of revenue and/or fines	Financial risk	Reduced confidence in the Bank with fewer customers and possible fines if there are shortcomings in the Bank's work.

### Entity specific Financial stability

#### Financial stability

Definition	Impact, risk, opportunity	Description
Contribute to financial stability	Actual positive impact	Handelsbanken contributes to financial stability by maintaining stable finances and conducting banking operations with low risk tolerance and a long-term approach.
Financial stability enables business with existing and new customers	Financial opportunity	With stable finances, low credit losses and solid management of its operations, the Bank creates the conditions for doing business with our customers and supporting them in the long term regardless of the external environment. This also presents an opportunity to attract customers and investors who value a bank with a business model featuring low risk tolerance and stability.

## Impact, risk and opportunity management

### IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Handelsbanken initiated its double materiality assessment in autumn 2023 and the final results of the assessment were adopted in 2024. The method and implementation were based on the requirements of ESRS and the implementation guide provided by EFRAG, which at the time of conducting the materiality assessment was still a draft<sup>1)</sup>. The purpose of the assessment was to identify and understand which sustainability matters are material to the Bank, based on impacts, risks and opportunities.

The double materiality assessment was based on two dimensions: impact materiality and financial materiality. Impact materiality entails an assessment of how the company's operations and management of sustainability matters impact the macro environment, including society, people and the climate. This assessment covers both actual and potential, positive and negative impacts. Financial materiality aims to analyse how various sustainability matters affect the company's financial position and financial performance, focusing on risks and opportunities over the short, medium and long term.

The method for the assessment was mainly based on a qualitative approach. This was partly motivated by the lack of complete and reliable data and the absence of accepted models to assess the nature of different sustainability matters, as opposed to more established models for assessing and monitoring financial risks, for example. The method for the double materiality assessment will evolve over time as the quality of models and data improves.

The double materiality assessment was based on the sustainability matters previously reported under the principles of the Global Reporting Initiative (GRI), as well as the material matters defined in ESRS at the sub-topic level. In addition, sector-specific sustainability matters identified by the Sustainability Accounting Standards Board (SASB) and other sustainability matters relevant to the banking sector were included.

The materiality assessment covered all value chains within Handelsbanken, taking into account aspects such as the Bank's lending in

various sectors, investments of customer savings, payment processing, suppliers and the impact that arises in the Bank's own operations in all home markets. These aspects were also taken into account when assessing business conduct matters. The assessment of upstream and downstream impacts, risks and opportunities was limited to the first stage since the Bank's main opportunity to have an impact essentially takes place in relation to the first stage, meaning in direct dialogue with customers and suppliers, but also because access to relevant data is deemed to be insufficient for analysis in multiple stages. The same applies from a risk and opportunity perspective. The materiality assessment did not result in the Bank identifying any elevated risk linked to geographical aspects or business relationships. However, financial crime is an area that is generally associated with elevated risk in the banking sector. The Bank has long-established procedures and processes in place to counteract this.

Part of the assessment was to consider sustainability matters in terms of the elements of the Bank's business model, which reflect a long-term approach, low risk tolerance and satisfied customers. The Bank has also taken into account its own operations and where they are conducted. The Bank's operations have little direct impact compared to the indirect impact the Bank has through, for example, lending to customers. Therefore, Handelsbanken's sites were not considered in terms of direct impact on the environment for the disclosure requirements of ESRS E2, E3, and E5. Nor were the sites of the Bank's customers taken into account for these disclosure requirements since relevant and complete information was not available to perform such an analysis.

In order to provide a quantitative basis for the assessment of any material sustainability matters, data on the Bank's loans to the public was used, with sectoral and industry breakdowns by geographical area. For the Bank's primary asset management volumes, portfolio data was used to map investment sectors and geographical spread. For the payments value chain, no corresponding quantitative basis was used, and instead the assessment was based on the Bank's business model and general geographical presence.

The materiality assessment process was led by Handelsbanken Sustainability, and takes into account the Bank's entire operations and its various value chains, and forms the basis for Handelsbanken's sustainability reporting in 2024. Several central staff functions, support functions and product owners were involved to

ensure that multiple perspectives on sustainability matters were taken into account, from a risk and impact perspective as well as business opportunities. The steering group responsible for the implementation of the CSRD was also involved in the analysis process. The Bank's internal control functions have reviewed the methodology, assumptions and process for the materiality assessment. The final outcome of the assessment was established in 2024.

The involvement of the Bank's CSO in the materiality assessment ensured that the opportunities identified as material were forwarded to the relevant business development units and to the Bank's Executive Team for further preparation and actions, if necessary.

In conjunction with the double materiality assessment, several stakeholder dialogues were held with various stakeholder groups affected by the Bank's operations. These dialogues involved stakeholders, such as customers, employees, owners and non-governmental organisations (NGOs). The purpose of the dialogues was to validate the results of the assessment, but also to gather views and opinions on the sustainability matters identified as material. The stakeholder dialogues were conducted sequentially after the groundwork of identifying the Bank's material sustainability matters, which is why the starting point for the dialogues was primarily a validation of the results. The outcome of the dialogues did not lead to any changes in the sustainability matters considered material for the Bank to report on. Comments received during the dialogues will be used as a basis for updating the materiality assessment for future sustainability reporting.

#### Impact materiality

The assessment of material impacts on people and the environment in Handelsbanken's double materiality assessment was carried out to identify both actual and potential impacts of the Bank's operations in different parts of the value chain. This assessment used the existing due diligence processes in each value chain.

Scale and scope were assessed for actual positive impacts. The assessment of negative impacts also considered severity, which was based on scale, scope and irremediable character. Potential impacts were assessed based on the likelihood of their occurrence, with positive impacts graded according to scale, magnitude and likelihood, while negative impacts were assessed based on the likelihood combined with severity.

All factors were used to calculate an overall assessment value for each sustainability matter, which was then compared against thresholds to determine materiality. The factors rated

<sup>1)</sup> Draft ESRS 1 Double materiality conceptual guidelines for standard-setting Working paper, January 2022

according to five-point qualitative and quantitative scales were:

- **Scale:** Assessment of the extent of the Bank's impact, graded from minimal to absolute impact.
- **Scope:** Assessment of the extent to which the Bank's stakeholders are affected, including the spread and frequency of the event, graded from minimal to global impact.
- **Likelihood:** Assessment of the likelihood of an impact occurring, graded from very unlikely to very likely.
- **Irremediable character:** For negative impacts, the ease of remedying or restoring the damage was assessed, graded from very easy to remedy to irremediable character.

## Financial materiality

The double materiality assessment took into account the interdependence between impact materiality and financial materiality by first assessing impact materiality and then performing a risks and opportunities analysis. This ensured that the impact materiality became a central part of the assessment of potential financial risks and opportunities.

The assessment of financial materiality focused on sustainability risks and business opportunities could impact the Bank's financial position and financial performance, and the likelihood of their occurrence. The assessment used both qualitative and quantitative scales. To strengthen the link to financial reporting, monetary thresholds were applied as a basis for quantifying the financial impact. This meant that each sustainability matter assessed was assigned a score based on a multiplication of the assessed financial impact and the likelihood of its occurrence, which was then set against a threshold to determine materiality.

The factors used were graded as follows:

- **Likelihood:** The likelihood of an impact occurring, graded on a five-point scale from very unlikely to very likely.
- **Financial impact:** Financial impact was assessed on a five-point scale, with minimal to critical impact graded on the basis of monetary thresholds linked to the Bank's balance sheet, income statement and risk management processes.

To determine the appropriate thresholds for Handelsbanken in the assessment of financial materiality, they were linked to the conceptual framework for materiality levels described in EFRAG's guide<sup>1)</sup>. The Bank used already established monetary thresholds, such as those used to determine what constitutes a material impact on the balance sheet and income statement. In addition, monetary limits

applied in the Group Risk Control function were used to measure risks in different risk classes.

These monetary limits were then linked to the Bank's profit and loss account to determine what is material for the financial position at Group level. The information was compiled to determine the final monetary levels that were graded on a scale, which was then used in the assessment of financial risks and opportunities.

The Bank's Group Risk Control function participated in the materiality assessment to analyse impacts, risks and opportunities. The function's participation ensured that the assessment of risks related to financial materiality was linked to the Bank's existing risk management processes and the Bank's low risk tolerance was taken into account in the assessment. Sustainability risks were evaluated in a broader perspective in this assessment since these risks are considered to be integrated into other risk classes, such as credit risk, financial risk and compliance risk. The Bank's work of managing sustainability risks takes place within the framework of the Bank's decentralised model, where the business operations are responsible for identifying and managing sustainability risks through established risk management processes and associated tools. For more information about the Bank's risk management, see note G2 Risk and capital management on page 80.

To ensure that the materiality assessment remains relevant, the annual update of the double materiality assessment is planned ahead of reporting in 2025.

The double materiality assessment identified the 13 material sustainability matters presented in the section SBM-3, see page 269. The other sustainability matters covered by the remaining ESRs have not been assessed as material since Handelsbanken has no significant direct impact on them through its own operations or in the value chain.

## ESRS 2 IRO-1 E1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The determination of material climate-rated impacts, risks and opportunities followed the same process and methodology as the overall process for determining other sustainability matters. See section IRO-1 on page 273.

## Lending

For a bank, the main climate-related risk lies at business level, rather than in the supply chain or internal operations. Handelsbanken's core business is lending, and a high proportion of the Bank's total lending is collateralised with real estate. Handelsbanken therefore chooses to primarily focus its assessment of physical climate risks and transition risks on risks related to real estate in the credit risk area. Physical climate risk can cause damage to property, which could reduce the value of the property or reduce the income generated from the property if it is used for rentals or any other activity. Similarly, transition risk due to, for example, new regulations requiring energy efficiency improvements in buildings, can result in adjustment costs or reduce the value of collateral if investments are not made. In both cases of climate risk, the credit risk could potentially increase by the effect on repayment capacity or the value of the collateral.

The assessment of potentially adverse financial impact on the Bank associated with climate risks in the double materiality assessment was based on an internal analysis of flood risks in Sweden. Further climate scenario analyses were performed in 2024, the results of which confirmed the outcome of the double materiality assessment and thus did not lead to any change in material sustainability matters. For definitions of the short, medium and long term perspectives used, see BP-1 – General basis for preparation of sustainability reports on page 261.

Physical climate risk can stem from a variety of factors, such as floods, storms, drought, fires, landslides and subsidence. To assess these risks, stress tests can be conducted assuming climate scenarios. Due to the lack of relevant scenario data and some property-specific data, it is not possible to make quantitative assessments of all identified risks at present. For non-financial undertakings, the total exposure to factors analysed is available in the Bank's *Risk and Capital Information according to Pillar 3 Report*, Table ESG 5.

The Bank focused its analysis of physical climate risks on flood risk. An estimate of the flood risk both from watercourses and from sea level rise, and in some cases surface water, was carried out in the Bank's four home markets for loans to the public, a large share of which is collateralised with real estate. It is based on climate scenario data with the aim of getting as close to RCP 8.5 as possible and with long time horizons up to 2050–2100. The physical climate risk scenarios used in the analysis for each home market are described in the table Applied scenarios – Lending on page 275. For example, the flood risk from

1) Draft ESRG 1 Double materiality conceptual guidelines for standard-setting Working paper, January 2022.



seas in Sweden is calculated by determining the highest sea level that has historically occurred at an interval of 100 years. This level is then adjusted based on the RCP 8.5 scenario for 2100, while taking land elevation into account. Data from the Swedish Meteorological and Hydrological Institute (SMHI) is used to estimate future sea level rise, while data from the Swedish Civil Contingencies Agency (MSB) is used to identify the geographical areas that would be affected by the new sea level.

The Physical risk - Lending table on page 275 shows Handelsbanken's total loans to the public in the four home markets, followed by the share of the exposure collateralised with real estate that is exposed to flood risk from watercourses and sea level rise. Due to differences in scenario data, the two risks are assessed separately in Sweden and Norway, while they are assessed collectively in the UK and the Netherlands.

The uncertainty in this analysis is generally considered high, primarily due to uncertainties in inputs such as climate scenarios and flood data for different geographical areas. The scenario data used by Handelsbanken also originates from several different providers and varies somewhat in its assumptions and models. Consequently, the quantitative assessments are not fully uniform between the countries and should therefore be considered indicative rather than directly comparable. Nor does the analysis distinguish between different levels of flooding.

The analysis indicates that the Bank's real estate collateral in Sweden has limited exposure to flood risk both from watercourses and seas, partly because the land elevation compensates for the sea level rise. For Norway, the exposure to flood risk from the sea is slightly higher but still limited. The Netherlands has extensive flood protection facilities and the analysis shows a limited exposure despite the fact that large parts of the country are below sea level. The risk of flooding is generally higher in the UK than in the other home mar-

kets, which is also reflected in Handelsbanken's exposures. The risk of flooding is already higher today and is expected to increase further as a result of climate change. It is the climate-related increase that is shown in the table for the UK. However, this risk may be overestimated since the analysis for the UK is based on postcode areas for the location of properties, unlike the other home markets where individual property coordinates are used.

The analysis shows the size of the exposure to flood risk, but does not estimate the risk of credit losses since these depend on the borrower's financial position, the vulnerability of the property and insurance coverage. Handelsbanken assesses the credit risk of individual counterparties via an internal rating. An analysis of the distribution of flood risk exposures across the rating grades shows that the volumes are minor for the weaker rating grades. The risk of credit losses due to flood risk is therefore considered limited.

In the context of society's transition to a sustainable economy, regulations regarding, for example, energy performance and GHG emissions, as well as new technologies and public preferences, may entail financial risks, known as transition risks.

Handelsbanken assesses that the Bank has no significant exposure to activities that are directly incompatible with the transition to a climate-neutral economy. The Bank has relatively limited exposure to sectors often considered difficult to transition, such as steel,

cement and petrochemicals. For more information about the Bank's sectoral lending exposure, refer to the table on page 266. However, the Bank is exposed to sectors where considerable investment will be required to achieve climate neutrality, such as the real estate sector. The Bank's lending to private individuals mainly comprises mortgages collateralised by real estate.

Transition risks from real estate financing are therefore considered central to the evaluation of Handelsbanken's exposure to transition risks. In order to evaluate these transition risks, Handelsbanken performed scenario analyses for both mandatory energy efficiency improvements to real estate collateral and for how the impact of the climate transition on the real economy could affect the Bank's customers.

The revised EU Energy Performance of Buildings Directive (EPBD) sets out the requirements for energy efficiency improvements for commercial buildings and the implementation of country-specific plans for residential buildings. The investments required to improve a building's energy performance can be financed by Handelsbanken, which presents a business opportunity. In exceptional cases, when the customer is in financial difficulty, credit risk may increase from the deterioration in the value of the property used as collateral for the loan, if the investment is not made.

Physical risk – Lending

SEK m	Sweden	Norway	UK	The Netherlands
Lending	1,614,796	320,219	260,363	104,739
<i>of which collateralised by real estate</i>	<i>1,480,946</i>	<i>300,751</i>	<i>241,200</i>	<i>104,049</i>
Flooding, watercourses	10,582	525		
	0.7%	0.2%	7,040	477
Flooding, sea level rise	7,832	5,322	2.7%	0.5%
	0.5%	1.7%		

Applied scenarios – Lending

Risk type	Home market	Climate scenario	Time horizon	Data source	Geographical position	Frequency
Flooding from watercourses	Sweden	Expected climate at end of time horizon	2100	Swedish Civil Contingencies Agency (MSB)	Geographic coordinates	1/200
Sea level rise	Sweden	RCP 8.5	2100	Swedish Civil Contingencies Agency (MSB) Swedish Meteorological and Hydrological Institute (SMHI)	Geographic coordinates	1/100
Flooding from watercourses	Norway	Expected climate at end of time horizon	2100	NVE (Norwegian Water Resources and Energy Directorate)	Geographic coordinates	1/200
Sea level rise	Norway	RCP 8.5	2080–2100	Norwegian Mapping Authority	Geographic coordinates	1/200
Flooding from watercourses, sea level rise and surface water	UK	RCP 8.5	2100	JBA Risk Management	Postcode	Several
Flooding from watercourses, sea level rise	The Netherlands	Warm High (WH)	2050	Climate Impact Atlas	Geographic coordinates	1/300



Lending (gross) to TCFD sectors 31 December 2024	SEK m
<b>Energy</b>	<b>7,649</b>
Oil and gas	367
Coal	0
Electric utilities	7,283
<b>Transportation</b>	<b>3,188</b>
Air freight	12
Passenger air transportation	0
Maritime transportation	324
Rail transportation	638
Trucking services	1,946
Automobiles and components	268
<b>Materials and buildings</b>	<b>747,018</b>
Metals and mining	1,652
Chemicals	1,859
Construction materials (excluding wood products)	397
Capital goods	64
Real estate management and development	743,046
<b>Agriculture, food, and forest products</b>	<b>29,728</b>
Beverages	678
Agriculture	12,881
Packaged foods and meats	3,786
Paper and forest products	12,383
<b>Total</b>	<b>787,584</b>

Scenario analyses to estimate the effects of regulatory changes related to energy efficiencies in properties were carried out for loans to Swedish and Norwegian real estate companies and to Swedish households. The analyses indicated low credit losses due to transition risks. The analyses are based on scenarios with a five-year time horizon, in which each counterparty is analysed on the basis of their individual income statement and balance sheet, to determine whether the new economic situation would cause a default and what the potential credit loss would be. The analyses are based on an expected or stressed macro-scenario created by Handelsbanken. The expected macro-scenario is based on the Bank's published economic forecasts, while the stressed macro-scenario corresponds to a severe recession scenario. To evaluate the transition risk, it is assumed that investments are required in the counterparty's properties to achieve energy classes in line with the regulatory requirements for energy performance. The analyses study the effect of reducing the value of the real estate collateral by an amount equal to the investment cost. The analyses indicated low credit losses in both the expected and stressed scenarios.

Data on energy classes for individual buildings was obtained from completed energy declarations. Energy classification vary depending on the time and the country in which they are carried out. Properties with no energy class are assigned modelled energy classes based on the Bank's other real estate

collateral. The investment costs per square meter assumed for different property types are based on expert authorities' assessments.

The scenario analysis to assess the impact of the climate change transition on the economy and, by extension, the Bank's customers, is based on a macroeconomic scenario developed by the Network for Greening the Financial System (NGFS). The scenario is called Net Zero 2050 and is based on the introduction of a climate policy where the world commits to reaching net-zero GHG emissions by around 2050 and to limiting global warming to 1.5°C. In this scenario, the introduction of costs for GHG emissions is central and the analysis assumes that counterparties pay for the GHG emissions generated by their properties. The emissions data was obtained from energy declarations, and estimates from the Partnership for Carbon Accounting Financials (PCAF). Based on the same scope and methodology with an impact on the counterparty's income statement and balance sheet and with a five-year time horizon as described above, low credit losses are expected to arise in this scenario.

In its lending, the Bank conducts an individual credit assessment of each customer based on the customer's circumstances. This methodology, called Business Assessment, includes a credit risk assessment that evaluates repayment capacity and collateral. Relevant sustainability risks are also integrated into the credit risk assessment, and these risks are then analysed and assessed as they may affect both the repayment capacity and value of the collateral. Climate scenarios or scenario analysis are not used in the credit process. Climate-related physical risks and climate-related transition risks that may affect customers in the Bank's credit portfolio over different time horizons are described in the Bank's credit risk assessment instructions. The risks relevant to the credit risk of an individual customer depend on the industry in which the customer operates and other circumstances of the customer's business. The branch responsible for the customer is responsible for identifying and analysing the risks relevant to the credit risk assessment. A customer may be more or less exposed to a risk and also more or less sensitive to its impact. A reconciliation is made against the guidelines set by the CEO regarding business relationships with certain industries.

Climate-related physical risks and transition risks are important sustainability aspects that are taken into account in the credit risk assessment of different customers, such as property companies. The assessment includes an analysis of the risk of climate-related damage to properties and requirements for energy efficiency improvements to buildings in the

property portfolio. The magnitude of these risks to the customer and the customer's ability to manage them are key factors in the Bank's credit risk assessment in each individual case. The Bank used evidence from expert authorities and external monitoring to identify opportunities for the Bank in relation to the climate transition.

In assessing the business opportunities presented by the transition, the Bank examined changes in climate regulations and policies, concentrating on those affecting fossil fuel use, renewable energy and the real estate sector. The Bank also analysed potential technological advances in renewable energy, energy efficiency and carbon capture, which create opportunities to finance innovative projects. Furthermore, the Bank took market changes into account, such as shifting consumer and investor preferences towards sustainable practices, which may create financial opportunities for companies transitioning to a low-carbon economy.

One example is the EU Renovation Wave and Energy Performance of Buildings Directive (EPBD), which creates business opportunities for banks in the real estate sector. The EPBD aims to improve the energy performance of buildings and reduce GHG emissions by setting minimum standards and targets for both new and existing buildings. The European Commission estimates that annual investments of more than EUR 300 billion will be required to meet the energy efficiency targets for 2030, including building renovation targets. Increased investment in energy efficiency in buildings can lead to increased business volumes for the Bank, thanks to its strong market position, with a significant share of loans to the sector, combined with good and long-term customer relationships.

The real estate sector is generally exposed to climate-related physical risks. The sector is also exposed to transition risks, driven by the EPBD, for example, which affects legislation on the Minimum Energy Performance Standards (MEPS). However, there are very few customers in the Bank's portfolio where the credit risk is considered high due to these types of sustainability risks.

Handelsbanken integrates scenario analysis to evaluate the potential effects of transition events on its business. The Bank uses scenarios developed by the International Energy Agency (IEA), for example, and frameworks such as the Net-Zero Banking Alliance (NZBA) to assess how well its portfolio aligns with the 1.5°C goal, and to identify risks and opportunities related to the climate transition.

### Asset management

The double materiality assessment primarily considered analyses from ISS ESG for Handelsbanken Fonder's investment portfolio regarding both physical risk and transition risk. For physical climate risks, an analysis is carried out of the current and future risk exposure to six of the most costly physical climate threats: coastal floods, droughts, heat stress, river floods, tropical cyclones and wild fires. Future risk exposure extends up to 2050 and is assessed for both a likely scenario, Representative Concentration Pathway (RCP) 4.5, corresponding to a temperature increase of 1.7–3.2°C by 2100, and a worst-case scenario, RCP 8.5, corresponding to a temperature increase of 3.2–5.4°C by 2100, based on two scenarios from the IPCC Fifth Assessment Report (AR5). The potential impacts of climate threats in each scenario were simulated using advanced scientific climate models. The risks were then assessed in terms of company specific geographical exposure of both revenue streams and assets. This was quantified in terms of operational risks, such as business interruption and repair costs, and market risks. The financial risk arising from these operational risks and market risks was used in a forward-looking valuation to derive the company's Physical Value at Risk (PVaR), meaning the estimated change in the share price due to the impact of physical climate risks. In a likely scenario, an increase in PVaR from 0.08 per cent to 0.50 per cent is predicted for Handelsbanken Fonder's total portfolio, compared with 0.55 per cent for a global broad benchmark. In a worst-case scenario, the PVaR of Handelsbanken Fonder's portfolio could rise to 0.76 per cent, which is still below the global benchmark of 0.84 per cent. This estimate does not capture all important climate-related physical risks, and a real worst-case scenario would probably have a greater impact on the portfolios than estimated.

The analysis shows varying levels of risk across the portfolio's exposure to different sectors, with manufacturing sectors showing the highest potential risk exposure, with a current PVaR of 0.04 per cent that could increase to 0.40 per cent in the worst-case scenario. The sector-specific results enable Handelsbanken Fonder to identify areas with higher climate-risk exposure and take this into account in its risk management strategies.

Transition risks and opportunities are also identified through a model from ISS ESG based on the Net Zero by 2050 scenario (NZE2050) from International Energy Agency's World Energy, which corresponds to a temperature increase of 1.5°C. Risks and opportunities are assessed on the basis of a long-term (2050) scenario, although impacts are

expected to be realised gradually in both the short and medium term. Through changes in demand and costs, the model estimates the financial impact and derives the company's Transition Value at Risk (TVaR) resulting from transition-related events. The model covers three types of transition risks:

- **Policy transition risks:** Changes in costs and revenue due to changing policy environments.
- **Market risks:** Impact of carbon prices on relevant sectors.
- **Technological risks:** Changes in relative prices and demand for fossil fuel technologies and low-carbon technologies.

The analysis shows that Handelsbanken Fonder's Transitional Value at Risk (TVaR) for the investment portfolio was 2.41 per cent. This is lower than the corresponding value of 4.57 per cent for the unscreened global benchmark, which indicates that Handelsbanken Fonder's portfolio is potentially less exposed to transition risks compared with the broader market in the transition to a low-carbon economy. As with physical risks, manufacturing companies represent the largest share of the risk exposure, with a total of 1.73 per cent. The electricity, gas, steam and air conditioning supply sector showed a negative TVaR (-0.21 per cent), indicating opportunities in the transition and that the companies that represent sector exposure would be positively impacted by an increase in value. Read more in the fund company's Climate and Nature Report published annually on Handelsbankenfonder.se.

### ESRS 2 IRO-1 E4: Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The identification of impacts, risks and opportunities for biodiversity and ecosystems is based on the qualitative analysis carried out as part of the Bank's double materiality assessment. More information on the process for identifying and assessing Handelsbanken's impacts, risks and opportunities is provided in the IRO-1 section on page 273.

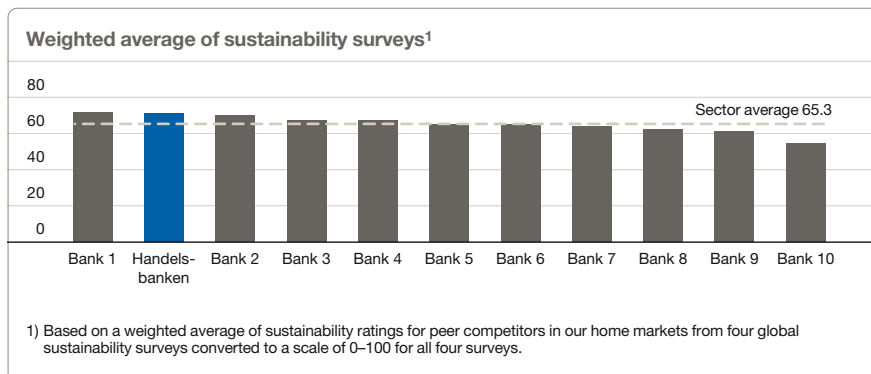
Handelsbanken has identified the direct impact drivers of biodiversity loss as a material topic from an impact perspective in the double materiality assessment. This is based on the indirect impact of the Bank's investing activities in its downstream value chain, as well as the recognition of the urgency of the biodiversity crisis and the need for businesses, including financial institutions such as Handels-

banken, to take a proactive role in protecting and restoring the natural environment that is fundamental to economies, societies and stability. The physical locations of Handelsbanken's own operations are mainly situated in long-standing, developed urban areas which can be assumed to be locations that are not situated in or in close proximity to biodiversity-sensitive areas, and therefore the own operations have not been deemed to be material. The direct impact drivers of biodiversity loss are land use, climate change, resource use, pollution and invasive species.

It should be noted that methods for assessing and evaluating nature and biodiversity in financial terms are still under development. This makes it challenging to quantify risks and opportunities when assessing the potential financial materiality of biodiversity. The same applies to the assessment of dependencies, transition and systemic risks in the value chain that cannot be fully assessed until better methods are available, for example, for assessing the dependencies of the value chain on natural resources and ecosystem services. Based on Handelsbanken's low risk focus, and that the impact and dependency on biodiversity is mainly indirect through the Bank's lending and investments, it was concluded that financial impacts in this area are unlikely for Handelsbanken in the time horizon assessed, whereby this was not deemed material from a financial perspective. Affected communities were not consulted in this assessment.

### IRO-2: Disclosure requirements in ESRS covered by Handelsbanken's Sustainability Report

A list of the disclosure requirements that the Sustainability Report contains, based on the results of Handelsbanken's double materiality assessment and the materiality assessment at datapoint level, can be found in the introduction to each topic area. See page 260 for ESRS 2, page 284 for E1 and E4, page 298 for S1, S2 and S4 and the entity specific matter Contribute to society, as well as page 318 for G1 and the entity specific matters Counteract financial crime and Financial stability. A description of the Bank's identification of material information to be disclosed in relation to IROs is presented in the section IRO-1, see page 273. The materiality assessment at datapoint level was based on the regulations and involves an assessment of the materiality of each datapoint for the user. A list of datapoints provided from other EU legislation can be found on pages 280–283.



## Metrics and targets

In connection with the work to report in accordance with ESRS, Handelsbanken will stop reporting on the sustainability targets that were adopted in 2021 and previously governed the Bank's sustainability activities. These targets played an important role in the Bank's sustainability strategy to govern and measure the Bank's impact in its business areas: investment, funding and advisory services.

To ensure transparency and follow the principle of materiality, Handelsbanken reports the final outcome of the previous targets here. This information provides an indication of progress made in 2024, and serves as a bridge to the new targets. Handelsbanken believes that this final report is important for the Bank's stakeholders since it provides an overview of priorities and performance in 2024, and it forms the basis for the Bank's development going forward. The information supplements the reporting of the new targets and reinforces Handelsbanken's ambition to maintain transparency and responsibility in its sustainability work.

Handelsbanken's previous sustainability target was "to be, and to be recognised as the most sustainable bank among peer competitors." Furthermore, Handelsbanken has had sustainability targets in three areas: investment, financing and advisory services and a target for net-zero GHG emissions from Handelsbanken's operations, including relevant parts of the lending and investment portfolio. The Bank has developed several new products and services to meet customer needs. See section SBM-1: Strategy, business model and value chain on page 266 for exam-

ples of products and services. Compared with last year, the volume of green loans<sup>1)</sup> increased 42 per cent to SEK 123.4 billion (87.2), of which green mortgages increased 16 per cent to SEK 40.6 billion (35.0). In addition, lending facilities with ESG-linked features amounted to SEK 144.0 billion (105.4), of which drawn loans accounted for SEK 66.2 billion. Regarding the net-zero target and interim targets for 2030 that the Bank has worked towards, see page 291 for Handelsbanken's total GHG emissions disaggregated by Scope 1, Scope 2 and Scope 3 and for financed emissions.

Handelsbanken Fonder will continue to follow the alignment of the investment portfolios with regards to the targets and transition pathway of the Paris Agreement (net zero GHG emissions by 2040), and the investments' contribution to the 2030 Agenda. In addition to the reporting on page 289, Handelsbanken Fonder also reports its progress in a Sustainability and Engagement Report available at Handelsbankenfonder.se

The Bank's targets for advisory services can be found in a final report The savings gap – where we are now can be found on the Bank's website, Handelsbanken.com. Handelsbanken is making progress in the area of advisory services, and will focus on increasing the know-how of the Bank's customers in financial literacy. Webinars and customer events were arranged on this subject in 2024. In 2025, the Bank intends to continue to increase advisors' knowledge on the subject and publish additional information for customers.

In 2024, Handelsbanken reviewed and adjusted the current sustainability targets to applicable regulations and reporting requirements, and to the Bank's business model and way of working. Handelsbanken has worked

systematically to develop and set sustainability targets as part of efforts to integrate sustainability into all aspects of its operations and report in line with the ESRS requirements. More detailed information about the new targets can be found under each material sustainability topic. The process has only involved internal stakeholders and was carried out in close cooperation with various business specialists, ensuring that the targets are both relevant to the Bank and feasible, taking into account the relevant ESRS.

The work was based on the outcome of the Bank's double materiality assessment, and the process started with a review of the existing sustainability targets. Based on this, draft sustainability targets were developed, which were then iterated in the business to allow for a broader discussion and collection of views from different departments.

1) Criteria for green loans according to the Bank's Green Bond Framework handelsbanken.com/handelsbankens-green-bonds, aligned with the 2021 ICMA Green Bond Principles and adapted to, but not fully aligned with, the EU Taxonomy.





## Datapoints related to other EU legislation

The table Relationship to other EU legislation shows the datapoints in the Sustainability Report that derive from other EU legislation. References are made to the SFDR, Pillar III, the Benchmark Regulation, and the European Climate Law.

Relationship to other EU legislation

Disclosure Requirement and related datapoint	SFDR reference <sup>1)</sup>	Pillar 3 reference <sup>2)</sup>	Benchmark Regulation reference <sup>3)</sup>	EU Climate Law reference <sup>4)</sup>	Material / Not material	Page
<b>ESRS 2 GOV-1</b> Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 <sup>5)</sup> , Annex II		Material	262
<b>ESRS 2 GOV-1</b> Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	262
<b>ESRS 2 GOV-4</b> Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	265
<b>ESRS 2 SBM-1</b> Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 <sup>6)</sup> , Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
<b>ESRS 2 SBM-1</b> Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
<b>ESRS 2 SBM-1</b> Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 <sup>7)</sup> , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
<b>ESRS 2 SBM-1</b> Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
<b>ESRS E1-1</b> Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	285
<b>ESRS E1-1</b> Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Material	285
<b>ESRS E1-4</b> GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	289
<b>ESRS E1-5</b> Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material	
<b>ESRS E1-5</b> Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	290
<b>ESRS E1-5</b> Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference <sup>1)</sup>	Pillar 3 reference <sup>2)</sup>	Benchmark Regulation reference <sup>3)</sup>	EU Climate Law reference <sup>4)</sup>	Material / Not material	Page
<b>ESRS E1-6</b> Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	291
<b>ESRS E1-6</b> Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	292
<b>ESRS E1-7</b> GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	a. Not material b. Material	292
<b>ESRS E1-9</b> Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	
<b>ESRS E1-9</b> Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			Not material	
<b>ESRS E1-9</b> Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Not material	
<b>ESRS E1-9</b> Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material	
<b>ESRS E2-4</b> Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
<b>ESRS E3-1</b> Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
<b>ESRS E3-1</b> Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
<b>ESRS E3-1</b> Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
<b>ESRS E3-4</b> Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
<b>ESRS E3-4</b> Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
<b>ESRS 2 – IRO 1 – E4</b> Paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
<b>ESRS 2 – IRO 1 – E4</b> Paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
<b>ESRS 2 – IRO 1 – E4</b> Paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	



Disclosure Requirement and related datapoint	SFDR reference <sup>1)</sup>	Pillar 3 reference <sup>2)</sup>	Benchmark Regulation reference <sup>3)</sup>	EU Climate Law reference <sup>4)</sup>	Material / Not material	Page
<b>ESRS E4-2</b> Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	296
<b>ESRS E4-2</b> Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	297
<b>ESRS E4-2</b> Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	296
<b>ESRS E5-5</b> Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
<b>ESRS E5-5</b> Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
<b>ESRS 2 – SBM3 – S1</b> Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				Not material	
<b>ESRS 2 – SBM3 – S1</b> Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				Not material	
<b>ESRS S1-1</b> Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	300
<b>ESRS S1-1</b> Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	301
<b>ESRS S1-1</b> Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	301
<b>ESRS S1-1</b> Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex 1				Not material	
<b>ESRS S1-3</b> Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex 1				Material	302
<b>ESRS S1-14</b> Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
<b>ESRS S1-14</b> Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex 1				Not material	
<b>ESRS S1-16</b> Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	307
<b>ESRS S1-16</b> Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex 1				Material	307
<b>ESRS S1-17</b> Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex 1				Material	307
<b>ESRS S1-17</b> Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
<b>ESRS 2 – SBM3 – S2</b> Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex 1				Not material	



Disclosure Requirement and related datapoint	SFDR reference <sup>1)</sup>	Pillar 3 reference <sup>2)</sup>	Benchmark Regulation reference <sup>3)</sup>	EU Climate Law reference <sup>4)</sup>	Material / Not material	Page
<b>ESRS S2-1</b> Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	308
<b>ESRS S2-1</b> Policies related to value chain workers paragraph 18	Indicators number 11 and 4 Table #3 of Annex I				Material	308
<b>ESRS S2-1</b> Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	308
<b>ESRS S2-1</b> Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	308
<b>ESRS S2-4</b> Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Material	310
<b>ESRS S3-1</b> Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Not material	
<b>ESRS S3-1</b> Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
<b>ESRS S3-4</b> Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material	
<b>ESRS S4-1</b> Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	313
<b>ESRS S4-1</b> Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	313
<b>ESRS S4-4</b> Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				Not material	
<b>ESRS G1-1</b> United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				Not material	
<b>ESRS G1-1</b> Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				Not material	
<b>ESRS G1-4</b> Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	321
<b>ESRS G1-4</b> Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				Material	321

1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).

3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

# Environmental information

## Disclosure Requirements

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# Environmental information

Handelsbanken works systematically to reduce its climate impact and contribute to the global transition to a low-carbon economy, at the same time as the Bank develops its work to reduce the negative impact on biodiversity.

This section describes how Handelsbanken impacts, and is impacted by, climate and nature-related changes. In addition, it presents the Bank’s management and progress in environmental and climate issues, including the

reduction of emissions from its own operations, the Bank’s indirect impact through financed emissions, the impact of the investment portfolios, and actions to prevent, mitigate, and avoid the negative impact on biodi-

versity. By integrating the climate and environment into business decisions and risk management, Handelsbanken is strengthening its role as a long-term and sustainable player in the financial market.

## ESRS E1 Climate change

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Climate change adaptation	Potential positive impact Potential negative impact Risk Opportunity	Asset management & lending Asset management & lending Lending Lending	Short/medium/long Short/medium/long Long Short/medium/long
Climate change mitigation	Actual positive impact Actual negative impact Risk Opportunity	Asset management & lending Asset management & lending Lending Lending	Short/medium/long Short/medium/long Long Long
Energy	Potential positive impact Actual negative impact	Payment, own operations & downstream Payment, own operations & downstream	Short/medium/long Short/medium/long

### Strategy

#### E1-1: Transition plan for climate change mitigation

In 2023, Handelsbanken published its Transition Plan, which will be updated in 2025. The Transition Plan builds on the Bank’s unique corporate culture and ambition to contribute to the achievement of the EU’s climate targets, national climate targets in each home market, and the Paris Agreement’s goal of limiting global warming to 1.5°C. The transition plan describes how Handelsbanken intends to address the climate issue. It focuses primarily on the Bank working with and supporting its customers and portfolio companies in their

transition towards net zero, which will be vital to Handelsbanken’s contribution to the transition of society. The Bank has developed several products and can offer its customers incentives in the form of loan terms and practices as well as contacts to technical and local experts for the provision of technical advice and support services. Handelsbanken uses these tools to drive positive change and will continue to focus on improving their efficiency moving forward. The implementation of the Bank’s transition plan is decentralised and may require additional resources, based on the any needs that may be identified. This is part of the ongoing business development process that will continue in the years ahead.

Based on the Bank’s decentralised approach, all home markets and relevant business areas will operate in line with the Group’s sustainability agenda and the transition plan will be integrated into their annual business planning.

The aim is to prioritise activities with the greatest positive impact on the real economy, such as reducing GHG emissions.

Each home market has a Steering Committee that brings relevant decision-makers and local sustainability experts together. These committees develop the national roadmaps and guide and coordinate the implementation of the activities. As at Group level, the national roadmaps should have an impact approach. The national roadmaps define the activities, business developments, training courses and customer groups that will be prioritised during the transition process. A successful transition for Handelsbanken is based on local implementation, business integration and decentralised development and ownership. The activities identified in the national roadmaps will be integrated into the business plans of the relevant units. The roadmaps will be updated regularly.

The implementation of the national roadmaps is coordinated by Handelsbanken Sustainability through the Group-wide Task force on Climate, which brings together representatives from each home market. The working group is led by the Chief Sustainability and Climate Officer (CSO), who is part of the Executive Team and regularly reports on progress to Handelsbanken’s Board, CEO and Executive Team.

Handelsbanken’s shares are included in the EU Paris-Aligned Benchmarks.

## ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Handelsbanken's strategy, business model and way of banking are based on a combination of a local connection, long-term customer relationships, low risk-taking, a decentralised approach, a focus on stable finances and sustainability. Climate change and the transition to a low-carbon economy present new risks and opportunities for the Bank. This means that the Bank must continue to develop its operations by, for example, raising competencies, new products and services, deeper customer dialogues and improved processes for identifying, measuring and managing climate-related risks and opportunities. This is nothing new for Handelsbanken. The process has been ongoing and evolving for many years, and will continue to do so. The Bank's assessment is that the foundations of its way of doing banking are well-suited to managing the new risks and opportunities presented by climate change and the green transition, and that the business development that is required can be performed within the framework of the Bank's established working methods.

### Lending

Handelsbanken's core business is lending, and a large part of the Bank's total lending is collateralised with real estate. The Bank therefore chooses to mainly focus its assessment of physical climate risks and transition risks on risks related to real estate in the credit risk area.

Among other things, the Bank's resilience to climate risks is analysed based on stress tests, which were performed on 31 December 2024. For physical climate risks, exposure to mainly flood risk from watercourses and sea-level rise was examined. This was performed for all four home markets – Sweden, the UK, Norway and the Netherlands – under climate scenarios and with long time horizons until 2050-2100. For transition risk, the change in the risk of credit losses per counterparty was examined following the EU's revised Energy Performance of Buildings Directive (EPBD), which sets requirements for energy efficiency improvements in buildings. This was carried out for real estate companies in Sweden and Norway, and for households in Sweden, under a recession scenario developed by Handelsbanken, and with a medium-term time horizon of five years. A stress test was also carried out to determine how the climate transition's

impact on the real economy could affect the Bank's customers. The stress test is based on the Network for Greening the Financial System's (NGFS) Net Zero 2050 scenario and also includes the costs of the GHG emissions generated by the customer's property. For a more detailed description of the stress tests and their results, refer to ESRS 2 IRO-1 E1 on page 274 for a description of the processes to identify and assess material climate risks.

### Asset management

As a part of the financial system and as a manager of customers' savings, Handelsbanken plays a role in enabling society's transition and sustainable development. Handelsbanken's asset management consists of the fund companies Handelsbanken Fonder, Handelsbanken Wealth & Asset Management (HWAM) and Optimix, the life insurance company Handelsbanken Liv and discretionary management. HWAM has been a wholly owned subsidiary of Handelsbanken in the UK since 2013. It has been owned by Handelsbanken plc since 2018 and is responsible for asset management operations on behalf of the subsidiary's customers. Optimix Vermogensbeheer NV is a Dutch asset management firm and a wholly owned subsidiary of Handelsbanken. Optimix operates under its own, separate brand, and is responsible for all asset management undertaken on behalf of Handelsbanken in the Netherlands.

Handelsbanken Fonder, HWAM and Optimix manage a total of approximately SEK 1,107 billion, which represents about 93 per cent of total assets under management at Handelsbanken. Handelsbanken's subsidiary Handelsbanken Liv has largely chosen Handelsbanken Fonder's products for its insurance policies. This also applies to parts of Handelsbanken's discretionary management, which means that much of the reporting carried out by Handelsbanken Fonder also becomes part of the value chain of these operations.

Here, a description is provided of the various subsidiaries' risks and opportunities linked to climate change in relation to strategy and business model, focusing on the subsidiary with the greatest impact, Handelsbanken Fonder. Handelsbanken Fonder manages just over SEK 1,058 billion, which represents approximately 89 per cent of total assets under management at Handelsbanken.

As a tool to identify and assess climate-related risks and opportunities, Handelsbanken Fonder uses a scenario analysis to stress test the investment portfolios with respect to various future climate scenarios. These analyses were carried out on 31 December 2024. The analysis for physical climate risks calculates

current and future risk exposure for six of the most costly physical climate risks on the basis of an intermediate scenario (Representative Concentration Pathway (RCP) 4.5) and a worst-case scenario (RCP 8.5), with long-term time horizons up to 2050. The risks are then assessed in terms of company specific geographical exposure for both revenue streams and assets. This is quantified in terms of operational risks and market risks. Handelsbanken Fonder's total investment portfolio shows strong resilience, and compares favourably with an unscreened global benchmark. The analysis showed varying levels of risk across the portfolio's exposure to different sectors. These sector-specific insights allow Handelsbanken Fonder to identify areas of higher climate-risk exposure and adapt its risk management strategies accordingly. However, a stress test does not capture all material climate-related physical risks, and an actual worst-case scenario would probably have a greater impact on Handelsbanken Fonder's portfolios than estimated. For a more detailed description of the physical climate risk stress tests, see section E1 IRO-1 on page 274.

Transition risks and opportunities are assessed in relation to a long-term scenario up to 2050, although the impacts are expected to be realised gradually in both the short and medium term. The analysis was based on the Net Zero 2050 scenario (NZE2050) from the International Energy Agency's World Energy Outlook series, which corresponds to a temperature increase of 1.5°C. The analysis for transition risks identifies three types of transition risks: policy risks, market risks and technological risks. The financial impact is estimated based on changes in demand and costs, which results in an assessment of the company's transition risk. In the stress tests, Handelsbanken Fonder's investment portfolio shows strong resilience, or low exposure, to transition risks – both in terms of the assessed risk as a whole and in comparison with a global unscreened benchmark. For a more detailed description of the transition risk stress tests, see section E1 IRO-1 on page 274.

A key factor in Handelsbanken Fonder's resilience to transition risks is the fossil fuels exclusion strategy. Handelsbanken Fonder excludes companies involved in the exploration, production and refining of fossil fuels, with an upper limit of five per cent of revenue for such activities. Handelsbanken Fonder also excludes companies where more than 50 per cent of revenue is derived from fossil-fuel related services. For power generation based on fossil fuels, the fund company has a restrictive approach and applies specific transition criteria for companies operating in this sector.

This is the reason that other sectors, such as manufacturing, represent the largest exposure to transition risk in Handelsbanken Fonder's portfolio.

Handelsbanken Fonder integrates the scenario analysis into its investment processes to build resilience in portfolios, support the transition to a low-carbon economy and deliver long-term value to customers. The results obtained from the scenario analysis for physical and transition risks can be integrated into investment decision-making processes in several ways, for example, in risk management where the results of the scenario analysis are used to identify and quantify the potential climate-related risks in the investment portfolios. This information is used to develop risk mitigation strategies and adjust portfolio allocations where necessary. Sector exclusion is the first line of defence in the risk management process. Handelsbanken Fonder applies exclusion primarily when a sector has high sustainability risks, is not compatible with long-term sustainable asset management, and when the ability to influence a company to adapt to sustainable development is deemed limited. Handelsbanken Fonder engages with companies to understand their climate-risk management strategies, encourage the adoption of best practices, and support their transition process.

Integration takes place in various ways depending on the management approach. In active management, the analysis of sustainability risks, as well as their assessment and management, is integrated into the investment processes. In passive management, climate risks are managed in product development and through asset stewardship. Given the rules-based nature of passive investments, it is the choice of benchmark in product development that includes sustainability factors. Choosing the Paris-Aligned Benchmarks is a tool for identifying and managing high-emitting portfolio companies which, in turn, is a strategy for managing climate risks. In active allocation management, climate-related risks are handled in the portfolio manager's selection process by integrating climate-related risks and opportunities and broader sustainability metrics into the portfolio manager evaluation process.

Handelsbanken Fonder pursues active stewardship with regard to actively and passively managed funds, for example, by voting at general meetings where sustainability-related matters are often addressed. In the Nordic region, but mainly in Sweden, Handelsbanken Fonder also participates in a large number of nomination committees. The fund company's view is that each board should be

well-informed and able to establish strategies for the company that entail long-term sustainable operations.

Handelsbanken Wealth & Asset Management and Optimix have not yet carried out climate-based resilience analyses.

## Impact, risk and opportunity management

### E1-2: Policies related to climate change mitigation and adaptation

The steering documents that primarily address the Bank's material sustainability matters related to climate change and energy are:

- Policy for sustainability, for more information, see page 264
- Credit policy, for more information, see page 263
- Guidelines regarding the environment and climate change.

The Bank's policy for sustainability, as adopted by the Bank's Board, is complemented by the CEO's guidelines regarding the environment and climate change. The guidelines apply to the entire Handelsbanken Group and are intended to provide guidance for decision-making. The guidelines and the policy for sustainability have been published on the Bank's website. According to Handelsbanken's guideline regarding the environment and climate change, the Bank's GHG emissions should be reduced over time in line with the 1.5°C goal. Handelsbanken has developed specific criteria for business relationships with fossil energy companies, in line with the International Energy Agency's (IEA) Net Zero by 2050 scenario. Among other things, these criteria require the Bank not to enter into new business relationships with, or finance or invest customers' funds in, companies involved in coal mining, or to finance new oil and gas exploration. For more information about the Bank's criteria and definition of transition companies, refer to *Sector Framework – Fossil Energy* on handelsbanken.com. Handelsbanken shall take into account risks related to the transition and physical climate change in its business activities, where such risks are deemed relevant. Handelsbanken expects companies with which it has business relationships to operate in line with the long-term goals of the Paris Agreement by, for example, switching to renewable energy production and improving energy efficiency.

The guidelines regarding the environment and climate change refer to several international initiatives such as the UN Global Compact, the Equator Principles, the Principles for Responsible Banking that the Bank takes into account when working with climate change adaptation and energy.

In addition to the Group-wide steering documents, Handelsbanken's subsidiary Handelsbanken Fonder has a policy for shareholder engagement and responsible investment. The policy aims to establish guidelines for the fund company's active stewardship and its work on responsible investment. For more information on the policy, see section S2-1 on page 308.

### E1-3: Actions and resources in relation to climate change policies

Handelsbanken endeavours to support its customers and portfolio companies on their journey towards net-zero GHG emissions. An important part of this work is to develop and adapt products that facilitate and support their transition. This, combined with Handelsbanken's own efforts to reduce its climate impact, is central to the Bank's contribution to the climate transition.

This section describes the activities that Handelsbanken carried out during the year and planned initiatives aimed at supporting customers in their climate transition. These activities are considered to be some of the most central to the Bank's climate work and their impact is evaluated at an aggregate level. Activities are regularly reviewed and developed to ensure continued relevance.

#### Own operations

Energy efficiency is a crucial factor in reducing the Bank's own emissions. During the year, the Bank completed a number of measures to reduce energy consumption, such as starting to replace fluorescent tubes and low-energy light bulbs with LEDs, and recycling around 1,600 fittings by converting them to LEDs. During the year, the Bank established a sustainability group for systems management and development with the task of creating measures to make IT systems more efficient, which will reduce the need for hardware and lower energy consumption. The Bank has held training sessions for IT department co-workers to raise awareness of digital and electronic waste and how managing this waste can help reduce the climate footprint.

As part of its transition plan, the Bank will work over the next year to identify and implement activities within its own operations. Some



elements of this work have already started with a review of existing activities and processes.

In Norway, the process to certify bank branches with the Norwegian Eco-Lighthouse label continued and a total of 23 branches were certified during the year. This means that environmental and climate work must be monitored and integrated into their corporate governance. The aim is that all 39 bank branches in Norway will be certified by 2027.

During the year, the Bank set a target to reduce energy consumption per square meter by an average of at least 2.5 per cent per year at its headquarters and internal departments. The outcome for 2024, and the average per year to date, was an increase of 1.9 per cent. Since 2018, the Bank has purchased 100 per cent renewable electricity for its operations. The aim is to continue to maintain that level.

## Lending

As a financial institution, Handelsbanken can influence its customers' business decisions, including how they approach the transition to net-zero emissions. The Bank has access to several tools, such as advisory services, training and incentives linked to loan terms. As part of this process, new products were launched in 2024 to support customers' transition. Green transition loans were introduced in Norway and the UK to improve energy efficiency in properties. A green loan was also launched in Norway for the construction of buildings that meet the criteria for green financing under the Bank's Green Bond Framework.

To enable a more structured assessment of customers' sustainability performance, the Bank launched a digital tool in the UK during the year to collect information about customers' sustainability plans, progress and risks related to sustainability. The tool is used in customer meetings with both existing and new customers and is initially aimed at real estate customers, with plans to extend its use to other corporate customers in the future.

In Sweden, Hållbarhetskollen (the Sustainability Check) service was launched during the year to help companies calculate their carbon emissions based on their accounts. The service supports companies in meeting the increased requirements to report their carbon footprint and also provides a clear overview of where emissions arise. In addition, the service offers specific proposals on action to reduce emissions.

To further strengthen support for customers in their transition, the Bank has focused intently on raising know-how among branch employees. The aim of such action is to improve advisory services and increase the ability of employees to address sustainability

in customer meetings. In the UK, this included the introduction of sustainability advisers to support branch advisers in dealing with more complex sustainability matters in client dialogues. In Sweden, monthly meetings were introduced for sustainability managers at the branches. These meetings aim to share information to improve skills, provide inspiration and establish knowledge of regulations and current external issues.

As a bank with significant lending to the real estate sector, Handelsbanken attaches great importance to offering tools that support real estate customers in their efforts to enhance energy efficiency. One example is Energikollen (Energy Check), a digital service that Handelsbanken Sweden offers its mortgage customers, as well as owners of apartment buildings as of 2024. The service helps customers identify the right energy efficiency measures tailored to their home's specific conditions.

In collaboration with a Swedish engineering consultancy, the Bank conducted training on physical climate risks, which increased internal skills and enabled more informed discussions with major real estate customers on climate challenges and potential solutions. This partnership also offers in-depth expertise to customers who require further guidance.

With these initiatives, Handelsbanken seeks to reduce emissions linked to real estate financing while supporting customers in complying with regulations such as the Energy Performance of Buildings Directive (EPBD).

During the year, the Bank also further clarified instructions on the assessment of climate risks, physical and transition risks in the credit process for companies. The purpose is to provide guidance to the organisation to consistently identify, analyse and assess the sustainability risks relevant to the credit risk assessment. In the Netherlands, the Bank also updated the local credit instructions to ensure that new real estate funding contributes to the Bank's transition plan.

Over the next year, the Bank plans to continue to develop products and services that support customer transitions and to further develop standard processes to follow up and engage customers on sustainability. A key focus area going forward is to encourage and support customers in preparing credible and ambitious transition plans. Such plans will be increasingly required, especially from customers and portfolio companies in sectors where the Bank can make the greatest impact.

The Bank also intends to further integrate climate issues into its standard real estate financing process, with a particular focus on the energy classes of buildings. These initiatives are part of the Bank's work on identifying

opportunities, evaluating the direction of progress and contributing to the climate transition.

## Asset management

Handelsbanken Fonder integrates established climate targets and their outcome in the investment process and develops and offers products that are in line with its emissions targets, for example, index funds that follow Paris Aligned Benchmarks. Handelsbanken Global Index Criteria, which belongs to this category of funds, was recognised by Bloomberg in May 2024 as the world's largest Article 9 fund<sup>1)</sup>. The fund's assets under management at year-end amounted to just over SEK 108 billion. Handelsbanken Fonder engages with portfolio companies on their climate targets and transition plans.

The Bank's asset management activities also apply the Group's guidelines regarding the environment and climate change for coal, for example, which means that no new business relationships or investments are made in companies engaged in coal mining or building new coal-fired power plants.

In addition to what the fund company excludes according to the policy for shareholder engagement and responsible investment, the fund company offers funds in two different levels of exclusion: basic and enhanced level (criteria). Read more under "Follow our work" at handelsbankenfonder.se. Handelsbanken Fonder applies enhanced exclusion criteria to 99.4 per cent of the fund company's assets under management, which limits investments in companies involved in the extraction, production or distribution of fossil fuels, including coal, oil and natural gas. The fund company's risk control function monitors compliance with exclusion criteria in the fund company's investments on a daily basis.

Companies that derive more than five per cent of revenue from the production or distribution of fossil fuels and more than 50 per cent from related services are excluded, except for the companies classified as transition companies, read more under companies in transition under "Follow our work" at handelsbankenfonder.se.

The level of sustainable investment is stated in the fund rules of each fund and is reported every year in accordance with the SFDR regulations, which provides transparency to customers and discloses the fund's investments and any sustainability focus it has.

During the year, Handelsbanken Fonder identified the companies that account for 70 per cent of the fund company's financed emissions and that have not yet shown that they are in line with net-zero emissions. Handels-

<sup>1)</sup> Total assets under management in May amounted to SEK 120 billion and at year-end to approximately SEK 145 billion. This volume refers to the total fund assets under management, not adjusted for the volume of own holdings as stated in the text above.

banken Fonder conducted climate dialogues with 13 of these companies in 2024.

Handelsbanken Fonder was involved in various international climate dialogue initiatives during 2024.

Handelsbanken Fonder pursues active stewardship with regard to both actively and passively managed funds. The most direct means of exercising stewardship is by voting at general meetings. During the 2024 general meeting season, the fund company voted at around 1,275 meetings. Ahead of annual general meetings in 2024, fund company participated in 66 nomination committees. Through its participation in nomination committees, the fund company has an influence on the boards elected by the general meetings.

Work is taking place in Handelsbanken Wealth & Asset Management to further develop the company's sustainability strategy, which includes the exclusion criteria in the company's policy for responsible investment. This process is expected to be completed in 2025. During the year, Handelsbanken Wealth & Asset Management raised the minimum level in its responsible funds so that these must invest at least 70 per cent (65 per cent for one of the funds) of their portfolio in assets that display positive environmental and/or social themes.

Work is taking place in Optimix to further develop the company's sustainability strategy.

## Metrics and targets

### E1-4: Targets related to climate change mitigation and adaptation

Contributing to the EU's climate targets, the Bank's home markets national climate targets, and the Paris Agreement's goal of limiting warming to 1.5°C requires that the Bank's customers reduce their emissions in line with the targets set for their respective sectors in the EU and in these countries. Handelsbanken's ambition is to use products, services and advisory services to support its customers on their transition journey.

Handelsbanken's target is to reduce its absolute Scope 1 and 2 emissions by 50 per cent by 2030 from 2021 levels. The base year was decided based on recommendations from the Science Based Targets initiative (SBTi) for setting base years. In addition to the absolute reduction target, the Bank has also set targets for electricity procurement, which means that 100 per cent renewable electricity will continue to be purchased until 2030.

Working to enhance energy efficiency is crucial for Handelsbanken to reduce its climate impact in its own operations, which means using less energy to achieve the same result. The aim is to reduce energy consumption per square meter in the headquarters and internal departments by an average of at least 2.5 per cent per year between 2023 and 2030. By reducing energy consumption in buildings and facilities, Scope 1 and 2 emissions can be reduced. The target is aligned with national and international targets and it exceeds the EU energy saving requirements for public buildings and the level set in Sweden's national contribution. The target is not science-based, although energy efficiency is a recognised method for reducing carbon emissions. Stakeholders were not involved in setting the target, which was adopted in 2024 and will be followed up annually.

Handelsbanken has also set an aspirational goal for climate adaptation, where the Bank actively contributes to spreading knowledge about climate-adaptation measures. Information can be disseminated through mailings and by engaging with customers about climate adaptation.

#### Lending

In 2025, Handelsbanken will conduct a more in-depth analysis of the lending operating area based on the specific conditions applicable to each home market. The analysis will result in a description of how the Bank's business model supports the climate transition and how the Bank's assets are expected to develop over time. The Bank aims to further integrate climate risk factors into current risk management methods and processes. For more information, refer to section IRO-1 on page 273 and G2 on page 119. In the 2025 Sustainability Report, Handelsbanken intends to report on how the

Bank's transition plan is aligned with the EU Climate Law in conjunction with the inclusion of the Sustainability Report in the administration report following the requirements of the ESRS. A follow-up of the climate targets for lending that applied in 2024 is reported in the General information section on page 278.

The Bank's main tool for reducing financed emissions is to support customers and portfolio companies in their transition journey. This includes products, services and support to customers and portfolio companies to encourage ambitious transition strategies and plans tailored to achieve net-zero emissions.

Handelsbanken has strict criteria for lending to high-emitting sectors such as oil, gas and coal. The Bank does not finance new coal mines, oil or gas extraction projects or companies heavily involved in fossil fuel infrastructure, as such activities are not considered in line with a global reduction of carbon emissions according to the 1.5°C goal. Exceptions can be made for companies classified as transition companies, which requires clear and credible decarbonisation plans.

#### Asset management

To serve our customers with relevant products that support a transition and to consider material sustainability risks in investment decisions, Handelsbanken Fonder has set an interim target of reducing its carbon footprint for the investment portfolio, measured in tCO<sub>2</sub>e per enterprise value including cash (EVIC) for the portfolio companies, by 50 per cent by 2030, based on the 2020 level. The target covers all emissions in the companies' value chain, i.e. Scopes 1, 2 and 3. The base year has been chosen based on the availability of data, with 2020 being the earliest possible year that has updated Scope 3 data available from the fund company's data provider.

Handelsbanken Fonder reports financed GHG emissions, carbon footprint and GHG intensity for investments in equities and corporate bonds, including direct and indirect investments via fund-of-funds structures.

Handelsbanken Fonder conducts a review of its emissions targets every five years, which commenced in 2024. The fund company is continuing to develop, on an ongoing basis, and ensure a relevant product offering based

GHG emission reduction targets

	Base year	Target year	Metric	Target	Scope included	Change since preceding year	Change since base year
<b>Scopes 1 + 2 – Own operations</b>	2021	2030	tCO <sub>2</sub> e	-50%	Scopes 1 + 2	-4%	-23%
<b>Scope 3.15 – Asset management</b>							
Investments	2020	2030	tCO <sub>2</sub> e/EVIC	-50% <sup>1)</sup>	Scopes 1 + 2 + 3	-18%	-31%

1) The target covers assets under management within Handelsbanken Fonder, corresponding to 89% of total assets under management.



on customer demand and to work towards its emissions targets in line with Handelsbanken's overall transition plan. As part of this, the fund company is continuing to review the exclusion criteria in its product offering to ensure that these criteria are aligned with customer needs and preferences and enable effective management of sustainability risks.

## E1-5: Energy consumption and mix

### Energy consumption and mix

	2023	2024
Total fossil energy consumption (MWh)	42,791	39,539
Share of fossil sources in total energy consumption (%)	60	59
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	436	317
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	27,533	26,594
The consumption of self-generated non-fuel renewable energy (MWh) <sup>1)</sup>	55	61
Total renewable energy consumption (MWh)	28,024	26,973
Share of renewable sources in total energy consumption (%)	40	41
Total energy consumption (MWh)	70,815	66,512

1) Refers to self-generated solar energy.

Handelsbanken has not signed any agreements to purchase nuclear energy in any of its markets. However, nuclear energy can be part of the local energy mix consumed by Handelsbanken, but its share has not been calculated separately and is included in the total energy volume. Similarly, renewable energy, mainly in the form of renewable district heating, can be included in the energy purchased on the local market. As long as the energy is not originally labelled as renewable, it has been classified as fossil in the accounts.

## E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

Handelsbanken calculates and reports emissions from its four home markets, broken down by own operations and lending and investments in asset management. The vast majority of emissions are in the value chain through the Bank's financed emissions.

### Own operations

Emissions from activities within the consolidated Group are categorised under three different Scopes, depending on the Bank's operational control over the specific activities. Scope 1 includes direct emissions from refrigerant leaks, stationary combustion of fuels used for heat production and backup generators, and mobile emissions from company

vehicles. Scope 2 are indirect emissions from purchased electricity, heating and cooling in both company-owned and leased facilities. Scope 3 emissions are all indirect emissions that occur in parts of the Group's supply chain. Read more in the table Scope 3 content on page 290.

The climate calculations are based on the GHG Protocol, an internationally recognised standard. In the first instance, primary data is used directly from the supplier. In the absence of primary data, the result is calculated using the emissions of neighbouring units or, in the absence of data, using average data or estimates. Underlying data, such as energy consumption in kWh, is multiplied by an emission factor to produce an emission figure. Emission factors can be obtained from national authorities, industry bodies or licensed data sources.

Handelsbanken uses renewable energy for its electricity consumption by purchasing 92 per cent guarantees of origin from hydropower, 4 per cent from solar energy and 4 per cent from wind power.

The Bank's biogenic emissions come mainly from two sources: Scope 1 emissions from the use of renewable gas, through the purchase of biogas, and Scope 2 emissions from the purchase of district heating fired with organic materials. Only biogenic emissions from biogas are reported, as the emission factor used for district heating in the Scope 2 calculations does not separate biogenic and fossil emis-

### Scope 3 content

Scope 3 category	Included?	Share of primary data	Justification and method
<b>3.1 Purchased goods and services</b>	Partly <sup>1)</sup>	90%	Encompasses the most material suppliers in the areas of IT equipment, paper consumption and water consumption. Emissions from cloud services are omitted due to data shortages.
<b>3.2 Capital goods</b>	No	n/a	Handelsbanken does not operate or control any capital goods to any significant extent from a GHG accounting perspective.
<b>3.3 Fuel and energy-related activities</b>	Partly <sup>1)</sup>	66%	Includes transmission and distribution losses from electricity consumption. Estimated using emissions factors. Other sources in this category have so far been omitted, such as Well-to-Tank (WTT) emissions.
<b>3.4 Upstream transportation and distribution</b>	Partly <sup>1)</sup>	88%	Includes postal and transportation services internally and to customers.
<b>3.5 Waste generated in operations</b>	No	n/a	As a financial services provider, the Bank does not generate significant waste. For the waste generated in day-to-day operations, there are few practical ways to measure this, and the results for the Bank would probably not be material.
<b>3.6 Business travel</b>	Yes	98%	Includes business travel by air, rail and road, as well as hotel stays. Taxi journeys and other business travel are not included.
<b>3.7 Employee commuting</b>	No <sup>1)</sup>	n/a	This category is material but the Bank has not yet adopted a calculation method.
<b>3.8 Upstream leased assets</b>	No	n/a	Handelsbanken does not lease upstream assets to any significant extent from a GHG accounting perspective.
<b>3.9 Downstream transportation</b>	No	n/a	All distribution services for communicating with customers are reported under transportation and upstream distribution. Emissions from customers' transport to the office are not included, as this is difficult to measure and most customer activities take place digitally.
<b>3.10 Processing of sold products</b>	No	n/a	Handelsbanken does not sell physical products that require any significant processing from a GHG perspective.
<b>3.11 Use of sold products</b>	No	n/a	Handelsbanken does not sell physical products to any significant extent from a GHG perspective.
<b>3.12 End-of-life treatment of sold products</b>	No	n/a	Handelsbanken does not sell physical products that require end-of-life treatment to any significant extent from a GHG perspective.
<b>3.13 Downstream leased assets</b>	No <sup>1)</sup>	n/a	This category may be included in the future as emission calculations for investment and financing are developed.
<b>3.14 Franchises</b>	No	n/a	Handelsbanken does not have any franchises.
<b>3.15 Investments</b>	Partly <sup>1)</sup>	59%	Emissions from lending are calculated for the Bank's real estate-related lending, which represents 88% of the Bank's total lending. For investments, emissions are calculated at 94% of on the share of total assets under management where it is possible to calculate emissions using established calculation methods. In turn, this accounts for 95% of total assets under management within asset management. The bank intends to expand its calculations to cover a larger part of the loan portfolio, with a focus on high-emitting sectors.

1) Handelsbanken intends to continue to develop its Scope 3 reporting.

## Total GHG emissions disaggregated by Scopes 1, 2 and 3

	Retrospective				Milestones and target years			
	2021	2023	2024	% 2024/2023	2025	2030	2040	Annual target in %/Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO <sub>2</sub> e)	339	154	143	-7	-50% for Scope 1+2.			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0				
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	5,567	4,644	4,468	-4				
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	2,718	2,295	2,205	-4	-50% for Scope 1+2.			
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> e)	41,775,535	43,351,634	46,059,746	6				
1 Purchased goods and services	3,764	3,149	2,714	-14				
2 Capital goods								
3 Fuel and energy-related activities (not included in Scopes 1 or 2)	650	665	669	1				
4 Upstream transportation and distribution	119	83	119	42				
5 Waste generated in operations								
6 Business travel	417	3,024	2,489	-18				
7 Employee commuting								
8 Upstream leased assets								
9 Downstream transportation								
10 Processing of sold products								
11 Use of sold products								
12 End-of-life treatment of sold products								
13 Downstream leased assets								
14 Franchises								
15 Investments	41,770,585 <sup>1)</sup>	43,344,713 <sup>2)</sup>	46,053,756 <sup>3)</sup>	6	For targets in Scope 3.15, see the table GHG emission reduction targets in section E1-4.			
Total GHG emissions								
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	41,781,441	43,356,431	46,064,357	6				
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	41,778,592	43,354,082	46,062,094	6				

1) Emission calculations within investments per 2021 include lending and Handelsbanken Fonder.

2) Emission calculations within investments per 2023 include lending and Handelsbanken Fonder, Optimix and HWAM.

3) Emission calculations in asset management as of 2024 include all asset management.

## Financed emissions

	Exposure (SEK m) <sup>1)</sup>	Coverage <sup>2)</sup>	Share of primary data	Total financed emissions (tCO <sub>2</sub> e)	Emissions intensity			
					2021	2023	2024	% 2024 /2023
Scope 3.15 Investments								
Lending (Scope 1, 2)								
Mortgages	1,150,961	100%	57%	302,972	9.6 kgCO <sub>2</sub> e/m <sup>2</sup>	8.5 kgCO <sub>2</sub> e/m <sup>2</sup>	8.2 kgCO <sub>2</sub> e/m <sup>2</sup>	-4%
Commercial properties	932,492	100%	81%	486,815	14.1 kgCO <sub>2</sub> e/m <sup>2</sup>	12.0 kgCO <sub>2</sub> e/m <sup>2</sup>	12.0 kgCO <sub>2</sub> e/m <sup>2</sup>	0%
					45.1 tCO <sub>2</sub> e/ SEK m <sup>3)</sup>	44.8 tCO <sub>2</sub> e/ SEK m <sup>4)</sup>	38.0 tCO <sub>2</sub> e/ SEK m <sup>5)</sup>	
Investments (Scope 1, 2, 3)	1,192,000	94%	44%	45,263,969				-15%
Calculated by data provider <sup>6)</sup>				39,509,895				
Estimated <sup>6)</sup>				5,754,074				
Total GHG emissions in Scope 3.15 Investments				46,053,756				

1) Exposure refers to on-balance for lending and assets under management (AUM) in asset management.

2) The coverage in asset management is calculated based on the share of total assets under management where it is possible to calculate emissions using established calculation methods. In turn, this accounts for 95% of total assets under management within asset management.

3) Emission calculations within investments per 2021 include lending and Handelsbanken Fonder.

4) Emission calculations within investments per 2023 include lending and Handelsbanken Fonder, Optimix and HWAM.

5) The emission intensity as of 2024 includes all asset management.

6) The majority of the reported emissions have been calculated using data from Asset Management's data providers. For a smaller part of the portfolio where data has been missing, emissions have been estimated based on the most granular data that Handelsbanken has available for the calculated part of the portfolio.

For targets related to the Bank's Scope 3.15, see the table for GHG emission reduction targets in Section E1-4.

## GHG intensity based on net revenue<sup>1)</sup>

GHG intensity per net revenue	2023	2024	Change since preceding year
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> e/SEK m)	247.44	245.45	-1%
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> e/SEK m)	247.42	245.44	-1%

1) Information regarding total net revenue is provided for the consolidated situation with the definition based on Section 4a of the Swedish Annual Reports in Credit Institutions and Securities Companies (1995:1559).

sions. Possible biogenic emissions in Scope 3 are not calculated. In 2024, Scope 1 biogenic emissions amounted to 63 tCO<sub>2</sub>e.

The reporting of self-generated solar energy is new for 2024, which has also led to a change in the comparative data for 2023 regarding location-based Scope 2 emissions (+3 tonnes).

### Lending

Emissions from lending are calculated for the Bank's real estate financing, which represents 88 per cent of the Bank's total lending. The Bank intends to expand the calculations to cover a larger part of the loan portfolio, with a focus on high-emitting sectors. The calculation of financed emissions for the lending portfolio covers the real estate portfolio, i.e. loans collateralised with real estate. The base year emissions calculation and subsequent calculations were performed using the standard issued by Partnership for Carbon Accounting Financials (PCAF), which provides a standardised methodology and contributes to the transparency and comparability of financed emissions reported. The calculations are based on energy performance certificates (EPCs), where available. In the absence of energy declarations, estimates from the PCAF are used based on country and building type level.

Emission factors are obtained from public and reliable sources, and in cases where data on a building's energy label or specific heating sources are missing, estimates from the PCAF are used. For the full methodology, see the Methodology financed emissions – lending on handelsbanken.com.

### Asset management

For investments, emissions are calculated at 94 per cent of the part of total assets under management where it is possible to calculate emissions using established calculation methods. This part in turn accounts for 95 per cent of total assets under management. The majority of the reported emissions have been calculated using data from the fund companies' various data providers.

For Handelsbanken Fonder, these calculations are made using data and methods from ISS ESG and include the investment objects' Scope 1, 2 and 3 emissions. The emissions calculations are based on the ownership share in each investment, calculated by comparing

the size of the investment with the company's enterprise value including cash (EVIC). These methodologies are in line with the definitions of Principal Adverse Impact Indicators 1, 2 and 3 in Table 1 of the EU's Sustainable Finance Disclosure Regulation (SFDR). The greenhouse gases used by Handelsbanken Fonder in its calculations are those defined in the Kyoto Protocol. The emissions for HWAM and Opti-mix are calculated using data and methods from Morningstar and Clarity AI respectively and include the investees' Scope 1, 2 and 3 emissions.

For a small part of the portfolio where it is possible to calculate emissions through established calculation methods, but where data from the data providers has been missing, the emissions have been estimated based on the most granular data that Handelsbanken has available for the calculated part of the portfolio.

Handelsbanken's subsidiary Handelsbanken Liv has largely chosen Handelsbanken Fonder's products for its insurance policies. This also applies to parts of Handelsbanken's discretionary management, which means that much of the reporting carried out by Handelsbanken Fonder also becomes part of the value chain of these operations. For the remainder of the assets under management within Handelsbanken Liv and Handelsbanken's discretionary management, emissions have been estimated based on the calculated emission intensity of Handelsbanken Fonder.

The total reported emissions within asset management, including emissions calculated through data providers and subsequently estimated emissions, amount to 45,263,969 tCO<sub>2</sub>e.

## E1-7: GHG removals and GHG mitigation projects financed through carbon credits

To achieve the goals of the Paris Agreement, it is not enough to significantly reduce global emissions. CO<sub>2</sub> must also be captured from the atmosphere and stored (Carbon Capture and Storage, CCS). This is also referred to as carbon removal credits, negative emissions or sequestration projects. To support the development of CCS, Handelsbanken has invested in carbon removal credits from Puro.earth

according to the Puro standard. The certificates are called CORCs.

In 2024, the Bank purchased and cancelled 172 tonnes of CO<sub>2</sub> from various biochar suppliers in Europe. Carbon removal credits have not been offset against the Bank's total emissions or carbon targets. Biochar is a biogenic carbon sink that sequesters CO<sub>2</sub> from the atmosphere through a pyrolysis process, where biomass is converted into biochar at high temperatures without oxygen. According to the Puro standard, this results in a very long-lasting carbon bond with a duration of over 100 years, minimising the risk of non-permanence. In general, biochar is considered a nature-based solution, especially if it is made from organic matter and used to improve soil fertility and water-holding capacity. The Bank did not make any other purchases of carbon removal credits, meaning that 100 per cent were purchased from EU offset projects and from a recognised standard. The project does not count as a corresponding adjustment under Article 6 of the Paris Agreement.

To a lesser extent, Handelsbanken contributed indirectly to the financing of carbon removal credits through a local energy agreement in Sweden whereby the supplier carbon offsets for district heating it delivers. The carbon offset volume for 2024 was not available when this Annual Report was finalised, but based on the volume for 2023 this is estimated to be less than 80 tonnes. Carbon offsetting takes place on the basis of recognised standards.

Handelsbanken does not yet have a developed strategy for neutralising unavoidable emissions. The Bank also does not have any existing plans, holdings or agreements regarding carbon credits to be cancelled.

## E1-8: Internal carbon pricing

Handelsbanken does not apply internal carbon pricing in any of its operating areas.

## EU Taxonomy

### Taxonomy reporting

The EU Taxonomy is a classification system that determines which economic activities are environmentally sustainable. The Taxonomy provides a common framework and sets out information requirements at both company and product level to help investors identify environmentally sustainable investments. Handelsbanken falls under the EU Taxonomy and uses the regulation as one of several tools to evaluate the environmental sustainability of its operations.

In line with the Paris Agreement and the goal of limiting global warming to 1.5°C, Handelsbanken is working towards a transition to an economy with net-zero GHG emissions. This work takes place via the Bank's customers by supporting them in their transition with the products and advisory services that the Bank offers. By continuing to develop products and services that contribute to this transition, the Bank is working to meet the requirements and objectives of the Taxonomy. This also creates good conditions for increasing the share of taxonomy-aligned assets from a strategic perspective going forward.

Handelsbanken has already adapted its financing framework for green bonds, enabling the financing of more projects that promote energy efficiency and climate adaptation. The framework is based on the EU Taxonomy and is closely aligned with the regulation's technical screening criteria in order to make a substantial contribution to its environmental objectives. During the year, Handelsbanken launched products and incentive structures aimed at increasing the proportion of assets that meet the requirements of the financing framework which, in turn, increases the volume of Taxonomy-aligned assets.

To further support customers' climate action, the Bank has developed tools that provide real estate owners with information about energy improvement measures in order to reduce their emissions. The Bank also offers small and medium-sized enterprises the opportunity to measure their emissions and receive recommendations on how to reduce them.

Under the Non-Financial Reporting Directive (NFRD), public-interest entities with more than 500 employees are required to report in accordance with Regulation (EU) 2020/852 (the Taxonomy Regulation). In their statutory sustainability report, financial institutions are required to provide information about the

extent to which their assets are funding Taxonomy-aligned activities. Handelsbanken is a financial conglomerate with operations in several business segments. The regulatory framework and answers from the European Commission require the Bank to report the Green Asset Ratio (GAR) for the various parts of the Group's operations. To increase readability, transparency and provide a good overview of the GAR, Handelsbanken has opted to report the Taxonomy-aligned activities of its banking operations in the consolidated situation, separate from the insurance business segment, and in total for the Group. A summary table has been included in this section. For detailed information about the degree of alignment with the Taxonomy's requirements per environmental objective and business segment and reporting in the templates required by the Regulation, refer to section 4.3 cont. EU Taxonomy – continued on page 326. Reporting based on the consolidated situation provides a true and fair view of the Group's assets while avoiding double counting. Other assets, from non-financial activities, are minimal and have no impact on the Bank's total green assets.

Handelsbanken's GAR is calculated based on the energy performance of household exposures with real estate collateral within the Bank and based on the GAR of our corporate counterparties in the credit portfolio and asset management within the Bank and in the life insurance operations. The calculations are based on reliable data, such as energy declarations and physical risk assessments for financed properties, and published key performance indicators from our corporate counterparties. The Bank works continuously to improve the availability and quality of data, with the aim of increasing the GAR. This includes increasing access to information in the form of energy declarations for properties in all of the Bank's markets so that alignment with the taxonomy criteria can be fully assessed. The Bank's reported KPIs for the year resulted in an increase in GAR compared with the 2023 financial year.

For agreements in the balance sheet in the banking operations, the increase was mainly due to the fact that the year of construction is now more widely available for properties in the Netherlands, making it possible to calculate Taxonomy alignment for these agreements, and that the proportion of properties assessed as subject to physical risk has decreased since more granular data has been provided from a new supplier. Published KPIs for Taxonomy

alignment for financial counterparties are also available this year and can be used in the calculation. In addition, the Taxonomy alignment of non-financial counterparties has generally increased during the year.

The holdings in the portfolios with the largest contribution to the environmental objectives of asset management have been assessed by applying a holding and flow analysis, comparing this year's levels with the previous year. The changes in the contribution of the total portfolio between the years were partly impacted by inflows in larger index funds investing in large listed Nordic and European companies in the real estate sector as well as the industrial and power sectors. Also, the volumes of the insurance operations are recognised separately in separate tables, which resulted in a lower total portfolio and lower sustainability levels. The overall levels of substantial contributions to the environmental objectives are in line with total portfolio values, which also correspond to a diversified portfolio with broad exposure. The company holdings with the highest contribution are in our largest funds and portfolios and are found both in active and in passive management.

Two weighted KPIs for the Group – one turnover-based, and one capital expenditure-based – are calculated by weighting each business segment's KPI by its share of the Group's total income.

The definition of assets in the Taxonomy reporting is based on Delegated Regulation C (2021) 4987, and Commission Implementing Regulation (EU) 2021/451 with regard to supervisory reporting of institutions.

### Methodology for the credit institution

The KPIs stipulated for the banking operations in the credit institution are reported for agreements in the balance sheet, financial guarantees and asset management. The proportion of assets at the end of the period and the inflow of new assets during the year, which are eligible and aligned with the EU Taxonomy's technical screening criteria for all six environmental objectives, are reported in the set templates for credit institutions. The reporting of trading book assets and fees and commissions for investing activities that meet the Taxonomy criteria will, in line with regulatory requirements, will be reported from the 2025 financial year.

Handelsbanken's main KPI is the Green Asset Ratio (GAR), which shows the proportion of covered assets at the end of the period that meet the Taxonomy criteria. For credit exposures in the balance sheet, this means that GAR reporting includes the proportion of covered assets (the denominator) that finance economic activities that meet the criteria set out in the EU Taxonomy (the numerator).

The calculation of the green asset ratio for Handelsbanken's corporate portfolio is based on figures reported by both financial and non-financial counterparties from the previous financial year (2023). Non-financial undertakings required to report according to NFRD published the proportion of their operations that is taxonomy eligible and aligned both as a proportion of turnover and as a proportion capital expenditure (CapEx). Both of these key KPIs are used in the reporting of financial institutions. Hence the green asset ratio of is calculated and reported twice.

2023 was the first time non-financial undertakings also reported the share of their activities covered by the last four environmental objectives of the taxonomy, which include water and marine resources, transition to a circular economy, pollution, and biodiversity and ecosystems. Alignment with the taxonomy criteria for these environmental objectives will be reported for the first time by non-financial undertakings for the 2024 financial year, which financial institutions then use in their reporting the following year.

In this year's reporting, the Bank also includes companies required to report under the NFRD in EEA countries, which had a very minor effort.

The exposure amount for general purpose lending, equities and debt securities are multiplied by KPIs reported by counterparties. Specific KPIs for the underlying financed assets are to be used and obtained directly from the counterparty for bonds and financing where use of proceeds is known. The disclosure of alignment to the EU Taxonomy technical specification criteria for green bonds is still under development. Covered bonds are therefore weighted with the counterparty's KPIs, which is a conservative approach.

Use of proceeds known are assets where the financed economic activities are known and specific criteria are contractually defined. The assets include specialised lending and debt capital market assets in the Green registry of the Bank, in line with the Green Bond Framework. If no data is available from the counterparty, this exposure is included only in the denominator in the green asset ratio.

Local governments financing, except for housing financing and specialised lending, is not included in the numerator in the calculation of the green asset ratio. Household exposures with real estate collateral and motor vehicle

exposures are assessed using applicable criteria in the taxonomy. Other types of household financing are not considered to be Taxonomy-eligible nor aligned.

Household exposures with real estate collateral are deemed to be Taxonomy-aligned based on the building's energy performance, given that they are not deemed to be exposed to physical risk due to climate change. The assessment of physical risk uses the same thresholds and external climate data as used for the Pillar 3 physical risk disclosure. Collateral exposed to physical risk is not deemed to be aligned with the taxonomy, which is a conservative assessment. This assessment does not take into account any adaptation plans or other mitigation measures, as the availability of qualitative information regarding these factors is limited.

In Sweden, buildings are Taxonomy-aligned if they were built before 2021 with energy class A and those with energy declarations according to construction regulation BBR29 whose energy performance is below national thresholds corresponding to the top 15 per cent. Required data for assessing buildings constructed prior to 2021 that do not have an energy declaration under construction regulation BBR 29 is available from the Swedish National Board of Housing, Building and Planning, though this data is currently not available to credit institutions. For household exposures with properties built before 2021 in other countries no data or studies meeting the regulatory criteria for calculating best energy performance are available. Only buildings with energy class A can therefore be used in these cases. This means that a significant part of the credit portfolio cannot be fully assessed in accordance with the Taxonomy's top 15 per cent threshold.

Household exposures to properties built after 2021, where the energy performance should be at least 10 per cent lower than the national thresholds for nearly zero-energy buildings, can only be assessed in Sweden. In other countries information to assess taxonomy alignment is lacking. Taken together, these data gaps lead to very conservative reporting by the Bank, which means that the green asset ratio is reported lower than the actual conditions would justify. The Bank is working actively to gain access to necessary data in order to ensure the calculation of a more accurate green asset ratio.

No estimates are allowed in the mandatory reporting, which means exposures to undertakings not required to report cannot be assessed using the taxonomy. Exposures to non-reporting undertakings, within and outside the EU, are therefore only included in the denominator of the green asset ratio. Furthermore, assets held for sale are included under other assets category and are thus also only included in the denominator.

The green asset ratio is calculated for the stock and flow in the balance sheet. Flow of financial guarantees and assets in the balance sheet is defined as new loans, i.e. the agreements originated during the year. This approach enables an assessment of the proportion of sustainable assets in new financing can be assessed excluding effects of amortisation or currency fluctuations. Disclosure of exposure to non-financial undertakings per sector is a summed by the primary NACE code of the counterparty and includes all non-financial undertakings subject to NFRD, reporting eligibility for any economic activity included in the EU Taxonomy.

Reporting by the Bank as a credit institution is based on prudential consolidation determined in accordance with CRR, which is described in more detail in note G52 on page 183. The life insurance undertaking of the Bank is not included in consolidation but is disclosed here in accordance with the equity method, see note G1 on page 69. To avoid double counting, assets representing the life insurance undertaking in the balance sheet are only included in the denominator. The green asset ratio in the life insurance undertaking is reported separately in the next section on page 366.

Taxonomy reporting for financial guarantees and assets in the balance sheet are based on data from internal systems of the Bank also used for capital adequacy reporting and for several tables in the annual reports. This information used is of good quality, without known flaws and is also used in other reporting. Information on undertakings required to report according NFRD and their reported KPIs is collected from an external provider, and information on the NFRD requirement is compared to information in internal systems of the Bank. The process for the collection of taxonomy criteria for financing where use of proceeds known will be implemented next year. Therefore, these exposures are not included in the numerator of this year's green asset ratio.

## Methodology for asset management

Reporting and calculating the green investment ratio of assets under management encompass the asset management's mutual funds and discretionary volumes excluding the volumes of the insurance operations that are recognised separately this year. The calculation is made by analysing the holdings to the securities level, which means that fund holdings are classified based on their underlying assets. The green investment ratio is based on companies' reported KPIs, proportion of turnover and CapEx, and then aggregated at



portfolio level. Reporting is based on data from the Bank's internal portfolio systems, which is used for other financial reporting and considered to be of high quality. Information on the reported KPIs of the mutual fund and portfolio holdings is collected from external data providers and the corporate data available to the market on the portfolio date is used to calculate the aggregate amounts.

### Methodology for insurance operations

Handelsbanken Liv's KPIs are based on the company's balance sheet at year-end. Holdings in ucits funds were analysed to the extent practicable. Handelsbanken Liv's starting point was to classify the fund holdings based on the funds' underlying assets.

Disclosures in the tables were based on figures from the preceding financial year (2023) published by the companies subject to the disclosure requirements under Article 8 of the

Taxonomy. As the Taxonomy will enter into force gradually, it will take a number of years before all KPIs are fully implemented. In its regular implementation efforts, Handelsbanken Liv takes into account guidance published by the European Commission. External data providers were primarily used to prepare disclosures for the tables. When external data was not available, Handelsbanken Liv used its own research analysis based on other external data sources. In parts of the table where data availability has not been satisfactory, work is underway for next year's reporting to supplement with additional information about the portfolio's green investments.

#### Handelsbanken Group EU Taxonomy KPIs

Business segment	Income		Taxonomy KPIs of Handelsbanken Group, 2024-12-31				
	MSEK	Proportion %	KPI	Turnover based KPI	Turnover based KPI weighted	Capex based KPI	Capex based KPI weighted
Banking							
Credit portfolio	179,336	95.5	Green asset ratio (GAR)	3.4	3.2	3.5	3.3
Financial guarantees	94	0.1	Green asset ratio (GAR)	0.6	0.0	0.5	0.0
Assets under management	5,381	2.9	Green investment ratio (GIR)	1.5	0.0	2.0	0.1
Insurance (life)	2,921	1.6	Green investment ratio (GIR)	3.2	0.1	0.2	0.0
Consolidated, Group	187,732	100.0	Consolidated KPI, Group		3.3		3.4

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## ESRS E4 Biodiversity and ecosystems

### Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Direct impact drivers of biodiversity loss	Actual negative impact	Asset management	Long

### Strategy

#### E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The resilience of the Bank's own operations for managing its negative impacts on biodiversity is considered high since the Bank's main own operations are not dependent on natural resources. The strategy for the Bank's value chain, where negative impacts on biodiversity have been identified downstream in asset management, is to actively support and accelerate sustainable development. This, combined with the Bank's low and integrated risk tolerance, provides a solid basis for resilience to biodiversity loss.

Resilience was assessed as part of *Handelsbanken's Nature and Biodiversity Progress Report 2023*, published in 2024. More accurate models to assess physical, transition and systemic risks in the value chain over different time horizons are under development. Handelsbanken collaborates with other stakeholders through, for example, the Mistra BIOPATH research programme, which is developing methods for integrating nature and biodiversity into financial planning.

Handelsbanken has not yet defined a detailed transition plan for biodiversity, but because climate change is a key driver of biodiversity loss the Bank's climate transition plan is a key element of its work in this area. Read more about the Bank's transition plan for climate change in section E1-1 – Transition plan for climate change mitigation on page 285.

#### ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The main impact on biodiversity and ecosystems stems from the Bank's asset management, which primarily take place via the Bank's fund company. One challenge is the location-based assessment of the actual impact. For example, a company's headquarters may be located in one country, but its production could be spread all across the world. Supply chains are often global and difficult to map without more specific information from each individual company, but the assessment is that there is a negative impact on biodiversity investing in activities that contribute negatively to climate change, land-use change, direct exploitation, invasive alien species, environmental pollution and other impact drivers.

For more general information on the link between the Bank's identified sustainability matters, refer to section SBM-3 on page 269.

### Impact, risk and opportunity management

#### E4-2: Policies related to biodiversity and ecosystems

The steering documents that address the Bank's material sustainability matters for the direct impact drivers of biodiversity loss are:

- Policy for sustainability, for more information, see page 264
- Guidelines regarding the environment and climate change
- Guidelines for Handelsbanken's offering in forestry and farming.

The content of these steering documents emphasises how biodiversity is an important matter for Handelsbanken to integrate into its operations including asset management. They describe the close link between biodiversity and environmental and climate change, as well as sustainable social development. In the guidelines regarding the environment and climate change, the Bank states its commitment to minimising the negative impacts on the environment and climate. Contributions to direct impact drivers are not stated in the guidelines, but climate and resource use are two areas that are specifically addressed. These guidelines also state that through its business relationships, the Bank wants to promote sustainable business models that take biodiversity into account and that strive to minimise damage and contributions to negative development. The guidelines regarding the environment and climate change also address the social impacts of the deterioration of biodiversity. As biodiversity declines, partly due to increased use of the earth's limited natural resources, the risks to the environment and climate as well as to people, businesses and societies, increase. When ecosystem services are threatened by these negative impacts, social impacts can arise due to, for example impacts on food security. In support of its work with biodiversity, the Bank's guidelines regarding the environment and climate change refer to several international initiatives, such as the UN Global Compact, the Equator Principles, the Principles for Responsible Banking (PRB), the Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and the Convention on Biological Diversity (CBD). The latter aims to ensure that natural resources are used sustainably.

The guidelines for Handelsbanken's offering in forestry and farming describe specifically how these sectors are one of the main causes of global biodiversity loss. Land-use change, one of the main drivers of biodiversity loss, is also one of the largest sources of global GHG emissions. Sustainable forestry and farming is therefore an enabler for the promotion of biodiversity and a stable climate.

The forestry and farming guidelines include expectations regarding sustainable land and agricultural methods in this business area, although the guidelines do not specifically refer to deforestation.

While sustainable methods for ocean-related sustainability are not explicitly mentioned, the Bank's general guidelines regarding the environment and climate change also include expectations that are applicable to marine related activities.

### E4-3: Actions and resources related to biodiversity and ecosystems

In 2024, Handelsbanken implemented several key actions to prevent, mitigate and remediate the negative impact the Bank can be assumed to have on biodiversity. Offsetting biodiversity loss has not been implemented in Handelsbanken's actions but may occur indirectly in the Bank's value chain. The actions taken so far have not included indigenous and local knowledge or nature-based solutions.

The following is an extract of the most relevant actions and activities conducted in 2024.

In order to measure and contribute to positive change, Handelsbanken collaborates with different parts of society and the value chain in its work with biodiversity. The Mistra BIOPATH research project, in which Handelsbanken is a lead partner, brings influential players from the business world together with researchers in economics and ecology, with the aim of working side by side to stop and reverse the loss of biodiversity. New and existing approaches are identified, evaluated and developed in order to integrate biodiversity considerations into financial decision-making. The Bank is also a member of Business@Biodiversity Sweden, a knowledge platform for training and exchanging ideas on biodiversity.

Handelsbanken Fonder has been a member of Nature Action 100 since 2023. The initiative aims to engage the 100 global companies deemed systemically important in reversing nature and biodiversity loss by 2030. These companies have an impact on habitat loss, overexploitation of land and pollution of soil and water. Some of the sectors initially in focus include biotechnology and pharmaceuticals, chemicals and the food industry. Handelsbanken's strategy to engage in initiatives and research, such as Mistra BIOPATH and Nature Action 100, is a continuous action.

In 2024, Handelsbanken focused on developing its reporting capabilities for nature-related disclosures. In August 2024, the Bank published its first stand-alone report on nature and biodiversity, based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The ambition is for the report to be used to further develop and deepen the analysis of negative and positive

impacts on biodiversity and ecosystems, including in business areas and sectors that are not currently material in the context of the Bank's materiality assessment but which could eventually become important to the Bank and its customers.

As a major investor and owner, Handelsbanken Fonder has both a responsibility and an opportunity to engage with companies to influence them to act responsibly and conduct their business in a sustainable manner. In 2024, Handelsbanken Fonder addressed biodiversity in several dialogues. The aim has been to encourage companies to increase their knowledge, reporting and transparency on issues related to activities with a potentially negative impact on biodiversity, both within their direct operations and in their value chains. In its latest Climate and Nature Report, Handelsbanken Fonder reported for the first time, guided by the recommendations of the TNFD, with the aim of integrating nature-related risks and opportunities into its investment decisions.

### Metrics and targets

#### E4-4: Targets related to biodiversity and ecosystems

Biodiversity and nature metrics are not equally established as carbon footprint metrics in climate reporting, making it difficult at present to quantify and target an exact contribution to biodiversity loss, particularly at the portfolio level. For this reason, the Bank has defined an interim target based on engagement dialogue, which is one of the most important sustainability tools that financial players can use to work on their indirect impact in the value chain. The target is between 2025 and 2030, through the Bank's asset management, to conduct 20 biodiversity engagement dialogues per year with selected portfolio companies in prioritised sectors. With this target, Handelsbanken aims to reduce its indirect impact on biodiversity and ecosystems, which is in line with the Bank's expectations in its guidelines regarding the environment and climate change.

The interim target is absolute and covers all of the Bank's investor activities in all markets. The base year for the interim target is 2025, which is why there is currently no baseline value. The target will be followed up annually to ensure that the targeted number of dialogues is met. The Bank's approach to ensuring compliance with the target from when it

enters into force in 2025 is to record every engagement dialogue in order to measure whether the Bank's progress is in line with the planned target at the end of each reporting period during the life of the target.

The dialogues can cover all levels of the mitigation hierarchy (avoidance, minimisation, restoration/rehabilitation, and compensation or offsets). Biodiversity offsetting is not relevant for achieving this target. Engagement dialogue is an established tool, although the target does not have a direct science-based link to biodiversity. The Bank's new target for biodiversity and ecosystems has been designed to develop the Bank's work, share knowledge and create the conditions for meeting the targets presented in the Kunming-Montreal Global Biodiversity Framework, adopted by the UN, which aims to halt and reverse biodiversity loss. Ecological thresholds were not used in the development of the target, but the Bank's ambition is that the engagement dialogues with selected counterparties will support the process of reducing the Bank's contribution to impact drivers of biodiversity loss, and creating a basis for how the Bank can continue to focus its work on the topic together with its counterparties.

# Social information

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# Social information

Handelsbanken aims to create an inclusive and sustainable work environment with equal opportunities for all co-workers. At the same time, the Bank assumes responsibility for workers in the value chain by integrating these issues into its business decisions and through its human rights guidelines and Supplier Code of Conduct.

This section describes the impacts, risks and opportunities affecting the Bank with regard to social sustainability through its own workforce, workers in the value chain and the Bank's customers, including the targets that have been

set and how the Bank governs and manages this to amplify positive impacts and minimise negative impacts and risks. For consumers and end-users, the Bank ensures the protection of personal data and data security through

strict guidelines and technical solutions. Handelsbanken works continuously to protect its customers' data, transactions and IT environments in accordance with international standards and legislation.

## ESRS S1 Own workforce

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Working conditions (Own workforce)	Actual positive impact Actual negative impact	Own operations Own operations	Short/medium/long Short/medium/long
Equal treatment and opportunities for all (Own workforce)	Actual positive impact Potential negative impact	Own operations Own operations	Short/medium/long Short/medium/long

### Strategy

#### ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Handelsbanken's values and strong corporate culture are vitally important to the Bank's success and are a fundamental requirement for the Bank to remain an attractive employer. The Bank's business concept is based on trust and respect for individuals, both customers and co-workers. The decentralised way of working creates commitment and gives every co-worker both responsibility and opportunities to make an impact on the Bank's operations. Collaborating, developing,

and creating solutions together improves the Bank's ability to achieve its overall objective. An essential part of this collaboration is Handelsbanken's traditionally positive relationships with trade unions, which are part of its corporate culture. The Bank promotes the right of all employees<sup>1)</sup> to join a trade union or employee organisation.

Handelsbanken's strength is derived from the combined expertise of its co-workers<sup>2)</sup>. Employee development is a prerequisite for the Bank's continued success and is crucial to the Bank's ability to ensure customer satisfaction. All co-workers are offered continuous skills development as the needs of the business, its customers and the world change, in accordance with current policies and regulations.

Considering that the Bank is a large employer and operates in several markets, the Bank's operations could entail that co-workers risk being exposed to or influenced by events that may create a sense of uncertainty or lack

of respect in the workplace. Handelsbanken works actively to ensure that all co-workers feel secure and respected. A good and inclusive work environment is crucial to co-workers' health and well-being and is a prerequisite for the Bank's long-term profitability. By attracting, recruiting, developing and retaining co-workers with different backgrounds, perspectives and experiences, the Bank strengthens its capacity to understand its customers' needs and to adapt to a society in a constant state of change.

Handelsbanken adopts a long-term approach to employment and aims to be an attractive employer by offering competitive terms of employment for all employees.

Unfair pay gaps are part of a wider societal problem, with structural challenges related to the gender pay gap requiring a long-term commitment from companies and society alike. The Bank engages in active and systematic efforts throughout the organisation to identify and address unfair pay gaps, and this process is part of the work on achieving equal pay.

Overall, the Bank's assessment is that the identified positive and negative impacts linked to working conditions, and equal treatment and opportunities for all are not the result of Handelsbanken's strategy or business model, but are due to the fact that the Bank is a large employer and operates in several markets.

1) "Employees" refers to all Bank employees excluding external consultants. For more information about the Bank's employees, refer to S1-6 on page 305.  
2) "Co-workers" refers to all Bank employees as well as external consultants. For more information about the external consultants, refer to S1-7 on page 305.



## Impact, risk and opportunity management

### S1-1: Policies related to own workforce

Handelsbanken has the following steering documents in place to address positive and negative impacts with respect to labour practices and equal treatment and opportunities for all co-workers:

- Policy for remuneration
- Guidelines for work environment
- Policy for ethical standards, for more information, see page 263
- Policy for sustainability, for more information, see page 264
- Guidelines regarding human rights and working conditions.

Together with the overall framework for gender equality, diversity and inclusion at Handelsbanken, these policies and guidelines form the basis of the Bank's steering documents to support co-workers' work processes and the Bank's efforts to minimise negative impacts and amplify positive impacts. All steering documents apply to all co-workers of the Handelsbanken Group. For more information on the steering documents, see the table "Selection of steering documents" on page 262.

The content of the steering documents that address the impacts on Handelsbanken's co-workers demonstrates that the Bank aims to create a healthy, good and safe workplace characterised by trust and respect and where all co-workers have the opportunity to feel good and develop.

Handelsbanken works actively to promote good working conditions for its co-workers. The policy for remuneration stipulates that Handelsbanken's remuneration system must be fit-for-purpose and consistent with the Bank's business goal and business culture, which are based on sound, sustainable operations whereby co-worker conduct is characterised by high ethical standards, good administrative order and regulatory compliance. Remuneration must also be structured to promote a healthy and efficient management of sustainability risks. Handelsbanken adopts a long-term approach to employment, and remuneration must be market-based, equal and gender-neutral, and enable the Bank to attract, recruit, retain and develop talented co-workers. The remuneration system must also ensure good management succession, thus contributing to the achievement of the Handelsbanken Group's corporate goal.

Handelsbanken generally has a low risk tolerance, which is reflected in its approach to remuneration. Fixed remuneration is considered to contribute to sound operations and should therefore be applied as a general rule. Fixed remuneration mainly comprises basic salary, customary salary benefits and pension. Performance-based variable remuneration must be applied with great caution and is not offered to co-workers who, in their professional roles, can have a material impact on the Bank's risk profile. For more information on remuneration to executive officers, refer to the section GOV-3 on page 265.

In certain countries, Handelsbanken is party to collective bargaining agreements on general terms and conditions of employment and conditions for pensions. The policy does not affect rights and obligations under collective bargaining agreements or other contractual or labour law provisions.

Group HR ensures that remuneration within Handelsbanken is applied in accordance with external and internal regulations. The independent control functions monitor and analyse the remuneration system and report material risks and flaws to the Board's Remuneration and Risk committees.

The guideline for the work environment describe the overall goal, responsibilities and process for the work environment at Handelsbanken. The overall goal of Handelsbanken's work environment management is to ensure that the Bank's co-workers feel good, develop and function optimally. A good and inclusive work environment promotes co-workers' health and well-being, which in turn is a necessary prerequisite for the Bank's long-term profitability. All co-workers at Handelsbanken should feel respected and secure at their workplace.

The guidelines state that work environment management is to be conducted systematically and based on a number of health factors, based on Handelsbanken's culture and values: respect, trust, pride, competence, balance, communication, security, and physical work environment. This work is carried out through regular surveys, risk assessments, action plans, checks on actions taken, monitoring and reporting.

The activities identified for maintaining and developing a good and inclusive work environment and counteracting risks of illness are to be regularly followed up and integrated into the work environment plan, which forms part of the annual business plan.

The CEO, on behalf of the Board of Directors, has overall responsibility for the Bank's work environment and delegates specific tasks related to the work environment to responsible managers who ensure that the work environment is managed in the daily operations. The Chief Human Resources Officer is responsible

for issuing the instructions to be followed by the managers assigned with tasks related to the work environment. All co-workers have a responsibility to participate in the Bank's work environment activities and assume responsibility for their own health. An ongoing dialogue between manager and co-worker is also crucial when it comes to detecting early signs of poor health and ensuring that co-workers' work situation is sustainable in the long run.

Handelsbanken aims to create a healthy and safe work environment, which is a central part of the Bank's commitment to human rights and labour practices. The Bank emphasizes the importance of long-term business relationships and low risk-taking, which indirectly contributes to secure employment by creating stable and sustainable working conditions.

Handelsbanken recognises the right of its co-workers to decide for themselves whether they want to be represented by a trade union and respects their right to negotiate collective bargaining agreements.

To address positive and negative impacts within the framework of equal treatment and opportunities for all co-workers, the Bank's steering documents state that Handelsbanken strives to create an inclusive culture with trust and respect for every individual.

The policy for ethical standards states that all Handelsbanken employees must act in a way that upholds confidence in the Bank. All operations within the Group are to observe high ethical standards, and all financial advice should always be based on the needs of the customer. If there is any uncertainty about what is ethically acceptable, the issue should be raised with the employee's immediate supervisor. Discrimination, victimisation, sexual harassment or other forms of harassment based on gender, transgender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, age or on any other grounds must not occur within the Bank, either internally towards and between employees or towards customers, suppliers and other external parties.

The policy also describes how employees and other stakeholders should act in case of suspected fraud or other irregularities. Handelsbanken has an established whistleblower system that can be used to report something anonymously. Identity and personal data must be protected at all times, and there must be no form of unfair treatment of the whistleblower.

All managers are responsible for ensuring that the policy is followed in the daily operations and that it is taken into consideration in internal instructions in each operating area. Employees are to be given the opportunity to regularly discuss ethical issues, and ethical aspects should be integrated as a natural component of the Bank's internal training. All managers are also responsible for ensuring

that external contractors are informed of and commit to following this policy.

The guidelines regarding human rights and working conditions supplement and clarify the approach to human rights and fundamental labour practices, and emphasize the importance of responsible conduct as a basis for long-term value creation both for the own workforce and for workers in the value chain as well as in other business relationships including consumers and end-users. The Bank is committed to following the UN Guiding Principles on Business and Human Rights and national action plans, and works in a structured manner to uphold human rights and good working conditions as a natural part of its own operations and Handelsbanken's business relationships. The Bank aims to make continuous improvements in this area and to avoid and address negative human rights impacts. This takes place based on the Bank's procedures that follow guidelines and policies, as described in S1-3, see page 302. The guideline outlines the Bank's position on such issues as discrimination, victimisation, gender equality and diversity for all co-workers. Handelsbanken does not accept any form of child labour, slave labour or human trafficking within the Group or via business relationships, and works actively to prevent them from occurring in the Group and in the companies with which the Bank has business relationships. Handelsbanken supports a number of international initiatives, including the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO core conventions to promote sustainable development. Information on reviews and dialogues with the Bank's co-workers can be found in S1-2 and S1-4 on pages 301 and 302.

The framework for gender equality, diversity and inclusion is central to Handelsbanken's efforts to be an equal opportunity workplace, to utilise the benefits of diversity and to create an inclusive culture. The framework is established by the Chief Human Resources Officer. It applies to the entire Group and supplements the other steering documents.

A focus on gender equality, diversity and inclusive culture is part of Handelsbanken's core values and corporate culture, which are to be natural and integral parts of the Bank's daily operations. All business plans include objectives and activities to promote gender equality, diversity and an inclusive culture and are regularly monitored. While these activities are based on the Bank's role as an employer, they also take a customer and societal perspective into consideration. By promoting diversity, the Bank can better meet the various expectations and needs of its customers.

For Handelsbanken, gender equality means that all of the Bank's co-workers, regardless of gender, must have the same rights, opportuni-

ties and conditions to develop and contribute to the Bank's progress. The goal is to utilise and respect each co-worker's competency, experience and value in the best possible way, so that they can develop as individuals and in their professional roles. Handelsbanken endeavours to achieve and maintain a balanced gender representation in different roles and parts of the Bank.

Handelsbanken's view of diversity encompasses individuals' different skills and work experience, ways of thinking and solving problems, socio-economic backgrounds, appearance and personal circumstances. It also includes encompasses in gender, transgender identity or expression, age, ethnic background, sexual orientation, disability, religion or belief, and other grounds of discrimination.

The Bank is to reflect the diversity of the communities where it operates. Handelsbanken aims to attract, recruit, develop and retain co-workers with different backgrounds and perspectives. Diversity is a crucial element of the Bank's success and is closely linked to its profitability. By promoting an inclusive culture, Handelsbanken can best harness the advantages inherent in gender equality and diversity.

To achieve the Bank's goals in terms of gender equality, diversity and inclusion, the Bank places a particular emphasis on management succession planning and recruitment, compe-

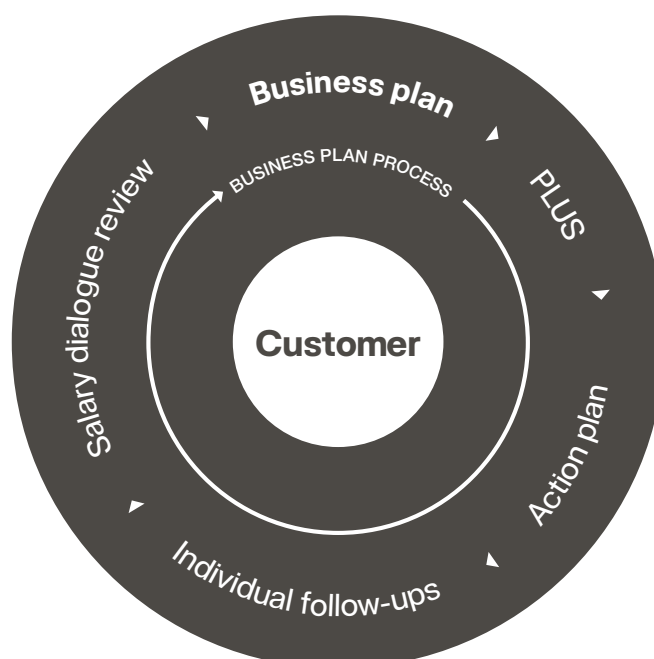
tency development, health and work environment, work-life balance, and gender-equal pay.

## S1-2: Processes for engaging with own workers and workers' representatives about impacts

Handelsbanken's decentralised way of working creates commitment and gives every co-worker both considerable responsibility and opportunities to make an impact on the Bank's operations. All managers are responsible for maintaining a close and regular dialogue with their co-workers and with trade union or workers' representatives as part of the daily operations. This continuous dialogue provides an opportunity to identify early signals, for example, regarding the work environment, and ensure that the Bank's co-workers feel good and develop in their roles.

In addition to this close day-to-day dialogue, Handelsbanken has an established structure for developing its operations and its co-workers, with the customer and their business as the starting point. This process, which is called the Wheel, is designed to ensure that all employees actively participate in their unit's business planning process, which includes setting goals and scheduling activities for the coming year. As part of the Wheel, each

The Wheel – the relationship between the operations and the Bank's employees



The Wheel illustrates the relationship between the operations and the development of the Bank's employees. Managers and their employees work together to create their own unit's business plan each year. After the plan is set, planning dialogues and performance reviews (PLUS reviews) are carried out, linking the business plan with each employee's goals. As a result, every employee has an individual action plan that is followed up regularly during the year and forms the basis of the annual salary review between manager and employee.

employee has an individual planning dialogue and performance review (PLUS review) with their manager on a regular basis – at least once a year – which results in an individual action plan.

PLUS reviews include a review of the current situation, the work environment, the business plan, the employee's performance and development in their current position, and future career opportunities. By discussing the current situation and work environment, the employee and manager gain a mutual understanding of the current work situation, including the unit's work environment as it compares with the Bank's culture and values. The aim is to ensure that all co-workers feel good, develop and work optimally and maintain a good work-life balance.

As part of this ongoing dialogue with the Bank's co-workers and employee representatives, each manager is responsible for performing regular work environment surveys, based on the Bank's health factors, in cooperation with their co-workers and trade union representative or workers' representative. For one of these health factors – communication, which includes questions about the close, continuous dialogue between the Bank's managers and co-workers, the results show that 92 per cent (92) of co-workers gave positive responses. More information about the Bank's systematic work environment management and Group-wide work environment survey is provided in section S1-4 on page 302.

Handelsbanken's traditionally good relationships and cooperation with trade unions are a valuable component of the Bank's culture and an integral part of its way of working. In addition to matters dealt with in the dialogue with union organisations at the national level in each country, Handelsbanken also has a European Works Council (EWC). More information about EWC is provided in section S1-8 on page 305.

The Bank's contacts with co-workers take place both directly and through workers' representatives as part of the daily operations. A continuous, close dialogue also takes place between managers and trade union or workers' representatives. This dialogue, which is often informal and as standard practice takes place at an early stage, is based on national legislation and the processes regulated by local agreements with respect to the forms of cooperation, and covers organisational changes, employee and rehabilitation issues, new products and procedures, and the appointment of new managers. Sweden, the UK, Norway and the Netherlands also have country-specific cooperation forums that meet at least once every quarter. The purpose of these cooperation dialogues is to ensure co-determination at all levels within the Bank

and compliance with national legislation as well as central and local collective bargaining agreements. Workers' representatives on the Board also ensure that dialogue and knowledge-sharing take place at all stages of the decision-making process and that the perspectives of their own workforce are taken into consideration at the Board level.

## S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

A good and inclusive work environment is crucial to co-workers' health and well-being, which in turn is a prerequisite for Handelsbanken's long-term profitability.

The Group-wide work environment survey, which is part of the Bank's systematic work environment management and covers all co-workers, measures co-workers' perception of the work environment. The survey includes questions about co-workers' knowledge of how to act when instances of victimisation, discrimination, harassment or sexual harassment occur as well as in threatening or violent situations. In this year's survey, 96 per cent (96) of co-workers say they have a good understanding of how to respond to such occurrences. For more information about how the Bank's systematic work environment management is followed up in each country, refer to section S1-4 on page 302.

The Bank has clear procedures and guidelines for managing poor health, illness and other work environment incidents. All employees are covered by local company healthcare programmes or the equivalent, and partnership agreements have been signed with external providers to offer work environment expertise.

All work environment incidents are to be reported in the Bank's internal system, WEIN. This includes work-related injuries, accidents, work-related illnesses, near-misses, victimisation or harassment, and intimidation. Incidents are preferably reported in consultation with the workers' representatives and the responsible manager or supervisor, who investigates the causes and takes action to prevent the incident from recurring. Where possible, the affected party should be involved in the investigation and their views taken into account. WEIN is available to all co-workers via the Bank's intranet.

All co-workers undergo mandatory security training annually, covering physical security and information about WEIN.

Handelsbanken is committed to having a respectful culture, high ethical standards and a climate where everyone can discuss, react and act if something conflicts with the Bank's

values. All co-workers at Handelsbanken should feel respected and secure at their workplace. Taking action when something is not right is an important part of the Bank's culture.

To uphold confidence in the Bank, co-workers and other stakeholders are encouraged to report suspected irregularities or misconduct, such as financial crime, money laundering or serious abuses in the work environment.

Co-workers should primarily report such irregularities or misconduct to their immediate supervisor or to a senior manager within their own or another unit. If this is not an appropriate course of action, they may use Handelsbanken's whistleblower system, which is managed by an external party with guaranteed identity protection as far as legally possible. The whistleblower system complies with external legislation and protects the whistleblower from retaliation in accordance with the Bank's policy for ethical standards. Handelsbanken's whistleblower system and related procedures are described in the Bank's policy for ethical standards, and the system is available via the intranet and the Bank's public website both for internal and for external stakeholders. This refers to co-workers in Handelsbanken and in the value chain, suppliers, customers and other stakeholders. The Bank plans to include a follow-up of co-workers' awareness of, and trust in, the whistleblower system in the Group-wide work environment survey.

The continuous dialogue in the day-to-day operations and in the PLUS reviews between managers and co-workers create the conditions for collecting the views of co-workers on managing any negative impacts.

## S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Handelsbanken aims to be an attractive employer and offers competitive terms of employment for all forms of employments – temporary as well as permanent. During the year, the proportion of permanent employees was 94 per cent. In addition to statutory requirements and collective bargaining agreements, the Bank provides benefits that aim to promote long-term employment, gender equality and involvement in the Bank's performance.

Handelsbanken aims to meet its co-workers' needs during various phases of their life in a flexible way. Collective bargaining agreements are the foundation of the workplace benefits

that the Bank offers to both temporary and permanent employees. More information on remuneration to Bank's employees is provided in section S1-10 on page 306.

Handelsbanken offers various types of competitive benefits for both permanent and temporary employees of the Group; these differ between countries, depending on local conditions.

Handelsbanken aims to make it easier for all employees to combine employment with parenthood. In addition to the rules for parental leave under national social insurance systems, Handelsbanken provides supplementary remuneration in most of its markets. This means that employees on parental leave also receive remuneration in accordance with local regulations (in addition to the general parental insurance) for a certain period of time. Employees on parental leave are also entitled to a salary review in the same way as other employees.

Handelsbanken also offers its employees credit on special terms, mainly for housing financing. The terms and conditions for such credit differ between countries depending on local conditions, and in many countries are a taxable benefit.

Pensions are a central part of the total remuneration to employees of Handelsbanken. The Bank offers pension terms that are competitive and comply with the legislation and regulations in force in the countries where the Bank operates. Occupational pension plans can include retirement pension, disability pension and surviving family member protection. Employees are offered pension solutions including defined benefit pensions, defined contribution pensions or a combination of the two.

Oktogonen is Handelsbanken's scheme for collective profit-sharing, based on a common corporate goal where all employees contribute to the success of the Bank. Handelsbanken's corporate goal is to have higher profitability than the average of peer competitors in our home markets. A prerequisite for allocations to the profit-sharing scheme is that Handelsbanken meets its corporate goal. An allocation is made following the Board's overall assessment of the Bank's performance. Disbursements are made directly to the individual employee either in cash, to a pension savings programme, to a savings plan or a combination of these.

Handelsbanken promotes the right of all employees to join a trade union or employee organisation. Information about the proportion of employees covered by collective bargaining agreements is provided in section S1-8 on page 305.

In addition to collective bargaining agreements, there are other forms of agreements and cooperation with local employee organisations. In the UK, Norway and the Netherlands,

for example, work councils have been established. The issues discussed at the national level in cooperation with these parties include monitoring the operations, work environment, skills development and remuneration.

Handelsbanken engages in systematic work environment management encompassing the physical, organisational and social work environment. This work is built around an annual process based on a number of health factors with the Bank's culture and values as their starting point. Work environment management is a natural part of the daily operations and includes regular work environment surveys, risk assessments, actions to address identified shortcomings and follow-up to ensure that the actions implemented have had the desired effect. Work environment activities are conducted in accordance with local legislation and regulations in each country where the Bank operates and covers all co-workers. In cooperation with their co-workers and trade union representative or workers' representative, each manager is responsible for performing regular work environment surveys, based on the Bank's health factors. These health factors are respect, trust, pride, competence, balance, communication, security, and physical work environment, along with the related categories of inclusion and engagement. Based on the results of the work environment survey and a joint risk assessment, a work environment plan is prepared with activities that become part of the unit's business plan for the relevant year. These activities are monitored on an ongoing basis for the relevant year to maintain and develop a good and inclusive work environment and counteract risks of illness. Identified risks are managed through tailored improvements.

Every country monitors its systematic work environment efforts in a joint health and safety forum that includes both employer and workers' representatives. The forum evaluates the results of work environment surveys at an aggregated level, sickness absence, and reported work environment incidents. Identified risks are managed during the relevant year through tailored actions that are followed up on a regular basis.

The Group-wide work environment survey for 2024 showed a score of 5.1 (5.1) on a scale of 1–6, with 1 being the lowest and 6 the highest.

Handelsbanken offers an allowance for well-being and leisure activities, and also regularly organises healthy living initiatives.

Handelsbanken works actively and systematically to ensure equal pay and to rectify unfair pay gaps between women and men throughout the operations. This work takes place on a continuous basis and in connection with

specific occasions, such as recruitment, salary reviews and employees' return from parental leave. In the Swedish, Norwegian and Dutch operations, salaries are mapped out every year to address any differences. In connection with annual salary reviews, information initiatives are also carried out for salary-setting managers in Sweden, the UK, Norway and the Netherlands, where equal pay is a key area discussed. During the annual salary reviews, the salary-setting manager can not only make salary adjustments based on performance but also ensure that salary levels are equal and fair from a gender perspective. In Sweden and Norway, work on equal pay has been conducted in close cooperation with the trade unions for many years.

More information about pay gaps between men and women is provided in section S1-16 on page 307.

Handelsbanken's strength is derived from the combined expertise of its co-workers. When co-workers develop, the Bank also develops. A well-established structure ensures that all employees, in dialogue with their manager, are provided with the conditions to develop their skills in line with the needs and wishes of the business and its customers. Skills development activities are based on current policies and regulations, taking changes in the external environment into consideration. This helps the co-workers to continuously grow and actively contribute to Handelsbanken's long-term success. A central part of the co-workers' development is on-the-job learning, with all co-workers taking responsibility for their own development and the advancement of the business.

Handelsbanken offers a wide range of training courses and programmes at different levels to strengthen co-workers' skills. The Bank's digital learning platform is used to monitor and track participation in formal courses and programmes. In addition, co-workers have the opportunity to participate in courses through external training platforms, tailored to individual goals and action plans.

Handelsbanken provides a number of Group-wide training courses. To ensure compliance with regulations and industry standards, several training courses were mandatory for all co-workers in 2024, for example:

- **Training in financial crime**, with a focus on measures to counteract money laundering, terrorist financing and related crime such as tax evasion and fraud.
- **Security training** covering **physical security** and **cybersecurity**.
- **Training in the General Data Protection Regulation (GDPR)**.



Results for training in financial crime, see corporate governance information in G1 on page 321. Leaders who have served as a manager for one to two years have the opportunity to participate in the Handelsbanken Leadership programme, which aims to create a shared foundation for leadership and leadership development. During the year, 183 leaders completed the programme.

All new managers in Sweden, the UK and Norway are provided with a skills development training plan during their first year as a manager or leader, focusing on among other things salary reviews, labour rights and competency based recruitment. In the Netherlands, all new managers undergo a special training programme and are offered individual leadership training.

The “Sustainability in the financial industry” training course works as a platform for training different professionals in the banking, financial and insurance industries about sustainability. The overall goal of the course is to build up knowledge and awareness of the activities required to achieve a transition to a sustainable future. The course includes sections on international and European initiatives and regulations, climate-related risks, the EU Taxonomy Regulation and the SFDR, and on rules relating to advisory services and product oversight governance. At Handelsbanken, the course is mandatory for all co-workers and consultants with an assignment of longer than six months. This course was launched in 2021 and 96.2 per cent of all employees have completed it to date.

In Sweden, 3,990 advisors have taken a sustainability refresher course during the year. The topics included sustainability reporting, diversity and inclusion, and greenwashing.

Handelsbanken aims to have a good and inclusive work environment. Regular surveys of the physical, organisational and social work environment are conducted as part of the Bank’s systematic work environment management. All potential risks in the operations are assessed, and the results of the work environment surveys provide a basis for these risk assessments. Risks identified in the course of the daily operations are also assessed, along with risks identified in connection with work environment incidents. All identified risks and planned actions are documented in the annual work environment plan.

Handelsbanken does not accept any form of victimisation, discrimination or harassment, including sexual harassment. Such behaviour is contrary to the Bank’s culture and core values. Every individual has the right to be met and treated with trust and respect, and all

co-workers have a responsibility to prevent and take action against any unacceptable behaviour they observe or become aware of. Each unit and country regularly follows up on reported incidents documented and investigated through the Bank’s internal system for work environment incidents, WEIN, to improve the Bank’s procedures and prevent further incidents from occurring.

Gender equality, diversity and inclusion are central aspects of Handelsbanken’s core values. Diversity is important to the Bank’s success and key for innovation, which in turn is closely linked to the Bank’s profitability. By attracting, recruiting, developing and retaining co-workers with different backgrounds, perspectives and experiences, Handelsbanken strengthens its capacity to understand its customers’ needs and to adapt to a society in a constant state of change.

The Bank endeavours to reflect the diversity of the communities where it operates, and to achieve or maintain a balanced gender representation in different roles and parts of the operations. An inclusive culture is crucial when it comes to harnessing the advantages inherent to gender equality and diversity. To achieve its goals in terms of gender equality, diversity and inclusion, the Bank focuses particularly on areas such as management succession planning and recruitment, competency development, health and work environment, work-life balance and gender-equal salaries.

In autumn 2024, an international initiative was carried out to provide the Bank’s talent acquisition partners in all home markets with training in competency based recruitment, which is an important tool for promoting diversity. This approach aims to create a structured recruitment process in which each candidate’s skills are assessed objectively against established requirements, thereby helping to challenge stereotypes and make the recruitment process more transparent and fair.

To coordinate and drive the issues of gender equality, diversity and inclusion within the Group, a Diversity Council has been established, with representatives from different parts of the organisation. Local diversity committees and forums have also been created in Sweden, the UK, Norway and the Netherlands that work to promote these issues in their respective markets. Handelsbanken in Sweden is also a member of the Diversity Charter Sweden network, promoting a further focus on diversity in the workplace.

Women accounted for 49 per cent of all employees at Handelsbanken, and the proportion of women in all management positions was 44 per cent.

Handelsbanken in Norway and the UK are signatories to the Women in Finance Charter, a pledge to promote gender balance across the financial sector. The target in the UK is for the proportion of female managers to be 40 per cent by 2026. As part of these efforts, the Bank has developed a programme to increase the representation of women in senior management roles, with a particular focus on women who have taken extended career breaks. In Norway, the Bank focused on diversity and inclusion during the year within the framework of its leadership and employee training. In 2024, the proportion of female managers was 30 per cent in the UK and 42 per cent in Norway.

More information on gender balance in the Bank is provided in sections S1-5 and S1-9 on pages 305 and 306.



## Metrics and targets

### S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Handelsbanken aims to be a workplace where all co-workers have equal rights, opportunities and conditions to develop and actively contribute to the Bank's progress and success. A good and inclusive work environment is a fundamental prerequisite for ensuring that co-workers feel good, develop and perform at optimal capacity.

All metrics and targets have been set by Handelsbanken, and the process has only involved internal stakeholders and was carried out in close cooperation with various business specialists. The Bank's own workforce and workers' representatives were not involved in formulating the targets. The metrics in the table were reported in previous Sustainability

Reports but were not formulated as targets. The following targets have now been set to manage the Bank's impacts, risks and opportunities. Progress is therefore measured from 2024 as the base period, and the Bank will subsequently perform analyses, evaluate trends and any lessons learnt or see if any improvements need to be made. The target for a good and inclusive work environment is measured annually and the gender balance target is set for 2026.

The target related to equal pay aims to follow up on the ambition as reflected in the Bank's policy for remuneration. This has not been set as a measurable target, since work on achieving equal pay requires long-term commitments from both companies and society as a whole. Accordingly, the overall assessment is that it is more appropriate for the work to be carried out with continuous monitoring and evaluation, but at the same time it can be tailored to collective bargaining agreements and current and future legislation. More information on how the Bank works to achieve equal pay can be found in S1-4, see page 302.

#### Targets – own workforce

Targets	Targets and metrics	2024 <sup>1)</sup>
Equal pay – The Bank aims to achieve equal pay across all areas of the Bank.	Average salary, men in relation to women, all employees, % <sup>2)</sup>	
	Sweden	17
	UK	25
	Norway	13
	The Netherlands	19
	<b>Total</b>	<b>20</b>
Good and inclusive work environment – The work environment at the Bank is to be perceived as good and inclusive by at least 90% of co-workers, measured in the annual work environment survey.	All co-workers, %	93 <sup>3)</sup>
Gender balance – the Bank aims to have a gender-balanced workforce, with women or men accounting for at least 40% of all employees and managers. The target is to achieve and/or maintain gender balance in these roles by 2026.	Gender breakdown, women/men, %	
	All employees	49/51
	Managers	44/56

1) Data was produced using the new calculation basis according to the European Sustainability Reporting Standards (ESRS).

Accordingly there are no comparative figures since earlier data does not provide comparability with the current year.

2) Objective factors that explain pay gaps (such as complexity of work duties and experience) were not taken into account.

3) The outcome for 2023 was 93%.

For more information about the target process, see page 278.

#### Employees by contract type, broken down by gender

	Female	Male	Other <sup>1)</sup>	Not disclosed	Total
Number of employees <sup>2)</sup>	6,320	6,480	-	-	12,800
Number of permanent employees <sup>2)</sup>	5,980	6,175	-	-	12,155
Number of temporary employees <sup>2)</sup>	88	68	-	-	156
Number of non-guaranteed hours employees <sup>2)</sup>	252	237	-	-	489

1) Gender as specified by the employees themselves.

2) Number of employees refers to the head count used to calculate FTEs. Number of temporary employees refers to the number of temporary employees with a monthly salary. Number of non-guaranteed hours employees refers to the number of temporary employees with an hourly contract. The information applies as per 31 December 2024.

### S1-6: Characteristics of Handelsbanken's employees

#### Employee head count by gender

Gender	Number of employees (head count)
Male	6,713
Female	6,578
Other	-
Not reported	-
<b>Total employees</b>	<b>13,291</b>

Number of employees refers to the head count used to calculate full-time equivalents (FTEs). Calculation is an average for the year. Gender is based on legal gender.

#### Number of employees in home markets

Country	Number of employees (head count)
Sweden	7,851
UK	3,184
Norway <sup>1)</sup>	1,098
The Netherlands <sup>1)</sup>	508

1) These markets represent less than 10% of the Bank's total number of employees.

Number of employees refers to the head count used to calculate full-time equivalents (FTEs). Calculation is an average for the year.

In 2024, staff turnover in the Group amounted to 7.5 per cent, and 993 employees ended their employment at Handelsbanken. The number of employees who terminated their employment does not include the 272 employees of the operations divested in Finland in 2024.

For more information, see note G8 of the Annual Report on page 126.

### S1-7: Characteristics of non-employee workers in Handelsbanken's own workforce

#### Non-employees in Handelsbanken's own workforce

	2024	2023
Number of external consultants <sup>1)</sup>	960	1,161

1) A majority of external consultants work with IT-related activities.

Characteristics of non-employees in Handelsbanken's own workforce are compiled by the respective country every month and pertain to consultants who were contracted on the last day of the preceding month. Consultants are calculated as full-time equivalents, which is defined as FTE based on the scope of the contract and the information is compiled from the Bank's consultant procurement in Sweden. Once all the figures for the preceding year have been reported, an average is calculated for the number of non-employees in the Group's own workforce.

## S1-8: Collective bargaining coverage and social dialogue

The percentage of employees at the Bank covered by collective bargaining agreements amounted to 70 per cent, which pertains to employees in Sweden, Norway, Finland and Luxembourg. Employees who are not members of a union are also covered by the terms of the collective bargaining agreement, but are not represented by the employee organisation in individual matters. Collective bargaining agreements are the foundation of the workplace benefits that the Bank offers to both temporary and permanent employees.

In addition to matters dealt with in the dialogue with union organisations or work councils at the national level in each country, based on either collaboration agreements or national legislation, Handelsbanken also has a European Works Council (EWC). The EWC has served as a forum for information and dialogue concerning the Bank's joint, cross-border matters, such as the work environment and future performance, since the 1990s. The work is formalised on the basis of a cooperation agreement for EWC and consists of representatives from the Executive Team and workers' representatives from Sweden, Norway, the UK, the Netherlands, Finland and Luxembourg. The Forum generally holds four scheduled meetings per year, and the Bank and workers' representatives remain in dialogue between these scheduled meetings, following an established interaction process that ensures the flow of information between the operations and the EWC.

## S1-9: Diversity metrics

### Diversity metrics

	2024
Gender breakdown, number of women/men Executive Team <sup>1)</sup>	4/5
Gender breakdown, percentage women/men Executive Team <sup>1)</sup>	44/56
Age breakdown, number	
All employees	
<30 yrs	2,005
30–50 yrs	5,903
>50 yrs	4,892
Managers	
<30 yrs	31
30–50 yrs	961
>50 yrs	846
Executive Team <sup>1)</sup>	
<30 yrs	0
30–50 yrs	2
>50 yrs	7
Age breakdown, %	
All employees	
<30 yrs	15.7
30–50 yrs	46.1
>50 yrs	38.2
Managers	
<30 yrs	1.7
30–50 yrs	52.3
>50 yrs	46
Executive Team <sup>1)</sup>	
<30 yrs	0
30–50 yrs	22.2
>50 yrs	77.8

1) The Bank's highest management body is the Executive Team, that replaced the previous Executive Management, which coordinates the strategic governance of the Group, and addresses operational Group-wide issues and other critical matters from a Group perspective. Before decisions are made on such matters by the Chief Executive Officer or other officers, these are, as a general rule, discussed by the Executive Team. For more information on the members of the Executive Team and former executive management, see page 57 of the Corporate Governance Report.

## S1-10: Adequate wages

Total employee remuneration at Handelsbanken is to be on market terms, gender-neutral and help to strengthen the Bank's competitiveness and profitability. By offering attractive remuneration, the Bank aims to attract, recruit, retain and develop skilled co-workers, and to ensure good management succession planning. This is stated in the Bank's remuneration policy, which is set by the Board. Once a year, the Bank's Remuneration committee must make an assessment of the policy and the remuneration system and report the results of the assessment to the Board.

Handelsbanken applies individual salaries, which are determined through annual salary reviews between the manager and employee. Terms and benefits may vary within the Group depending on local market conditions or the collective bargaining agreements in effect in each country. All Handelsbanken employees receive an adequate salary in line with current reference salaries, which are regulated by collective bargaining agreements and/or local legislation.

## S1-11: Social protection

All Handelsbanken employees are covered by social protection against loss of income in the event of illness, unemployment, work-related injury, parental leave and pension. This is regulated either by collective bargaining agreements or in accordance with local legislation.

## S1-13: Training and skills development metrics

At Handelsbanken, continuous learning is not just about formal training, but also about constantly learning and developing in the course of the employee's day-to-day work. Through problem-solving, feedback and collaboration with colleagues, a culture where learning is a natural part of the daily operations is built.

Handelsbanken's leaders play a crucial role in creating an environment that promotes development, where co-workers are expected to assume responsibility for their own development and that of the organisation.

A focus on skills development is essential to upholding a high standard, ensuring regulatory compliance and building a sustainable workforce equipped to respond to the demands and opportunities of the future. More informa-

### Collective bargaining coverage and social dialogue in home markets

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0–19%	The Netherlands <sup>1)</sup>	UK	
20–39%			
40–59%			
60–79%			
80–100%	Sweden, Norway <sup>1)</sup>		Sweden, Norway <sup>1)</sup> , the Netherlands <sup>1)</sup>

1) These markets represent less than 10% of the Bank's total number of employees.

tion about training and skills development is provided in section S1-4 on page 302.

All of the Bank's employees are covered by a recurring performance evaluation. In this year's work environment survey, 97 per cent (96) of the Bank's employees stated they have had performance reviews with their immediate manager at least once a year. More information about performance reviews, also referred to as PLUS, is provided in section S1-2 on page 301.

Average number of registered training hours per employee, by gender, hours<sup>1)</sup>

	2024
Female	22.8
Male	21.7

1) Pertains to training completed via Handelsbanken's training platforms.

Proportion of co-workers who participated in a performance evaluation and performance review, by gender, %<sup>2)</sup>

	2024
Female	97
Male	96
Prefer not to state	94
Other	100

2) Refers to the proportion of the Bank's co-workers who responded positively to the statement, "My immediate manager has a PLUS review with me once a year" in the Bank's Group-wide work environment survey. The denominator for the calculation is the number of work environment survey respondents.

### S1-14: Health and safety metrics

Work environment management is carried out based on local legislation and regulations for each country where the Bank has its operations. All co-workers are covered by Handelsbanken's work environment survey, which the Bank has defined as its health and safety management system for preventing work-related injuries. More information about the Bank's systematic work environment management and the annual Group-wide work environment survey is provided in section S1-4 on page 302.

For additional health and safety metrics, refer to section S1-5 on page 305.

### S1-15: Work-life balance metrics

Handelsbanken aims to meet its employees' needs during various phases of their life in a flexible way. 100 per cent of the Bank's employees are entitled to family-related leave, which is regulated by local legislation and/or collective bargaining agreements.

In 2024, 19 per cent of the Bank's employees took family leave. Of these employees, 56 per cent were women and 44 per cent were men. The Netherlands is included in the total leave figure but national legislation does not permit reporting broken down by gender.

### S1-16: Remuneration metrics (pay gap and total remuneration)

Average salary, men in relation to women, all employees, %<sup>1)</sup>

	2024 <sup>2)</sup>
Sweden	17
UK	25
Norway	13
The Netherlands	19
Total	20

Annual total remuneration ratio

	2024 <sup>2)</sup>
Total remuneration ratio (highest paid individual to the median annual total remuneration for all employees excluding the highest-paid individual)	22

1) Objective factors that explain pay gaps (such as complexity of work duties and experience) were not taken into account.

2) Data was produced using the new calculation basis according to the European Sustainability Reporting Standards (ESRS). Accordingly there are no comparative figures since earlier data does not provide comparability with the current year.

During the reporting period, Handelsbanken paid SEK 81,043 in compensation, fines or penalties related to the incidents and complaints described above. For more information about Handelsbanken's staff costs, see note G8 of the Annual Report on page 126.

### S1-17: Incidents, complaints and severe human rights impacts

In 2024, 73 cases related to discrimination including harassment were reported through the Bank's main Group-wide and local channels. The number of reported complaints related to working conditions, and equal treatment and opportunities for all amounted to 233.

The majority of reported cases related to discrimination, including harassment and working conditions, as well as equal treatment and opportunities for all, refer to incidents that involve persons outside the Bank and have exposed the Bank's co-workers to situations that create a sense of insecurity or lack of respect in the workplace. All reported cases are handled according to the Bank's procedures and guidelines. All reported cases are reviewed and actions are taken to prevent events from being repeated. For more information on the Bank's procedures and the changes that co-workers can use to raise concerns, see section S1-3 on page 302.

## ESRS S2 Workers in the Value Chain

### Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Working conditions for workers in the value chain	Potential positive impact Potential negative impact	Asset management, suppliers & lending Asset management, suppliers & lending	Medium/long Short/medium/long

### Strategy

#### ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The identified positive and negative impacts of Handelsbanken on workers in the value chain could affect all workers in the value chains for the Bank's lending, investments and supplier relationships, including any workers in joint ventures in the supply chain. This impact is not due to the Bank's strategy or business model, but to the fact that the Bank operates in the financial sector.

### Impact, risk and opportunity management

#### S2-1: Policies related to value chain workers

The steering documents that address the Bank's material impact on workers in the value chain are:

- Policy for sustainability, for more information, see page 264
- Credit policy, for more information, see page 263
- Guidelines regarding human rights and working conditions, for more information, see page 300
- Guidelines for supplier arrangements.

The Bank's guidelines regarding human rights and working conditions are a complement to the policy for sustainability and aim to clarify Handelsbanken's approach to human rights and fundamental labour practices. Handelsbanken does not accept any form of child

labour, slave labour or human trafficking, and is to work actively to prevent them from occurring in the Group's supply chain and in other companies with which Handelsbanken has business relationships, for example, in the form of lending, other financing, asset management, advisory services, product development and purchasing. For more information on the content and the Bank's commitments in the guideline, refer to section S1-1 on page 300.

Guidelines for supplier arrangements in the Group detail how the Bank is to manage supplier arrangements. All procurement follows a process, which is described in detail in the Bank's instructions. The main principle is that the Bank applies a risk-based working method, taking into account the Bank's low risk tolerance. Sustainability risks, such as environmental and climate-related, social (including workers in the value chain) and governance factors, are an integral part of risk management to identify suppliers with a negative impact on sustainability.

The guidelines apply to supplier relationships in which a supplier regularly delivers services or products, or performs functions for the Bank. These guidelines apply across Handelsbanken Group and, where applicable, to subsidiaries, unless deviations are required due to binding rules outside Sweden or for subsidiaries. As part of its sustainability work with suppliers, the Bank has a Code of Conduct that has been formulated based on the Bank's sustainability strategy as well as internationally accepted standards. The Code of Conduct and associated work are described in more detail in section S2-4.

The Bank engages in regular dialogue with its suppliers in which sustainability is one of the focus areas. These dialogues examine, for example, whether the supplier has a collective bargaining agreement, a health and safety policy, anti-corruption guidelines and a system for environmental impact management. As support in these efforts, the Bank refers in its guideline regarding human rights and working conditions to several international initiatives and guidelines relevant to the procurement process, including the UN Global Compact,

the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ILO Core Conventions.

In addition to these international guidelines, Handelsbanken's subsidiaries comply with local legislation, such as the Modern Slavery Act in the UK and the Transparency Act in Norway. More information can be found on the relevant country website of Handelsbanken.

All asset management at Handelsbanken is based on the same core values, which are embedded in the Bank's corporate culture and supported by a framework based on international norms and conventions. Sections S2-4 and S2-5 describe how the various subsidiaries with investment operations work on human rights and labour practices, focusing on the subsidiary with the greatest impact, Handelsbanken Fonder. The definition of workers in asset management applies primarily to workers in portfolio companies but may, where information is available, also include workers in the subcontractors of portfolio companies.

Handelsbanken Fonder, Handelsbanken Wealth and Asset management (HWAM) and Optimix manage a total of approximately SEK 1,107 billion, which represents about 93 per cent of total assets under management at Handelsbanken. For a brief description of HWAM and Optimix, see sections ESRS 2 SBM-3 E1 on page 286.

Handelsbanken's subsidiary Handelsbanken Liv has largely chosen Handelsbanken Fonder's products for its insurance policies. This also applies to parts of Handelsbanken's discretionary management, which means that a large part of the reporting carried out by Handelsbanken Fonder becomes part of the value chain of these operations. For a description of the value chain for asset management, see ESRS 2 SBM-3 E1 on page 286.

Handelsbanken Fonder's policy for shareholder engagement and responsible investments encompasses both the fund company's active stewardship and responsible investments. Sustainability is an integral part of the investment analysis and rests on three pillars: exclusion, inclusion and engagement. The policy for responsible investments is based on international norms in areas such as the environment, human rights, labour practices, corruption and controversial weapons. Through Handelsbanken, the fund company is a signatory to the UN Principles for Responsible Investment (UN PRI) and also supports the UN Global Compact. These initiatives and guidelines, together with the values reflected in the

Bank's corporate culture, constitute a common and clear foundation for Handelsbanken Fonder's asset management.

The policy applies to the fund company's asset management and the funds' direct investments in Swedish and foreign shares and corporate bonds. For indirect investments, for example, to manage liquidity or regional allocation, the policy is applied to the greatest extent possible. For external funds, in the fund company's funds-of-funds, this policy applies in its entirety, but the external funds are not compelled to use the same analysis tools as Handelsbanken Fonder. The policy also covers the investment advice provided by the fund company.

The results of the fund company's work on active stewardship and responsible investments are reported at least annually to the fund company's Board and on a regular basis to the fund company's CEO. The policy is updated and adopted by the Board at least once a year. It also serves as guidance for the companies in which the fund company invests and as a communication tool for existing and potential mutual fund unit holders. The policy is published on the fund company's website, handelsbankenfonder.se.

The fund company believes that taking sustainability risks into account and integrating sustainability performance over time has a positive impact on returns, while promoting more sustainable development in society. The policy also emphasises the interests of the fund unit holders, and that the management of the funds is always conducted in their common interest. All decisions and actions are aimed at achieving the best possible return for fund unit holders, considering the funds' objectives and investment restrictions. The policy also takes into account the portfolio companies and describes how the fund company exercises active stewardship and influences the companies to promote sustainable and responsible business practices. Society as a whole is also a stakeholder, and by integrating sustainability risks and factors into the investment process, the fund company ensures that the interests of society are considered. Employees and Board members are also stakeholders, and the policy describes how remuneration systems and incentive programmes should be designed to support the objectives of the fund company. By taking these stakeholders into account, the fund company ensures that the policy integrates both economic and sustainability aspects into its management.

Handelsbanken Wealth & Asset Management (HWAM) manages a range of eleven multi asset funds, four of which – the Responsible Funds – are subject to HWAM's Responsible Investment Policy. The policy is based on four underlying components to assess and monitor

investments. These are ESG integration, negative screening, investments that demonstrate positive environmental and/or social themes and engagement. A Responsible Investment Committee, including external members, is responsible for independently reviewing the Responsible Investment Policy.

Optimix has signed the UN Principles for Responsible Investment (PRI). Optimix Responsible Investment Policy excludes companies that do not respect the criteria regarding the environment, human rights, working conditions and anti-corruption. This includes violations of workers' rights, forced labour, child labour and restrictions on the right to collective bargaining in accordance with the UN Global Compact. This responsible investment policy relates to both discretionary asset management and collective management via the Optimix investment funds and is supervised by the Head of Investments.

## S2-2: Processes for engaging with value chain workers about impacts

Structured efforts to protect human rights and good working conditions must be part of Handelsbanken's business relationships. Handelsbanken does not engage in direct dialogue with workers in its value chains, and instead works through established processes to take their perspectives in consideration. There are currently no plans to introduce direct contact with these co-workers, as the Bank has developed other actions to manage the impacts on workers in the value chain. Examples of these actions include periodic screening of the companies the Bank invests in to identify negative impacts on workers in the value chain through its asset management, checklists used in credit assessment processes, and a code of conduct for the Bank's suppliers. For more information on the Bank's procedures and actions in this area, refer to the section S2-4 on page 309.

## S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns

Handelsbanken's whistleblowing process and system is described in more detail in section S1-3 on page 302. It is also available for use by workers in the Bank's value chain and can be accessed via the Bank's website.

## S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

Handelsbanken has identified opportunities to impact workers in the value chains indirectly through its activities in lending, investments and relationships with suppliers. Actions to address these impact opportunities are integrated into each value chain.

Handelsbanken's guidelines for supplier arrangements state that the Bank applies a risk-based working method, given its low risk tolerance. Before entering into a contract, the Bank conducts due diligence to ensure that the supplier meets the Bank's ethical and sustainability requirements, in line with the Bank's Supplier Code of Conduct. The supplier is to answer questions about whether it has policies in place governing human rights, child and forced labour, and occupational health and safety. In addition, external sustainability data is collected to support the supplier assessment.

In its sustainability work with suppliers, the Bank has identified opportunities to engage with workers in the supply chain by placing requirements on suppliers in line with the Bank's Code of Conduct.

The Code of Conduct is mainly applied to larger suppliers in Sweden, and recently it has also been implemented in other home markets. The Code has been developed based on the Bank's sustainability agenda as well as internationally accepted standards, such as the UN Global Compact, focusing on human rights, labour, environmental and anti-corruption. In some cases, the Bank may choose to review and accept a supplier's own code of conduct if this is justified. The use of the Code of Conduct clarifies suppliers' responsibilities, for example, by requiring them to eliminate and combat human trafficking, modern slavery and forced labour, and ensuring that they are not involved in child labour or human rights violations. Efforts related to the Code of Conduct are carried out continuously and systematically through dialogues with suppliers and periodic follow-ups.

Handelsbanken has entered into an agreement with an international sustainability data provider to further strengthen its capacity to evaluate and monitor both new and existing suppliers. The data provider also supplies a risk classification tool, allowing the Bank to evaluate suppliers on the basis of risks linked to specific operating areas or geographical regions. The new procedures will be integrated



into the Bank's existing guidelines and instructions. The service started to be used in 2024 and the Bank will continue to procure more suppliers in 2025.

Supplier arrangements are regularly monitored as part of the Bank's risk-based working method. The scope and frequency of monitoring are adapted to the scope and risk level of the contract. High-risk contracts are monitored at least once a year. Any shortcomings identified in connection with the monitoring are to be documented in an action plan, addressed immediately and followed up, taking into account the Bank's right of termination and discontinuation plan. If the risk, nature or scope of the contract changes materially, the contract is reassessed and reclassified. The supplier arrangement process is also followed when renegotiating contracts.

Handelsbanken's credit policy forms the basis of the Bank's credit process, which is applied throughout the Group and in all markets where the Bank operates. The credit process is stable and does not change depending on the business cycle. The Bank has a low risk tolerance and its business model is based on taking and managing credit risks through its branch operations. The branch responsible for customers bears the main responsibility for preparing and assessing credit risks of its customers according to internal instructions and procedures, with the support of the Bank's credit organisation. The assessment of sustainability risks is an integral part of the credit risk assessment. All credits are reviewed annually.

The credit risk assessment includes an analysis of the borrower's repayment capacity, and an important part of the risk analysis is to assess sustainability risks. These include environmental and climate-related risks, social risks and corporate governance risks. For example, in connection with the credit assessment and annual renewal of credit limits for major companies, the Bank asks questions about their policies and procedures for monitoring issues such as labour practices and human rights. This information is included as part of the overall assessment of how sustainability risks may impact credit risk.

Handelsbanken's credit policy states that the Bank shall be prudent about granting credit to businesses where the negative impact of sustainability risks, including social factors, on credit risk is considered to be excessive. If the sustainability risks are considered to have an excessive impact on credit risk, the transaction is beyond the Bank's risk tolerance. In such instances, both the credit and business strategy with the customer are reevaluated.

One specific measure that aims to prevent negative impacts while creating positive effects for workers in the value chain is the

sustainable construction initiative Hållbar byggbransch. This is an industry initiative launched as part of cooperation between the major Swedish banks to combat financial crime and promote workers' rights and working conditions in the construction sector.

As part of financing to the construction sector, a specific contractual term is applied to credits above a certain limit, with the aim of standardising sector-specific requirements. The terms of the contract are based on four main requirements for control systems and project reports: compulsory prior notifications of construction sites (with a pre-entry check and approval process for companies and individual co-workers), Swedish F-tax and checks on tax debts and employers' contributions, as well as physical workplace inspections.

In applying these specific contractual terms, the borrower undertakes to provide the Bank with, at a minimum, annual reports from the control systems used, giving the Bank insight into and an overview of the entire value chain at the construction site. In addition, the borrower must ensure that at least one unannounced physical work inspection is carried out annually by an independent third party. If shortcomings are detected, the Bank and the borrower engage in dialogue to establish an action plan.

Through this reporting and monitoring, the Bank has the opportunity to influence the entire value chain – from the borrower itself to subcontractors and suppliers – in a more positive direction, in dialogue with the borrower.

The increased transparency through reporting derived from control systems and physical workplace inspections provides Handelsbanken with a tool for proactively identifying potential risks and creating early dialogue with the borrower. The purpose of this dialogue is to drive positive change and to counteract any negative development. In addition to applying the specific contractual conditions, these tools provide the Bank with a basis for dialogue with all borrowers in the construction sector, with the aim of influencing the entire value chain and moving it in a more sustainable direction.

This initiative is part of the Bank's sustainability work in the area of finance and has helped to clarify these efforts, which ultimately can accelerate the desired changes. Increased transparency is a first step towards setting measurable targets in the future, based on the requirements set out in the specific contractual terms.

Handelsbanken Fonder has ongoing dialogues, both directly and jointly, with companies in sectors and value chains with elevated human and labour rights risks, such as the mining industry, the clothing industry, the construction sector and the food industry.

A large part of the collaborative dialogues conducted on behalf of Handelsbanken Fonder are managed by an external party and focus on suspected norm violations. For each such dialogue, a target is set and it is monitored with regard to the companies' transparency, implementation of relevant policies and processes, and actions taken to address any breaches. These dialogues allow the fund company to identify and address potential and actual impacts affecting workers in the portfolio companies. Handelsbanken Fonder also actively participates in investor networks and collaborations with a focus on human rights and labour rights.

As part of this work, the fund company has participated for a number of years in thematic engagement dialogues to counteract modern forms of slavery through Sustainabilitycs. This work has focused on 20 companies in the construction and clothing industry, with the aim of encouraging these companies to adopt strategies for the payment of living wages, strengthen the right to union membership, and ensure fair procurement processes to identify risks across the supply chain. The dialogue project ended in January 2024 and have led to several companies strengthening their processes in relation to suppliers, and one company improving its human rights policy.

Read more about initiatives and partnerships in Handelsbanken Fonder's Investor Initiatives and Partnerships publication available at handelsbankenfonder.se.

## Dialogues related to human rights and labour rights

In 2024, Handelsbanken Fonder engaged in 62 direct dialogues and 144 collaborative dialogues on human rights and labour rights.

A central measure in Handelsbanken Fonder's work is to systematically monitor the companies in which the fund company invests for violations of norms, including labour rights violations. This monitoring takes place on a daily basis and if any signals are detected, they are addressed according to the fund company's established processes.

Additional actions that Handelsbanken Fonder can take involve active stewardship. As a shareholder, the fund company can exert an influence over companies through active stewardship – for both actively and passively managed funds. Two of the most direct ways to exercise this influence over companies are through representation in nomination committees and voting at shareholders' meetings. One example is the fund company's long-term efforts to promote gender balance in the nomination committee group, which have resulted in positive progress over time.

Handelsbanken Fonder invests in a significant number of companies spread over

numerous geographical markets. By voting at shareholders' meetings, the fund company has the opportunity to influence the direction of companies on relevant issues. In line with the fund company's sustainability initiatives, Handelsbanken Fonder supports in principle shareholder resolutions that promote corporate sustainability and greater transparency in the reporting of companies on human rights and labour rights. In 2024, Handelsbanken Fonder voted at a total of 1,275 shareholders' meetings and at 150 shareholders' meetings where human rights and labour rights were on the agenda.

In 2024, Handelsbanken Fonder continued to focus on human rights, including workers' rights, through dialogues with portfolio companies. As part of this work, the fund company has initiated a review to clarify and prioritise dialogues with the companies where the risk of inadequate management of human rights, including workers' rights, has been identified.

Handelsbanken Fonder also publishes the Statement on principal adverse impacts of investment decisions on sustainability factors, also referred to as the PAI Statement. This statement covers the entire investment portfolio of the fund company and includes specific indicators related to workers' rights.

For the most recent version of the PAI statement, refer to handelsbankenfonder.se.

Handelsbanken Fonder participates in several networks and collaborations with other investors, where workers' rights are in focus. One example is the fund company's involvement in the Investor Integrity Forum, an initiative in which Swedish investors work together with Transparency International Sweden to accumulate knowledge and engage in dialogue with selected companies in the construction sector. The aim is to monitor and safeguard workers' rights and safety, with a particular focus on the risks found in long subcontracting chains. This cooperation has raised the level of awareness, leading to improved discussions and dialogues between investors and companies concerning these challenges.

Handelsbanken Fonder's risk control function conducts daily reviews of the funds' holdings to ensure that the companies have not been confirmed to be in breach of international norms relating to workers' rights. Dialogue is initiated with the priority companies if there are indications that a company is at risk of violating workers' rights. Companies confirmed to be in breach of international norms are excluded from the fund company's available investment universe.

At the end of 2024, 71 companies had been confirmed to be in breach of international norms, with 8 specifically violating workers' rights. There were no new cases in 2024.

A public list of these companies is available on the fund company's website, handelsbankenfonder.se.

In addition to financial criteria, the responsible fund manager integrates environmental, social and governance (ESG) issues into analysis and investment decisions. This includes workers' rights as a critical part of the sustainability analysis, which aims to identify risks and opportunities in the business models of companies. Sustainability activities are based on three main methods: inclusion of investments, exclusion of investments and pursuing active stewardship.

HWAM's Responsible Investment Policy provides a framework that, amongst other objectives, seeks to limit the effects that HWAM's Responsible Funds' portfolios have or may have on employees of the companies in which the funds invest. HWAM's Responsible Funds usually invest in other funds managed by third-party managers. HWAM assesses investments for its Responsible Funds according to four areas to ensure that their investments comply with HWAM's Responsible Investment Policy, these are: ESG integration processes of third-party managers, negative screening, investments that demonstrate positive environmental and/or social themes and engagement processes of third-party managers. Part of HWAM's negative screening process includes screening against international norms and conventions. HWAM screens its Responsible Funds' investment portfolios against the UN Global Compact Principles regarding human rights, labor, the environment and anti-corruption ('principles'). The Responsible Funds' investment portfolios are reviewed monthly to ensure that no holdings violate these principles. If a breach of the screening against these principles occurs, HWAM may engage in dialogue with the third-party manager to bring about change, and if this does not happen, the holding may be

divested. HWAM also conducts annual evaluations of the Responsible Funds' investment portfolio to ensure that all holdings remain in accordance with HWAM's Responsible Investment Policy. In 2024, no holdings in the Responsible Funds were excluded due to violating the principles.

Optimix engages in dialogue with external managers on the integration of ESG factors, sustainability reporting and, where applicable, the progress achieved. Optimix reviews its investment portfolios on a quarterly basis with the help of Sustainabilitytics to ensure that the companies comply with the UN Global Compact. Companies that do not meet the UN Global Compact's standards are excluded. Optimix reports its exclusion strategy and measures in the annual reports of the funds. In 2024, no serious incidents have been reported and no discussions have taken place with external managers regarding workers in the value chain. No exclusions have taken place as a result of norm violations during the year.

## Metrics and targets

### S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The process for setting targets for workers in the value chain is described in general terms in the General information section, see page 278. Neither workers in the value chain nor appointed representatives were involved in formulating or checking the targets. Progress or lessons learnt have not been analysed since the targets were prepared in 2024.

#### Nomination committees and shareholders' meetings

Active stewardship	2024	2023	2022	2021	2020
<b>Nomination committees</b>	<b>66</b>	<b>68</b>	<b>70</b>	<b>47</b>	<b>41</b>
Number of nomination committee places where we have appointed women, %	74	75	73	79	71
<b>Shareholders' meetings<sup>1)</sup></b>	<b>1,275</b>	<b>977</b>	<b>1,163</b>	<b>1,019</b>	<b>647</b>
Of which Swedish companies	364	311	302	338	238
Of which non-Swedish companies	911	666	861	681	409

1) On 1 April 2020, the mutual funds previously managed by Xact Kapitalförvaltning were transferred to Handelsbanken Fonder AB.

#### Voting at shareholders' meetings

Sweden	364
USA	260
Norway	72
Brazil	64
Finland	50
China	50
Denmark	41
India	37
Japan	34
Taiwan	30
Others	273

Handelsbanken does not engage in direct dialogue with workers in its value chains, and instead works through established processes to take their perspectives in consideration. Targets have been set in accordance with these established processes and the target level is based on the Bank's low risk tolerance.

Handelsbanken imposes clear requirements for suppliers' sustainability commitments through its Code of Conduct, which reflects the Bank's sustainability activities and policies as well as internationally accepted standards in the field.

Starting a number of years ago, the Bank has measured the percentage of suppliers in Sweden with an annual purchase volume exceeding SEK 5 million that have signed the Bank's Code of Conduct or presented their own code that the Bank has reviewed and approved. The Bank tracks this metric by keeping a register of contracts and suppliers that have signed the Code of Conduct, as well as a separate register of those suppliers that have presented their own code that the Bank has assured and approved. The Bank reported an outcome of 85 per cent for 2023. The procedure is managed internally and no external controls are used. This measurement is tangible and provides the Bank with a clear and effective metric of compliance with sustainability requirements.

As of 2024, Handelsbanken has set a new target stipulating that 90 per cent of suppliers with an annual purchase volume of more than SEK 5 million must have signed the Bank's Code of Conduct or have their own code approved by the Bank. This extended target covers all the Bank's home markets, making it non-comparable with the preceding year's outcome. The measurement will be carried out annually and refers to the percentage of suppliers (purchased volume as a percentage). The outcome for 2024 was 83.3 per cent.

## Lending

The credit policy provides guidance for Handelsbanken's credit operations and establishes the framework of the Bank's risk tolerance. One aspect described in the credit policy is that the Bank should be prudent in its lending to businesses where sustainability risks and related social factors have a significant negative impact on credit risk. The assessment of a corporate customer's repayment capacity includes a forward-looking assessment of sustainability risks, including environmental, climate, social and governance risks.

As of 2024, the Bank will conduct an annual screening of exposure to companies where sustainability risks driven by social factors are deemed to be higher than normal in the credit

risk assessment. This screening is compared to the Bank's total exposure. The process was performed by Handelsbanken Credit.

Handelsbanken has set a target that the proportion of lending for which the impact of social sustainability risks on credit risk is deemed to be higher than normal should be zero per cent. This target was achieved in 2024.

## Asset management

Handelsbanken strives to prevent or limit negative impacts on human rights and the rights of workers in the companies in which the Bank's asset management invests. This is conducted through regular screening of portfolio companies to identify companies that do not comply with international norms and conventions.

Handelsbanken Fonder expects portfolio companies to respect human rights and to work in compliance with the UN Guiding Principles on Business and Human Rights. Portfolio companies are also expected to report transparently on identified risks and actions to address them.

All company holdings in Handelsbanken Fonder are regularly screened to identify companies that do not comply with international norms and conventions relating to the environment, human rights, labour and anti-corruption. This means that each company holding is analysed to detect possible breaches or violations of international norms based on the four main areas of the UN Global Compact.

Handelsbanken Fonder excludes investments in companies that, according to the fund company's assessment, have been confirmed to violate international norms and conventions. This includes companies that violate workers' rights. For more information on which companies were excluded on these grounds, refer to handelsbankenfonder.se

The fund company's risk control function monitors compliance with exclusion criteria in the fund company's investments on a daily basis. Any deviations are regularly reported to the fund company's board and CEO as part of the ongoing work of the risk control function. For 2024, the share of assets under management in funds with negative screening, regarding companies that violate international norms and conventions, was 99.8 per cent.

Handelsbanken Fonder engages an independent sustainability data company, ISS ESG, to conduct norm-based screening of its holdings. ISS ESG examines companies' involvement in verified or suspected violations of international norms and conventions, as well as how companies respond to these allegations. As part of its process, ISS ESG collects data from media and expert sources globally.

In cases of allegations of violations of international norms, an in-depth analysis is carried out to assess the seriousness of the situation, categorising this from "potential" to "very serious." The company's response and actions are rated on a four-level scale, from non-existent to credible actions.

ISS ESG uses a traffic light system to evaluate allegations of norm violations and rates these on a scale of one to ten, with one indicating no allegation and ten representing a serious, verified violation without sufficient action being taken. This assessment is based on information from reliable sources, including intergovernmental bodies, authorities and the company itself. Reliance on published allegations could be a limitation since it could mean that some norm violations may not be detected if they are not reported.

Several of the factors included in the negative screening are reported annually in Handelsbanken Fonder's Statement on principal adverse impacts of investment decisions on sustainability factors (PAI Statement). For outcomes and more information, refer to the most recent report on handelsbankenfonder.se.

The four Responsible Funds covered by HWAM's Responsible Investment Policy are subject to monthly screening, whereby HWAM uses data provided by an external data provider, Morningstar Sustainalytics, to ensure that no holdings violate the UN Global Compact Principles. The outcome is presented monthly to the HWAM Responsible Investment Committee. The other seven funds managed by HWAM are not subject to the same screening. At the end of 2024, screened assets represented 9.0 per cent of HWAM's total assets under management.

Optimix reviews its investment portfolios on a quarterly basis with the help of Sustainalytics to ensure that the companies comply with the UN Global Compact. Optimix does not invest in shares and bonds from companies that do not comply with the UN Global Compact. Optimix reports its exclusion strategy and measures in the annual reports of the funds. The norm-based exclusions apply to both direct investments in equity and corporate bond securities within funds and discretionary portfolios. All investments in equities and corporate bonds are screened. For 2024, the proportion of assets under management in funds with negative screening, regarding companies that violate international norms and conventions, was 51.6 per cent.

## ESRS S4 Consumers and end-users

### Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Information-related impacts for consumers and end-users	Potential positive impact Potential negative impact Risk	Payment & lending Payment & asset management Payment, asset management & lending	Short/medium/long Short/medium/long Short/medium/long

### Strategy

#### ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Efforts related to Handelsbanken's information security and data protection aims to protect customers' data, privacy, transactions and the Bank's IT environment, as well as to monitor outsourced IT operations. The CEO establishes guidelines encompassing the overall goals and strategy of IT operations in the Handelsbanken Group. For further information, see notes in the Annual Report, G2 Operational Risk/IT operations in the Handelsbanken Group; Security and data protection on page 116.

### Impact, risk and opportunity management

#### S4-1: Policies related to consumers and end-users

The steering documents that address the Bank's material impact and the financial risk, which are identified for the consumers and end-users area, are:

- Policy for complaints management
- Policy for operational risk
- Guidelines for security and data protection
- Guidelines regarding human rights and working conditions.

Handelsbanken's policy for operational risk, which is adopted by the Board and includes IT and information security risks (ICT risks), clearly states that the Bank has a low risk

tolerance for operational risks. The Bank should, to the greatest extent possible, work proactively to prevent these risks in order to reduce potential losses. The policy is supplemented with specific guidelines endorsed by the CEO, which focus on security and data protection in the Handelsbanken Group.

The guidelines for security and data protection include requirements for both administrative solutions, such as rules and instructions, and technical security solutions, physical protection, and protection of sensitive activities and classified information. These security solutions should be proportionate to the negative consequences of inadequate security or incorrect processing, taking into account the Bank's low risk tolerance and its need to protect customer privacy.

The guidelines for security and data protection state that all co-workers of the Bank are responsible for compliance with the rules for protection of information and customers' privacy, and each manager is responsible for ensuring compliance with the rules in their own area of responsibility. Annual security and data protection training sessions aim to remind employees of their responsibilities in this area.

According to Handelsbanken's policy, customer complaints should be handled promptly and in accordance with the rules applicable to the specific complaint. Every complaint is taken very seriously and is seen as an opportunity to correct errors or address misunderstandings. The Bank's aim for its complaints management is that the person who has made the complaint should be very satisfied with the manner in which the complaint was handled. The CEO establishes guidelines for complaints management.

Handelsbanken's guidelines regarding human rights and working conditions state that the Bank shall endeavour to prevent or limit negative impacts on human rights that are related to the Group's operations, products or services through business relationships. For more information on the content and the Bank's commitments in the guideline, refer to section S1-1 on page 300.

#### S4-2: Processes for engaging with consumers and end-users about impacts

Handelsbanken attaches great importance to being available to customers – being there when the customer needs the Bank. A local presence combined with digital solutions enable the Bank to always offer personal customer meetings including advisory services, regardless of whether the customer wants to visit a local branch or use of digital channels. Customers in Sweden can also contact the bank all hours of the day by phone by accessing Personal service, where the customer confirms their identity by using a personal code or a Mobile BankID verified by Handelsbanken.

Handelsbanken's communication with customers and end-users must inspire trust, be accurate, factual and easy to understand, and be characterised by openness, accessibility and speed. These principles are described in Handelsbanken's communication policy and apply not only in normal circumstances but also in crisis situations, and also cover unplanned events such as disruptions due to IT errors that affect customers. To maintain high quality, create a shared structure and facilitate for all users, there are instructions and templates for continuity planning in place at the Bank that also include the communication of IT outages. These are to be updated on an ongoing basis, but not less than once a year.

If a personal data breach occurs that is considered to have had a major impact on one or more private individuals, they must be informed of the incident. A case-by-case assessment is made, but in general, the branch responsible for the customer contacts the customer if the matter relates to individual customers. The Privacy Officer informs the branch when such a measure is to be taken.

In the event of a complaint, the customer should first contact the person who handled the matter or the local branch. For further processing, there are designated complaints officers in each home market whose contact details are available on the Bank's website.



## S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Handelsbanken endeavours to ensure that customers who lodge complaints are to be very satisfied with how the Bank addresses the issue. Complaints can be submitted by e-mail, telephone or letter. Customer complaints are dealt with in accordance with regulations and guidelines, thoroughly and as efficiently as possible, with a formal assessment of the factual issue. If requested by the customer, a written reply may be issued. The customer is given an explanation if the complaint cannot be resolved.

If the customer is dissatisfied with the Bank's decision and wishes to appeal, they may contact the National Board for Consumer Disputes (ARN) in Sweden or the corresponding body in other home markets, and Handelsbanken undertakes to participate in their processing of the dispute. Information on complaints management is available on the Bank's website.

In order to ensure an efficient complaints process, staff are regularly trained in handling complaints and the number of complaints per channel is measured quarterly for continued good accessibility. In cases where complaints about the process are received, these are followed up and adjustments are made if necessary.

## S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The security environment is constantly evolving, and it is therefore crucial that Handelsbanken maintains security work that responds swiftly to identified threats. It is important that procedures are in place for managing changes in the IT environment so that no breaches occur. However, if breaches should occur or information is released incorrectly, the conse-

quences could be serious, such as negative consequences for the customer, a loss of confidence in the Bank or financial losses.

To mitigate the risk of such negative consequences, Handelsbanken continuously evaluates and makes decisions on new threats in this area. This includes monitoring threats and risks related to the introduction of new technologies such as AI functionality, updating internal instructions and working methods, and raising awareness among co-workers and key individuals in specific risk areas. Continuous monitoring of events, both internally and externally, increases the Bank's ability to take the right action at the right time.

Handelsbanken participates and cooperates in international cybersecurity forums, including membership of Trusted Introducer, a European network for IT security, and the Forum of Incident Response and Security Teams (FIRST). The Bank also participates in the security committee of the Swedish Bankers' Association and is a member of the Swedish National Cyber Security Centre's (NCSC) financial forum. Through these collaborations, the Bank aims to strengthen cybersecurity in the finance sector and increase Sweden's resilience to cyber threats. In addition, Handelsbanken has an enhanced cybersecurity partnership with two other major banks in Sweden, which was initiated in 2022, and in 2024 a joint working group was launched focused on AI security.

Today's volatile geopolitical situation affects every bank's day-to-day operations, and in response to this, Handelsbanken established a concept for its operational resilience in 2023. This concept refers to the Bank's ability to maintain critical operations in the event of disruptions, interruptions or attacks. The central areas that interact to strengthen operational resilience include effective management of operational risks, continuity management, incident management, and IT and security activities that prevent and manage both internal and external disruptions, attacks and interruptions. In addition, suppliers are required to meet the same standards for information security as those that apply to the operations conducted by the Bank itself. In 2024, the Bank focused further on developing its capabilities to maintain operational resilience, particularly digital resilience in accordance with the EU's new Digital Operational Resilience Act (DORA).

The Bank's security work and its management of sensitive information are also gov-

erned by both international and national legislation. Information security work is undertaken in accordance with the ISO/IEC 27001 international standard, for which several of the Bank's areas are certified and undergo annual audits. The areas certified under ISO/IEC 27001:2022 also include, in addition to the Bank's Information Security Management System (ISMS) and its organisation for information security, Group IT Risk Management, Information Security Risk Analysis Process, Data Protection (GDPR), Continuity & Crisis Management. It also includes three IT production processes: IT Change Management, IT Incident Management and IT Event Management. In 2023, the Bank reported that four processes were included. The difference is that the IT Continuity Management process is now included in Continuity & Crisis Management and therefore is still included in the certification. The annual audit for 2024 showed that the Bank achieved the highest possible quality standards in these areas.

The Bank's ISMS is based on the Standard of Good Practice developed by Information Security Forum (ISF), an organisation which counts many of the largest companies in the world as members. Security activities are conducted systematically and are process-driven, with risk analyses employing methodology from the ISF's Information Risk Analysis Methodology (IRAM2), as well as others.

Data protection work must comply with the General Data Protection Regulation (GDPR) and other applicable laws and regulations in this area. This work is pursued continuously, systematically and with a risk-based approach, while maintaining traceability. Evaluations, analyses and assessments of potential risks and impacts are to be carried out and carefully documented. In 2024, Handelsbanken initiated a project to introduce improved system support for governance, risk and compliance (GRC). The main aim of a GRC system is to create a standardised, common structure for documenting business processes and instructions. Regarding privacy issues, this means specifically means that the system supports the registration of personal data processing, the implementation of impact assessments and the management of privacy-related risk analyses.

The Group's complaints officers report regularly to the Board, the Executive Team and product owners on complaints received.



These reports include information on both individual and recurring complaints, and provide indications of areas where improvements may be necessary. Refer to section S4-3 on page 314 for management of cases where customers believe that they have suffered significant negative consequences in conjunction with lodging a complaint.

## Metrics and targets

### S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Handelsbanken's overall target in the area of consumers and end-users is to safeguard the safety, security and privacy of both co-workers and customers and to protect the Bank's assets. In parallel, the Bank must deliver reliable and secure services with high availability, which is crucial for maintaining confidence and stability in the financial system.

The percentage of co-workers who have completed cybersecurity training was 96.6 per cent for 2024. The aim is for 95 per cent of all co-workers to complete the training annually. This is an element of Handelsbanken's efforts to ensure that its employees have the necessary awareness of cybersecurity and can thus contribute to maintaining secure and resilient operations. The metric, expressed as a percentage and included in this report for the first time, is a calculation of the percentage of co-workers, of the total, who had the annual cybersecurity training assigned to them before 1 December and who completed the course before the end of the year. The target of 95 per cent has been set internally without being confirmed with external stakeholders. A high percentage is deemed to indicate good awareness of the Bank's security requirements, which will ensure fewer security incidents. The procedure is managed internally and no external controls are used.

The availability of the Bank's self-service payment system was 99.41 per cent in 2024. The target is to have availability of at least 99.30 per cent. This is a key target for ensuring

that customers always have access to the Bank's services and for maintaining customer satisfaction through high availability and reliability. The metric, expressed as a percentage and included in this report for the first time, is a calculation of the percentage of uptime in relation to total time (uptime + downtime), measured and evaluated monthly, but is reported here as a weighted result for the full year. The statistics are based on data manually entered into the Bank's incident reporting system. The target of 99.30 per cent has been set internally without being confirmed with external stakeholders. The purpose of this target is to raise awareness of and to make the Bank's operational stability and deviations visible to the operations or other stakeholders. A high score indicates good availability of the Bank's various online services, which will ensure higher customer satisfaction. The procedure is managed internally and no external controls are used.

During 2024, 28 incidents (31) relating to customer privacy or poor management of customer data were reported. None (0) of the reports were received via government authorities. A total of 21 (13) were complaints received from customers which were found to be substantiated by the Head of Security and involved the exposure of a handful of customers' data. None (0) were identified internally. All cases have been managed with the parties concerned. This data does not include cases under the GDPR, which is presented separately below. Comparative figures for last year have been adjusted from 13 to 31, since the reported outcome in the 2023 Sustainability Report referred to a net figure. For better comparability, the 2024 outcome and the 2023 comparative figures are reported using the same method (gross). The metric is stated in numbers and is the total number of customer complaints related to customer privacy or poor management of customer data in terms of confidentiality and privacy. The metric has not been set as a target, but is reported for transparency. There is no plan to set a target for the number of incidents since the Bank is continuously making improvements. Each incident is reviewed separately and actions are taken to prevent similar events in the future. The procedure is managed internally and no external controls are used.

In 2024, a total of 640 (612) personal data breaches were reported internally. Of these, 17 (17) breaches were deemed to require notification under the GDPR and thus were reported to the Swedish Authority for Privacy Protection (IMY). All breaches were handled in accordance with the Bank's processes and procedures. The metric is stated in numbers and is the total number of personal data breaches reported internally and a total of the number reported to IMY, measured over the full year. The metric has not been set as a target, but is reported for transparency. There is no plan to set a target for the number of incidents since the Bank is continuously making improvements. Each incident is reviewed separately and actions are taken to prevent similar events in the future. The procedure is managed internally and no external controls are used.

Handelsbanken endeavours to actively prevent and mitigate incidents by applying robust security measures and continuous monitoring of processes to ensure that customer information is handled securely and correctly. Each incident is reviewed and actions are taken to prevent similar events in the future.

## Entity specific – Contribute to Society

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Entity specific Contribute to society	Actual positive impact Opportunity	Own operations, asset management & lending Own operations, asset management & lending	Short/medium/long Short/medium/long

### Strategy

Long-term business relationships and low risk-taking are cornerstones of Handelsbanken's corporate and business culture. As a result, sustainability has long been a natural part of Handelsbanken's operations, including its role as a responsible taxpayer. The Bank endeavours to contribute to the communities in which it operates, which is achieved by pursuing a decentralised business model with local branches serving as hubs for customer relationships.

Selling loans that lead to unhealthy debt always has a negative impact on the customer. Handelsbanken has a low risk tolerance, which means that the Bank deliberately refrains from high-risk transactions, even if the customer is willing to pay a higher interest rate. Working closely with customers and understanding their needs means that long-term relationships can be built up, which not only provides customers with a sense of security but also contributes to a more stable and prosperous society.

Customer relationships are established through personal meetings combined with innovative digital services and solutions. This enables the Bank, by leveraging its business model, to help increase prosperity over time in the societies where Handelsbanken operates. Through its stable and responsible business approach, Handelsbanken contributes to sustainable economic development, while promoting an efficient and secure payment system and developing new digital solutions for the future. Advisory services not only offer an opportunity to provide customers with financial guidance, but also to educate them on important areas related to their personal finances, such as housing financing, pension savings and investments.

Handelsbanken foundation and publishing, which coordinates the Bank's community engagement, was established in 2024. This includes support for independent research and knowledge sharing on economic and social issues, as well as EFN Ekonomikanalen, which

is an independent, wholly owned subsidiary. EFN's mission is to produce independent financial journalism to share knowledge about the economy and society to a wider audience, thereby strengthening people's ability to make their own informed financial decisions.

### Impact, risk and opportunity management

The steering documents that address sustainability matter of contribute to society are:

- Policy for ethical standards, for more information, see page 263
- Policy on governance and steering documents, for more information, see page 264.

These policies govern how Handelsbanken manages the entity specific sustainability matter of contributing to society, where the Bank has an actual positive impact that in turn can create financial opportunities. The Bank's concept and working method form the basis for managing these impacts and realising opportunities, through action that is continuously implemented throughout the Group's operations.

The Bank contributes to society by providing responsible and sustainable financial services that support economic stability and development. The decentralised working method enables local needs to be met and business opportunities to be quickly identified, all while building up long-term customer relationships. The Bank also contributes directly to society through lending to the public sector, including sovereigns, central banks, municipalities and counties. For a presentation of loans to the public, refer to the table Loans to the public by sector and industry 2024 on page 266.

Through its local presence and proximity to the customer, the Bank also gains a better understanding of customer needs, enabling it to support them in different stages of life and business. The Bank also contributes to society

by paying taxes and fees, which strengthens the national economy.

A financially sustainable and profitable bank is vital, not only generating returns for shareholders and tax revenue, but also so that any surplus can be reinvested in the business. By creating economic value, Handelsbanken can grow and meet the future needs of its customers, for example, by enabling long-term lending. The measures that manage the positive impact and opportunities are ongoing measures and are part of daily operations with the aim of maintaining high customer satisfaction.

### Metrics and targets

Handelsbanken's target is to endeavour to conduct responsible banking operations that contribute to society.

Handelsbanken has more than 420 branches in its four home markets. The local branch always assumes responsibility for the customer, no matter how, where or when the customer contacts the Bank. The independence of the branches leads to a very strong local connection. Short decision-making channels also enable us to more quickly adapt to various changes in local markets, and to quickly take advantage of new business opportunities. Using the branch's in-depth customer due diligence, the Bank can identify and prioritise the areas of greatest value to our customers, and thus to society and the Bank.

Satisfied customers are fundamental for a relationship bank such as Handelsbanken in order for it to continue to conduct banking operations that can contribute to society, which is why customer satisfaction surveys are very important at Handelsbanken, and customer satisfaction is followed up by the Bank's own and public surveys. Every year, EPSI Rating Group, which includes the Swedish Quality Index, carries out and validates independent surveys of customer satisfaction in all of the Bank's home markets. The Bank is to achieve the corporate goal of having higher profitability than the average of peer competitors in home markets by, among other factors, having more satisfied customers than its competitors. Handelsbanken will not set new targets or metrics other than those that have already been established and are regularly monitored regarding customer satisfaction since these have been selected to support the Bank's corporate goals. There are no specific base years

or targets for how Handelsbanken contributes to society other than surveying customer satisfaction through EPSI/SKI, which has been conducted continuously since 1989, and provides a stable and long-term basis for monitoring and improving this work. The Bank maintained its stable and strong position in terms of customer satisfaction in 2024, for more information about the survey, see page 16. Satisfied customers are proof that the Bank's way of working on contributing to society is effective.

Selling loans that build up unhealthy levels of household and corporate debt always hits customers hardest. Handelsbanken has a low risk tolerance. The Bank's strict approach to risk means that the Bank deliberately refrains from participating in high-risk transactions, even if the customer is willing to pay a higher interest rate. The credit loss ratio provides an indication of how responsibly a bank manages its business. For more information about the credit loss ratio, see section Financial stability on page 324.

Handelsbanken contributes to society in the countries where the Bank operates both by paying taxes and fees, and by paying taxes to local tax authorities on behalf of co-workers and customers. For more information on how Handelsbanken has contributed to society through taxes and fees, see the section The Bank as a taxpayer on page 258.

# Governance information

## Disclosure Requirements

### ESRS G1 Business conduct

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# Governance information

Handelsbanken maintains high ethical standards and complies with applicable regulations to ensure responsible business conduct. Using clear steering documents and efficient work processes, the Bank mitigates risks and creates long-term value for customers and shareholders. In parallel, the Bank is actively engaged in counteracting financial crime, such as money laundering and financing of terrorism. The Bank also works to maintain financial stability through low risk, long-term customer relationships and a robust capital buffer and liquidity reserve.

This section describes corporate governance at Handelsbanken, the impact that the Bank has and the risks and opportunities that are clearly linked to this area. The section also

provides an account of how the Bank controls and targets identified issues. Through close customer relationships and regular training, the Bank ensures that its products are not

used for criminal purposes. Handelsbanken also invests in new technologies and cooperates with other community stakeholders to strengthen protection against financial crime.

## ESRS G1 Business conduct

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Corporate culture	Actual positive impact Opportunity	Own operations Own operations	Short/medium/long Short/medium/long
Corruption and bribery	Actual positive impact Actual negative impact	Own operations Own operations	Short/medium/long Short/medium/long

### Impact, risk and opportunity management

#### G1-1: Corporate culture and business conduct policies

The steering documents that address the Bank's material sustainability matters, corporate culture, and corruption and bribery, within business conduct are:

- Policy for ethical standards, for more information, see page 263
- Policy for management of conflicts of interest

- Policy for sustainability, for more information, see page 264
- Policy against corruption, for more information, see page 263.

The Policy against corruption and the Policy for management of conflicts of interest set out Handelsbanken's approach to corruption and conflicts of interest. The steering documents detail the zero-tolerance approach that Handelsbanken takes in relation to corruption, money laundering or terrorist financing, and that conflicts of interest are to be managed. For more information on the Bank's work with suspected irregularities see section G1-3 on page 320. The Bank's policy for management of conflicts of interest provides guidance on identifying

and managing conflicts of interest. The policy also emphasises that reporting should be conducted annually on those units where the likelihood of conflicts of interest is considered to be higher, and how these conflicts have been managed. It is the responsibility of all heads of units to continuously identify potential conflicts of interest. The bank's policies and risk tolerance form the basis for the internal work instructions that exist in all departments. The instructions are the internal guidelines that all employees have to follow and are used in their daily work.

Handelsbanken's corporate culture is based on a decentralised approach, with trust and respect for individuals. The Bank's corporate culture target are in line with the targets for its own workforce, and are based on the results of the annual workplace survey, which also serves as a tool for evaluating the corporate culture. This is a long-term goal that includes such factors as clear and transparent communication, having the right skills and conditions in place to solve tasks and tackle different work situations, feeling pride and trust, and feeling and being respected. Read more about how this is integrated into the Bank's approach to its own



workforce, the formulation of targets, the actions taken and the results of the work environment survey in section S1 Own workforce, starting on page 299.

## Employee conduct

The following are extracts from codes of conduct included in the Bank's policies and guidelines which refer to employees.

### Handelsbanken's co-workers

- must not be in a position where they may be suspected of taking improper advantage of knowledge about the financial markets which they obtain in the course of their work
- must be familiar with legislation concerning trading in financial instruments and observe the Bank's rules for employees' private securities and currency transactions
- must, in their work at the Bank and in their private affairs, refrain from business transactions that violate the Bank's rules
- must refrain from transactions or other commitments that could seriously jeopardise their personal financial position
- are not permitted to process transactions in which they, or persons closely associated with them, have a personal interest – this also applies to companies in which co-workers, or persons closely associated with them, are involved
- must report to a manager or can notify Group Compliance or Group Audit if they suspect irregularities at the Bank. Handelsbanken's separate whistleblowing system provided by an external supplier may be used as well as these reporting channels
- must notify the Bank of assignments outside the Bank and obtain approval – this also applies to secondary occupations and certain posts in clubs, societies and the like.

## G1-3: Prevention and detection of corruption and bribery

Handelsbanken's work methods are characterised by respect and high ethical standards. It is important that we combat risks in all ways possible and uphold confidence in the Bank's operations and the financial sector as a whole. The Bank aims to work proactively to counteract all types of criminal activity, including corruption and other financial crime. Handelsbanken has also established procedures for managing conflicts of interest and preventing negative impact on customers' interests. The Bank's policy against corruption emphasises that co-workers must never engage in acts that may involve bribery or improper influence.

Regular risk analyses are undertaken to prevent and detect corruption. The annual evaluation encompasses the entire Bank, including international branches and subsidiaries, and assesses the risk of bribery and corruption among employees and units, corresponding to 100 per cent. In addition, the general risk assessment regarding money laundering and terrorist financing also examines the risk of corruption-related crime by the Bank's customers as a predicate offence to money laundering. Risk areas with an elevated risk of corruption are specifically identified, such as customers operating in countries or sectors with a higher incidence of corruption.

Employees who have direct contact with customers, those who can influence purchasing or procurement, as well as those handling sensitive information or who have decision-making mandates relating to customers are considered to be particularly exposed to risks related to bribery and corruption. Handelsbanken has a training course on anti-corruption and other financial crime, which highlights the Bank's policy against corruption, policy for ethical standards and the Bank's guidelines on bribery and improper influence, that is mandatory for the Bank's co-workers and consultants with assignments of six months or longer. The training includes specific examples of appropriate and inappropriate behaviour. Handelsbanken's Board and the Boards of subsidiaries receive bribery and corruption training annually. On completion of the training, the Boards have familiarised themselves with the definition of corruption in relation to Swedish legislation, Swedish self-regulation (Code to prevent Corruption in Business), Swedish legal statistics on

bribery and the link between corruption and money laundering and/or terrorism. Furthermore, the training includes a section on how corruption impacts Handelsbanken's operations and which corruption risks could exist in the Bank.

Handelsbanken's anti-corruption work is a continuous process, and since 2017, the Bank is a member of Transparency International Sweden, where the Bank and other large Swedish companies exchange experiences and knowledge in the area.

The Bank encourages all its co-workers to report confirmed or suspected fraud or other irregularities. The Bank believes it is essential to act and take action when something is not right. Handelsbanken has an external whistleblower system that can be accessed by all co-workers, consultants and external parties to anonymously report fraud. All reports of suspected fraud are investigated promptly by a function that is independent of operations. For more information about the whistleblower system, see section S1-3 on page 302.

## Metrics and targets

### G1-4: Incidents of corruption or bribery

Handelsbanken is to actively work to prevent and limit corruption-related incidents. The Bank takes action to prevent its products and services from being used for financial crime. This work follows a risk-based approach, starting from policies and guidelines that allocate resources to the areas identified in risk assessments as having the highest risk. The risk-based approach is flexible and allows for efficient use of resources by allocating resources to the areas where risks are higher. The Bank's ambition is to develop relevant measurable targets in addition to those already set and to evaluate alternative metrics in terms of effectiveness and data quality.

In 2024, there were no (0) confirmed incidents of corruption or bribery, legal proceedings regarding corruption or bribery launched against the Bank or its co-workers, disciplinary measures or dismissals of co-workers, or termination of contracts with partners or suppliers as a result of corruption or bribery during the year. The reported figure includes confirmed cases of giving and receiving bribes, breach of trust and use of one's position to gain improper advantage for oneself or others. Anti-money laundering incidents are reported and presented separately in the section "Counteract financial crime" on page 323.

In each calendar year, 90 per cent of the Bank's employees must have completed anti-corruption training. For the Board, the figure is 100 per cent for the same training. The training target for employees is set at 90 per cent since a certain percentage of employees may be on parental or official leave during the year and are not expected to undertake training during this time.

Mandatory anti-corruption training courses are assigned to all employees and consultants via a training portal. The percentage of employees who have completed training is reported in the training portal, which is where all figures are collated for the report. The system marks the training course as concluded only after the course has been successfully completed. A limitation in the system is that employees on official leave, parental leave or not working for any other reason are included in the figures. The training portal is not used for Board training, which is held in a different format.

#### Board member training

	2024	2023	2022	2021	2020
Number of Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism <sup>1)</sup>	9	10	10	9	8
Percentage of Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism <sup>1)</sup>	100	100	100	100	100
Total number of subsidiary Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism <sup>1)</sup>	43	41	45	43	36
Percentage of subsidiary Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism <sup>1)</sup>	100	89	100	100	100

1) The majority of Board members reside in Sweden

#### Employee training

	2024	2023	2022	2021	2020
Percentage of employees who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism	92	91	92	90	-

The table Board member training shows the number and percentage of Board members in the Handelsbanken Group and in the Bank's subsidiaries who have completed the training in anti-corruption, anti-money laundering, and combating the financing of terrorism.

The Employee training table shows the percentage of employees who have received anti-corruption, anti-money laundering and anti-terrorist financing training. The percentage also includes employees on parental or official leave.

## Entity specific – Counteract financial crime

Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Entity specific – Counteract financial crime	Actual positive impact Potential negative impact Risk	Payment, own operations & downstream Payment & own operations Payment & lending	Short/medium/long Short/medium/long Short/medium/long

### Governance

Handelsbanken works constantly and pro-actively to minimise the risk of the Bank's customers, products or services being exploited for financial crime. Financial crime includes money laundering, terrorist financing, tax evasion, corruption, fraud and breaches of international sanctions. The work is governed by a central department headed by the Bank's specially appointed executive with Group-wide responsibility for the work to prevent financial crime. Starting points for these efforts are the Bank's low risk tolerance and the body of external regulations addressing financial crime in the countries where the Bank operates. The Bank also has a separate compliance department for financial crime with Group-wide responsibility, which monitors and acts in an advisory capacity in the Bank's work to combat financial crime. Read more about Handelsbanken's work to combat financial crime in the G2 note on page 116.

### Impact, risk and opportunity management

Handelsbanken regards preventative work as a fundamental principle for secure, sound banking operations, and efforts to combat financial crime are a high priority.

The steering documents that address the entity specific sustainability matter to counteract financial crime are:

- Policy for ethical standards, for more information see page 264
- Policy on measures against financial crime
- Policy for sustainability, for more information, see page 264
- Policy against corruption, for more information, see page 264
- Guidelines for actions against financial crime.

Both the policy and the guidelines on actions against financial crime represent Handelsbanken's position against financial crime. The Bank must not participate in transactions that its employees do not understand or in transactions with suspected links to criminal activities.

Handelsbanken's established policies and actions against financial crime and corruption constitute a central framework for conducting this work. The designated executive at the Bank is responsible for implementing the necessary actions to ensure compliance with laws, regulations and Group policies.

In addition, all employees and consultants with assignments of six months or longer are required to complete mandatory courses each year on matters relating to money laundering, terrorist financing, international sanctions, corruption and predicate offences to money laundering such as fraud and tax evasion. The Bank has undertaken to comply with the applicable laws and regulations regarding money laundering, terrorist financing, international sanctions and corruption in all of the countries where the Bank operates, in order to prevent the Bank's infrastructure being used for illegal activities. The Bank has an open, active dialogue with the authorities that supervise its work on preventing and counteracting financial crime.

The work of preventing and counteracting financial crime in Handelsbanken is risk based. It starts with a general risk assessment to identify, analyse and manage the various risks that the Bank faces. The Bank's decentralised organisation, combined with its strong local roots, provides opportunities for creating close and long-term customer relationships and developing in-depth customer due diligence. Customer relationships are mainly initiated at one of Handelsbanken's branches, which gives the Bank's co-workers a better ability to get to know the customers and to better understand their business and the banking services they require. This customer due diligence is valuable for being able to identify deviations and to

work effectively on measures to counteract financial crime.

Deviations identified by the Banks' branches are used as a supplement to Handelsbanken's continuous follow-up, which includes automated monitoring to identify suspicious transactions and behaviour. If suspected cases of financial crime are identified in this monitoring, they are reported to the relevant authority. Suspicious transactions related to money laundering or terrorist financing must be reported to the local Financial Intelligence Unit of the Swedish Police without delay.

If there is strong suspicion of money laundering, terrorist financing or fraud, Handelsbanken terminates the customer relationship, or implements product restrictions in order to prevent continued use of the Bank's channels, services and products for such activities.

Recent years have seen a growth in social engineering, increasingly aimed at elderly people, who are being tricked into using their BankID or providing personal codes. To protect its customers from this and other common types of fraud, such as investment or romance fraud, Handelsbanken continuously works to keep its customers abreast of the prevailing risks and how they can protect themselves. Handelsbanken participated in the cross-bank information campaign "Scamaware!" during the year.

Customers who have been the victim of fraud can contact Handelsbanken around the clock for help with emergency measures, for example, to block banking services, and, as far as possible, to get help to recover lost money. The Bank also provides advice and support on the steps customers should take, including reporting the fraudulent transaction to the police and filing a complaint, which are elements of the Bank's evaluation of potential compensation.

Profits from fraud are a source of income for organised crime, which has become increasingly violent in recent years. Handelsbanken's goal is to reduce these criminal profits and the subsequent money laundering, regardless of how the fraud occurs. The Bank has noted that many cases of fraud are completed by the customers themselves, after having been tricked by the fraudsters. These fraud events also play a part in financing crime and are therefore a priority area for Handelsbanken. In addition to investments in the control environment to identify both unauthorised and authorised fraudulent transactions, Handelsbanken also

participates in the Ministry of Finance's forum against fraud and, during 2024, took part in a collaboration project with the Swedish Police's national fraud centre (NBC) and other Swedish banks. In addition, Handelsbanken works actively with the NBC, the Swedish Bankers' Association and other Swedish banks and social actors to make it more difficult to perpetrate fraud.

Money laundering remains a serious problem for society, and more collaboration and exchange of information is needed to tackle the issue. As part of the financial sector, Handelsbanken – together with other stakeholders – has the opportunity to counteract the negative impact of financial crime. In 2020, a collaboration was initiated between the Financial Intelligence Unit of the Swedish Police, Handelsbanken and other major banks in the Swedish market (called Swedish Anti-Money Laundering Intelligence Taskforce (SAMLIT)). In 2023, the cooperation was extended to include fraud and was renamed Samlit Financial Crime Prevention. Through this collaboration, the Bank gains valuable information about various fraud methods and how criminal networks launder money in practice, and can identify customers suspected of links to these networks.

In addition, as of 1 January 2023, banks in the Swedish market are legally entitled to collaborate with law enforcement authorities, the Swedish Financial Supervisory Authority and other credit institutions to prevent, deter or detect money laundering and terrorist financing. Handelsbanken welcomes this development. Collaboration is permitted for money laundering and terrorist financing that is considered serious, and may take place following a decision by the participating authority or authorities.

## Metrics and targets

Handelsbanken is to actively work to prevent and limit incidents related to money laundering. The Bank takes action to prevent its products and services from being used for financial crime. This work follows a risk-based approach, starting from policies and guidelines that allo-

cate resources to the areas identified in risk assessments as having the highest risk. The risk-based approach is flexible and allows for efficient use of resources by allocating resources to the areas where risks are higher.

The Bank's ambition is to develop relevant measurable targets in addition to those already set and to evaluate alternative metrics in terms of effectiveness and data quality. In the case of low suspicion, a Suspicious Activity Report (SAR) must be prepared and thus no evidence of money laundering or terrorist financing is required. The notification requirement also applies to cases where the Bank has refused to execute transactions due to suspected money laundering or terrorist financing. A report may relate to one or more private individuals and companies, and several transactions.

Handelsbanken has a low risk tolerance for the risk of the Bank being exploited as part of financial crime. Preventive efforts to counteract financial crime must be taken into account in all processes, instructions and internal controls. The effectiveness of this work is monitored by measuring the frequency of fraud, maintaining a high level of customer due diligence, and promptly investigating and reporting suspicious transactions. A critical part of this process is ensuring that all staff undergo financial crime prevention training, which is measured and monitored continuously.

Mandatory training courses on combating financial crime are assigned to all employees and consultants via a training portal. The percentage of employees who have completed training is reported in the training portal, which is where all figures are collated for the report. The system marks the training course as concluded only after the course has been successfully completed. A limitation in the system is that employees on official leave, parental leave or not working for any other reason are included in the figures. The training portal is not used for Board training, which is held in a different format.

For each calendar year, the Bank's target is that 90 per cent of the Bank's employees must have completed financial crime prevention training. For the Board, the figure is 100 per cent for the same training. The training target for employees is set at 90 per cent since a

certain percentage of employees may be on parental or official leave during the year and are not expected to undertake training during this time.

All monitoring is reported and evaluated in relation to the Bank's risk tolerance. Metrics for the training of employees, the Board and subsidiary boards are presented in section G1-4, see page 321.

### Suspicious transactions reported

	2024	2023	2022	2021	2020
Number of suspicious transactions involving money laundering/terrorist financing (SAR) <sup>1)</sup>	5,529	5,245	6,194	5,039	4,730

1) According to the Swedish Anti-Money Laundering Act, Handelsbanken is also obligated, without delay, to report suspicions of money laundering or terrorist financing (suspicious activity reporting, SAR) to the Financial Intelligence Unit of the Swedish Police or equivalent authority.

## Entity specific – Financial stability

### Summary of material impacts, risks and opportunities

Material sustainability matter	Material impacts, risks and opportunities	Value chain	Time horizon
Entity specific – Financial stability	Actual positive impact Opportunity	Own operations & lending Own operations & lending	Short/medium/long Short/medium/long

### Governance

The financial system plays an important role in the economy. A stable and well-functioning system is a prerequisite for the economy to function and foster growth. In the event of a severe financial crisis, which has occurred to varying degrees in the past, there is a risk that basic functions of the financial system, such as the supply of credit, will be disrupted or even cease to function. It can lead to significant costs to society. Handelsbanken is part of the financial system and serves a role in contributing to financial stability. Low risk tolerance and a long-term approach are the cornerstones of the Bank's corporate and business culture. The Bank's Board decides on the level of risk tolerance. The combination of a robust capital buffer and liquidity reserve and strong operational resilience creates the foundation for financial stability, making the Bank a reliable counterparty. In the past, Handelsbanken has therefore managed its way through financial crises and sharp macroeconomic downturns very well, and has not needed assistance from governments, nor from shareholders in the form of new share issues. Handelsbanken is also ranked by leading rating agencies as one of the most stable banks in the world and is the bank with the highest credit rating of all comparable privately owned banks, in addition to having the highest combined global rating from the Fitch, Moody's and S&P rating agencies.

Financial stability is a key factor affecting all three perspectives of the value chain – upstream, own operations and downstream. It affects both the availability of funding, which is the Bank's raw material, and the Bank's ability to support customers in all economic situations, for example, by ensuring credit supply and a functional payment system. Deposits and lending are central to the Bank's business model and rely on this stability, as do the Bank's own operations.

### Impact, risk and opportunity management

The Bank contributes to the stability of the financial system and society by conducting banking operations with a low risk tolerance, stable finances through a robust capital buffer and liquidity reserve, and well-organised operations. This also enables the Bank to do business with customers and to support them with a long-term approach to business relationships, regardless of the external situation or economic climate. It also presents opportunities for the Bank to attract new customers who value a bank with a business model featuring stability and low risk tolerance. Combined, this maintains the confidence of customers and investors in Handelsbanken, and the Bank can thus have an actual positive impact and also create financial opportunities.

The main steering documents that address the entity specific sustainability matter of Financial stability and form the basis of the management and governance of this matter are the following policies issued by Handelsbanken's Board of Directors:

- Policy on governance and steering documents at the Handelsbanken Group
- Credit policy for the Handelsbanken Group, for more information, see page 263
- Capital policy for the Handelsbanken Group
- Financial policy for the Handelsbanken Group
- Policy on operational risk at the Handelsbanken Group.

These policies, which apply to the entire Group, establish the framework for managing the credit risks and financial risks to which the Bank's business may give rise and express its tolerances for these risks. The Bank maintains its financial stability through solid risk and capital management, which thereby provides opportunities for business and making a positive contribution to the stability of the financial system in society.

The policy on governance and steering documents serves as the basis of the Bank's corporate governance. For more information on the policy, see the general section GOV-1 on page 264.

The credit policy states that the Bank has a low tolerance for credit risk and endeavours to establish long-term relationships with customers who have good repayment capacity. This means that the Group must be selective when choosing its customers, and credit customers must be of high quality. The quality requirement must never be neglected in favour of higher credit volumes, higher prices or market share. The Bank's tolerance of credit risk is reflected in the expectation that the Bank will be able to have good capacity for granting credit without government support, even in a serious recession. The Bank's ambition is to maintain its historically low level of credit losses compared to other banks. For more information, see GOV-1 on page 263.

The capital policy aims to ensure that the Group's capital situation is satisfactory and regulates how the Bank is to pursue its capital planning in order to ensure this. The Group shall at all times be well-capitalised in relation to its risks and meet the targets set by the Board and the capital requirements set by supervisory authorities, even in situations of financial stress. Handelsbanken's capital situation must also continue to support a high credit rating from the most important rating agencies.

The financial policy establishes the frameworks under which the funding operations are to be conducted. Financial risks, that is market risks and liquidity risks, are only to occur as a natural part of customer business, in connection with Handelsbanken's funding and liquidity management, and in its role as a market maker. The Group's funding and liquidity management shall ensure that Handelsbanken can meet its payment obligations in both the short and long term. The Group's funding is to be well diversified in terms of market, currency and maturity terms. Handelsbanken is to have a sufficient liquidity reserve in order to be able to continue its operations without new borrowing on the financial markets for set periods of time. This must also apply under stressful conditions.

The policy on operational risk stipulates that Handelsbanken must, as far as possible, endeavour to prevent operational risks. An operational risk which could have serious adverse consequences for the Bank, the Bank's customers or the financial system in the event of an incident must be reduced to an acceptable level by taking risk mitigation



measures. The policy also describes the Bank's overall risk management strategies for maintaining high operational resilience. Operational resilience is the Bank's ability to prevent, anticipate, withstand and recover from disruptions, attacks or interruptions affecting the Bank's critical operations.

The Bank's credit process is centralised and shared by the whole Group. It is based on a conviction that a decentralised organisation with a local connection ensures high quality in credit decisions. Each branch responsible for the customer assumes the full credit responsibility, and the basis for credit decisions is always prepared by the branch responsible for the credit, regardless of whether the final decision is to be made at the branch or at a higher decision-making level. The branch's local connection and close relationships with its customers enable the branch to quickly identify any problems and take action. Handelsbanken's restrictive approach to risk means that the Bank deliberately avoids high-risk transactions, even if the expected financial reward may be high at the time. The risks arising in the operations are systematically identified, measured, managed and reported in all parts of the Group. For more information about the Bank's risk management, risk tolerance and risk strategy, see note G2 Risk and capital management on page 80.

The aim of the Bank's capital planning is to ensure that the Group has the right amount of financial resources available at all times given the Group's risks, the development of the operations, regulatory requirements and the capital targets set by the Bank. At least annually, a long-term capital plan is drawn up, which is designed to give a comprehensive overview of the Group's current capital situation, a forecast of expected capital performance, and the outcome in various scenarios. The capital planning is divided into short-term and mid- to long-term forecasting. The part of capital planning that comprises short-term forecasts up to two years ahead principally focuses on assessing existing performance and the development of the capital requirement. This forecasting is necessary to enable continual adaptation of the size and composition of own funds. For more information about the Bank's capital management, see note G2 Risk and capital management on page 80. All procedures, processes and ongoing actions are part of the day-to-day operations so as to maintain financial stability.

## Metrics and targets

The Bank has a long-standing and systematic approach to measuring risk and capital management and has many established metrics and targets in this area. Among these, the following metrics and targets are specifically applied to effectively monitor financial stability outcomes and actions:

The common equity tier 1 ratio must, under normal circumstances, be between 1 and 3 percentage points above the total common equity tier 1 capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority.

The minimum requirement for the structural liquidity measure, the net stable funding ratio (NSFR) – the ratio between available stable funding and required stable funding – requires the Bank to have sufficient stable funding to cover its funding needs under both normal and stressed circumstances from the perspective of a one-year horizon. The minimum requirement applies at aggregate level and the ratio must be at least 100 per cent.

The Bank strives to always have low credit losses. For more information, see pages 17, 80.

The Bank measures the outcome using the following metrics:

- Common equity tier 1 ratio
- Tier 1 ratio
- Liquidity coverage ratio (LCR)
- Net Stable Funding Ratio (NSFR)
- Average credit loss ratio.

The metrics are not validated by an external party but are monitored by the Swedish Financial Supervisory Authority. Information on each metric and the associated measurement methodologies and significant assumptions can be found mainly in note G2 Risk and capital management beginning on page 80 and in the section Definitions and explanations on page 376.

Page references for each metric:

- Common equity tier 1 ratio pages 122, 377
- Tier 1 ratio pages 122, 377
- Liquidity coverage ratio (LCR) pages 111, 377
- Net Stable Funding Ratio (NSFR) pages 111, 377
- Average credit loss ratio pages 17, 80.

# EU Taxonomy – continued

In accordance with the Non-Financial Reporting Directive (NFRD), credit institutions are required to disclose the extent to which assets finance economic activities are eligible and aligned with the EU Taxonomy Regulation, (EU) 2020/852. For many economic activities, the EU Taxonomy defines criteria that must be met in order for them to be classified as sustainable. This section provides extended information regarding the Taxonomy

and associated mandatory tables, which together with the Taxonomy information in section 4.3 Environmental information constitute Handelsbanken's complete Taxonomy reporting. The Bank's reporting for banking operations is based on the consolidated situation and is presented in the set templates for credit institutions. Assets in the insurance operations are presented separately on pages 366–370.

The Group's total green assets ratio is calculated by aggregating key performance indicators (KPIs) for credit agreements in the balance sheet, for financial guarantees, in asset management and in the insurance operations. Two weighted KPIs, one based on turnover and one on capital expenditure, are calculated by weighting each business segment's KPI by its share of the Group's total income.

## Handelsbanken Group EU Taxonomy KPIs

2024-12-31									
Business segment and group consolidated KPIs, turnover based	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)		
	Revenue		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling
	MSEK	Proportion %							
Banking									
Credit portfolio	179,336	95.5	51.2	3.4	0.0	0.1	0.0	0.0	0.0
Financial guarantees	94	0.1	2.2	0.6	0.0	0.6	0.0	0.0	0.0
Assets under management	5,381	2.9	4.7	1.4	0.1	0.6	0.4	0.0	0.0
Insurance	2,921	1.6	10.6	4.5	0.1	0.7	0.4	0.0	0.0
Consolidated KPI, turnover based (weighted)	187,732	100.0	49.2	3.3	0.0	0.1	0.0	0.0	0.0

2024-12-31									
Business segment and group consolidated KPIs, capital expenditure based	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)		
	Revenue		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which enabling
	MSEK	Proportion %							
Banking									
Credit portfolio	179,336	95.5	51.5	3.5	0.0	0.1	0.0	0.0	0.0
Financial guarantees	94	0.1	3.2	0.5	0.0	0.5	0.0	0.0	0.0
Assets under management	5,381	2.9	5.3	2.0	0.2	0.8	0.6	0.0	0.0
Insurance	2,921	1.6	0.8	0.0	0.0	0.0	0.5	0.0	0.0
Consolidated KPI, capital expenditure based (weighted)	187,732	100.0	49.3	3.4	0.0	0.1	0.0	0.0	0.0

2024-12-31																								
Water and marine resources (WTR)					Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
Of which enabling					Of which enabling					Of which enabling					Of which enabling					Of which enabling				
	0.0				0.0					0.0					0.1				51.3	3.4	0.0	0.1		
	0.0				0.7					0.1					0.2				3.1	0.6	0.0	0.6		
	0.0				0.7					0.1					0.0				6.0	1.5	0.1	0.6		
	0.0				0.9					0.1					0.0				12.0	4.6	0.1	0.7		
	0.0																							
	0.0				0.1					0.0					0.1				49.4	3.3	0.0	0.1		

2024-12-31																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Water and marine resources (WTR)					Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which enabling					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which enabling																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which enabling					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which enabling																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which enabling					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which enabling																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

## Handelsbanken's taxonomy disclosures for banking operations in the credit institution

### Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets, SEK m*	KPI <sup>4)</sup>	KPI <sup>5)</sup>	% coverage (over total assets) <sup>3)</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	83,940	3.4	3.5	76.6	35.6	23.4

		Total environmentally sustainable activities, SEK m	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	17,035	3.0	3.2	100.0	58.3	0.0
	Trading book <sup>1)</sup>						
	Financial guarantees	48	0.6	0.5			
	Assets under management	12,652	1.5	2.0			
	Fees and commissions income <sup>2)</sup>						

1) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.

2) Fees and commissions income from services other than lending and AuM. Institutions shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

3) % of assets covered by the KPI over banks' total assets.

4) Based on the Turnover KPI of the counterparty.

5) Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

\* Environmentally sustainable assets calculated using the KPI for turnover.







## Assets for the calculation of GAR – Turnover

2024-12-31									
Climate change mitigation (CCM)							Climate change adaptation (CCA)		

2024-12-31

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
31				454				537				2,107				1,279,371	83,940	77,753	666	1,312
				66				0								25,147	1,917		17	5
																24,257	1,916		17	5
																7,933	1,077		1	1
																16,324	839		15	4
				66				0								890	2		0	1
				64				0								769	0			
				64				0								769	0			
																0	0			
																0	0			
																15	1		0	
																15	1			
31				388				537				2,107				23,730	4,270		649	1,307
31				388				537				2,107				23,730	4,270		649	1,307
																0	0			
																1,230,494	77,753	77,753		
																1,230,264	77,753	77,753		
																230				
31				454				537				2,107				1,279,371	83,940	77,753	666	1,312
31				454				537				2,107				1,279,371	83,940	77,753	666	1,312
0				54				5				13				253	48		0	46
32	0		0	6,118	281		48	1,221	2			276				51,121	12,652		1,160	5,083
0	0		0	2				2								459	111		65	15
32	0		0	6,116	281		48	1,220	2			276				50,662	12,541		1,095	5,067

## Annual and Sustainability Report 2024

2023-12-31

[illegible]

		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	
SEK m												
GAR – Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1,333,834	1,282,594	86,910	77,753	809	1,581	194	10		0	
2	Financial undertakings	45,959	24,621	1,928		10	11	28	0			
3	Credit institutions	44,105	24,263	1,925		10	9	28	0			
4	Loans and advances	11,817	7,927	1,079		2	1	9	0			
5	Debt securities, including UoP	32,288	16,336	845		8	8	18				
6	Equity instruments											
7	Other financial corporations	1,854	358	3		0	2					
8	Of which investment firms	1,651	225	0		0	0					
9	Loans and advances	1,651	225	0		0	0					
10	Debt securities, including UoP											
11	Equity instruments											
12	Of which management companies	0	0	0								
13	Loans and advances	0	0	0								
14	Debt securities, including UoP											
15	Equity instruments											
16	Of which insurance undertakings	31	15	1		0	0					
17	Loans and advances											
18	Debt securities, including UoP											
19	Equity instruments	31	15	1								
20	Non-financial undertakings	57,381	27,478	7,230		799	1,570	166	10		0	
21	Loans and advances	57,381	27,478	7,230		799	1,570	166	10		0	
22	Debt securities, including UoP											
23	Equity instruments	0	0	0								
24	Households	1,230,494	1,230,494	77,753	77,753							
25	Of which loans collateralised by residential immovable property	1,230,264	1,230,264	77,753	77,753							
26	Of which building renovation loans											
27	Of which motor vehicle loans	230	230									
28	Local government financing											
29	Housing financing											
30	Other local government financing											
31	Collateral obtained by taking possession: residential and commercial immovable properties											
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	1,158,810										
33	Financial and non-financial undertakings	1,007,823										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	620,079										
35	Loans and advances	619,973										
36	Of which loans collateralised by commercial immovable property	142,066										
37	Of which building renovation loans											
38	Debt securities											
39	Equity instruments	106										
40	Non-EU country counterparties not subject to NFRD disclosure obligations	358,514										
41	Loans and advances	358,252										
42	Debt securities	262										
43	Equity instruments											
44	Derivatives	25,729										
45	On demand interbank loans	653										
46	Cash and cash-related assets	6										
47	Other categories of assets (e.g. Goodwill, commodities, etc.)	101,288										
48	Total GAR assets	2,492,644	1,282,594	86,910	77,753	809	1,581	194	10		0	
49	Assets not covered for GAR calculation	762,737										
50	Central governments and Supranational issuers	35,932										
51	Central banks exposure	679,578										
52	Trading book	47,227										
53	Total assets	3,255,381	1,282,594	86,910	77,753	809	1,581	194	10		0	
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations												
54	Financial guarantees	8,228	263	41		0	40					
55	Assets under management	848,420	44,883	16,957		1,279	6,442	5,054	116		8	
56	Of which debt securities	215,787	438	165		67	30	108	0		0	
57	Of which equity instruments	627,307	44,444	16,793		1,212	6,413	4,946	116		8	



2024-12-31

Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy-relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy-relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy-relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy-relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy-relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
12				341				1,046				0				1,284,187	86,920	77,753	809	1,581
				0				0								24,649	1,928		10	11
																24,291	1,925		10	9
																7,936	1,079		2	1
																16,355	845		8	8
				0				0								358	3		0	2
				0				0								225	0		0	0
				0				0								225	0		0	0
																0	0			
																0	0			
																15	1		0	0
																15	1			
12				341				1,046				0				29,044	7,240		799	1,570
12				341				1,046				0				29,044	7,240		799	1,570
																0	0			
																1,230,494	77,753	77,753		
																1,230,264	77,753	77,753		
																230				
12				341				1,046				0				1,284,187	86,920	77,753	809	1,581
12				341				1,046				0				1,284,187	86,920	77,753	809	1,581
				10				12								285	41		0	40
3	1		0	3,751	187		16	1,093	2			372	0			55,156	17,263		1,279	6,467
0	0		0	1				18								565	165		67	30
3	1		0	3,750	187		16	1,075	2			372	0			54,591	17,099		1,212	6,437

## Assets for the calculation of GAR – Capital Expenditure (CapEx)

2023-12-31										
	Climate change mitigation (CCM)						Climate change adaptation (CCA)			

## Handelsbanken

## GAR sector information – Turnover

		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
Breakdown by sector – NACE 4 digits level (code and label)		Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)
1	B0910 - Support activities for petroleum and natural gas extraction	0	0		
2	C1061 - Manufacture of grain mill products	18	0	0	0
3	C1085 - Manufacture of prepared meals and dishes	6	0	0	0
4	C1623 - Manufacture of other builders' carpentry and joinery	0	0		
5	C1712 - Manufacture of paper and paperboard	0	0		
6	C1724 - Manufacture of wallpaper	0	0		
7	C1729 - Manufacture of other articles of paper and paperboard	0	0		
8	C2013 - Manufacture of other inorganic basic chemicals	241	0		
9	C2014 - Manufacture of other organic basic chemicals	9	8	0	0
10	C2059 - Manufacture of other chemical products n.e.c.	0	0		
11	C2120 - Manufacture of pharmaceutical preparations	0	0		
12	C2219 - Manufacture of other rubber products	0	0		
13	C2221 - Manufacture of plastic plates, sheets, tubes and profiles	1	0		
14	C2229 - Manufacture of other plastic products	0	0		
15	C2351 - Manufacture of cement	10	2		
16	C2361 - Manufacture of concrete products for construction purposes	53	0		
17	C2410 - Manufacture of basic iron and steel and of ferro-alloys	0	0		
18	C2420 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	18	18		
19	C2433 - Cold forming or folding	0	0		
20	C2445 - Other non-ferrous metal production	0	0	0	0
21	C2511 - Manufacture of metal structures and parts of structures	0	0		
22	C2521 - Manufacture of central heating radiators and boilers	493	8		
23	C2593 - Manufacture of wire products, chain and springs	0	0		
24	C2599 - Manufacture of other fabricated metal products n.e.c.	0	0		
25	C2611 - Manufacture of electronic components	494	97		
26	C2620 - Manufacture of computers and peripheral equipment	0	0		
27	C2630 - Manufacture of communication equipment	0	0	0	0
28	C2651 - Manufacture of instruments and appliances for measuring, testing and navigation	0	0		
29	C2712 - Manufacture of electricity distribution and control apparatus	0	0		
30	C2720 - Manufacture of batteries and accumulators	0	0		
31	C2740 - Manufacture of electric lighting equipment	1,678	141		
32	C2751 - Manufacture of electric domestic appliances	0	0	0	0
33	C2790 - Manufacture of other electrical equipment	0	0		
34	C2811 - Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0	0	0	0
35	C2812 - Manufacture of fluid power equipment	5	1		
36	C2813 - Manufacture of other pumps and compressors	0	0		
37	C2814 - Manufacture of other taps and valves	0	0		
38	C2815 - Manufacture of bearings, gears, gearing and driving elements	0	0		
39	C2822 - Manufacture of lifting and handling equipment	0	0		
40	C2824 - Manufacture of power-driven hand tools	0	0		
41	C2825 - Manufacture of non-domestic cooling and ventilation equipment	63	40	0	0
42	C2829 - Manufacture of other general-purpose machinery n.e.c.	1	0		
43	C2849 - Manufacture of other machine tools	0	0		
44	C2892 - Manufacture of machinery for mining, quarrying and construction	0	0		
45	C2899 - Manufacture of other special-purpose machinery n.e.c.	0	0		
46	C2931 - Manufacture of electrical and electronic equipment for motor vehicles	0	0		
47	C2932 - Manufacture of other parts and accessories for motor vehicles	0	0		
48	C3099 - Manufacture of other transport equipment n.e.c.	0	0		
49	C3250 - Manufacture of medical and dental equipment	0	0		
50	C3299 - Other manufacturing n.e.c.				
51	C3312 - Repair of machinery	0	0		
52	C3314 - Repair of electrical equipment	0	0		
53	C3320 - Installation of industrial machinery and equipment	0	0		
54	D3511 - Production of electricity	1,065	905	24	0
55	D3514 - Trade of electricity	0	0	0	0
56	E3700 - Sewerage	0	0		
57	F4110 - Development of building projects	197	16		
58	F4120 - Construction	12	0		
59	F4120 - Construction of residential and non-residential buildings	1,172	8	0	0
60	F4212 - Construction of railways and underground railways	0	0		
61	F4222 - Construction of utility projects for electricity and telecommunications	13	13		
62	F4311 - Demolition	0	0		
63	F4312 - Site preparation	41	4	7	0
64	F4321 - Electrical installation	1	0	0	0
65	F4322 - Plumbing, heat and air-conditioning installation	0	0		
66	F4329 - Other construction installation	0	0		

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## GAR sector information – Turnover cont.

Breakdown by sector – NACE 4 digits level (code and label)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
		Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)
67	F4331 - Plastering	0	0	0	0
68	F4334 - Painting and glazing	0	0		
69	F4391 - Roofing activities	0	0		
70	F4399 - Other specialised construction activities n.e.c.	0	0		
71	G4531 - Wholesale trade of motor vehicle parts and accessories	0	0		
72	G4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0	0		
73	G4615 - Agents involved in the sale of furniture, household goods, hardware and ironmongery	0	0		
74	G4642 - Wholesale of clothing and footwear	0	0		
75	G4643 - Wholesale of electrical household appliances and equipment	0	0		
76	G4645 - Wholesale of perfume and cosmetics	0	0		
77	G4646 - Wholesale of pharmaceutical goods	0	0		
78	G4649 - Wholesale of other household goods	0	0		
79	G4651 - Wholesale of computers, computer peripheral equipment and software	0	0		
80	G4652 - Wholesale of electronic and telecommunications equipment and parts	0	0		
81	G4662 - Wholesale of machine tools	0	0		
82	G4663 - Wholesale of mining, construction and civil engineering machinery	0	0		
83	G4666 - Wholesale of other office machinery and equipment	0	0		
84	G4669 - Wholesale of other machinery and equipment	2	0	0	0
85	G4672 - Wholesale of metals and metal ores	0	0	0	0
86	G4673 - Wholesale of wood, construction materials and sanitary equipment	0	0		
87	G4674 - Wholesale of hardware, plumbing and heating equipment and supplies	0	0		
88	G4675 - Wholesale of chemical products	0	0		
89	G4676 - Wholesale of other intermediate products	0	0		
90	G4690 - Non-specialised wholesale trade	0	0		
91	G4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	0	0		
92	G4752 - Retail sale of hardware, paints and glass in specialised stores	0	0		
93	G4771 - Retail sale of clothing in specialised stores	0	0		
94	G4791 - Retail sale via mail order houses or via Internet	0	0		
95	H5010 - Sea and coastal passenger water transport	0	0		
96	H5223 - Service activities incidental to air transportation	0	0		
97	I5510 - Hotels and similar accommodation	1,733	179		
98	J5813 - Publishing of newspapers			26	0
99	J5821 - Publishing of computer games	0	0	0	0
100	J5829 - Other software publishing	0	0	0	0
101	J5911 - Motion picture, video and television programme production activities	0	0	0	0
102	J6110 - Wired telecommunications activities	0	0		
103	J6120 - Wireless telecommunications activities	0	0	0	0
104	J6201 - Computer programming activities	0	0		
105	J6202 - Computer consultancy activities	0	0		
106	K6420 - Activities of holding companies	110	14		
107	K6420 - Financial and insurance activities	365	4		
108	K6492 - Other credit granting	103	16	27	0
109	K6499 - Other financial service activities, except insurance and pension funding n.e.c.	1	0		
110	K6619 - Other activities auxiliary to financial services, except insurance and pension funding	38	38		
111	L6810 - Buying and selling of own real estate	120	0		
112	L6820 - Renting and operating of own or leased real estate	7,395	992	87	0
113	L6832 - Management of real estate on a fee or contract basis	0	0		
114	M7010 - Activities of head offices	3,675	1,639		
115	M7022 - Business and other management consultancy activities	0	0		
116	M7112 - Engineering activities and related technical consultancy	326	34	80	7
117	M7211 - Research and experimental development on biotechnology	124	1		
118	M7219 - Other research and experimental development on natural sciences and engineering	0	0		
119	M7220 - Research and experimental development on social sciences and humanities	0	0		
120	M7311 - Advertising agencies	0	0	0	0
121	M7490 - Other professional, scientific and technical activities n.e.c.	0	0		
122	N8110 - Combined facilities support activities	0	0		
123	N8299 - Other business support service activities n.e.c.	831	83		
124	R9329 - Other amusement and recreation activities	0	0		

## Handelsbanken

## GAR sector information – CapEx

		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
Breakdown by sector – NACE 4 digits level (code and label)		Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)
1	B0910 - Support activities for petroleum and natural gas extraction	0	0		
2	C1061 - Manufacture of grain mill products	300	53	0	0
3	C1072 - Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	0	0		
4	C1082 - Manufacture of cocoa, chocolate and sugar confectionery	152	0		
5	C1085 - Manufacture of prepared meals and dishes	109	19	0	0
6	C1623 - Manufacture of other builders' carpentry and joinery	0	0		
7	C1712 - Manufacture of paper and paperboard	0	0		
8	C1724 - Manufacture of wallpaper	0	0		
9	C1729 - Manufacture of other articles of paper and paperboard	0	0		
10	C2013 - Manufacture of other inorganic basic chemicals	391	0	0	0
11	C2014 - Manufacture of other organic basic chemicals	15	15	0	0
12	C2059 - Manufacture of other chemical products n.e.c.	0	0		
13	C2120 - Manufacture of pharmaceutical preparations	0	0		
14	C2219 - Manufacture of other rubber products	0	0		
15	C2221 - Manufacture of plastic plates, sheets, tubes and profiles	0	0		
16	C2223 - Manufacture of builders' ware of plastic	0	0		
17	C2229 - Manufacture of other plastic products	0	0	0	0
18	C2351 - Manufacture of cement	17	2		
19	C2361 - Manufacture of concrete products for construction purposes	119	0		
20	C2410 - Manufacture of basic iron and steel and of ferro-alloys	0	0		
21	C2420 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	9	9		
22	C2433 - Cold forming or folding	0	0		
23	C2511 - Manufacture of metal structures and parts of structures	306	9	12	9
24	C2512 - Manufacture of doors and windows of metal	0	0		
25	C2521 - Manufacture of central heating radiators and boilers	543	20		
26	C2562 - Machining	0	0		
27	C2593 - Manufacture of wire products, chain and springs	0	0		
28	C2594 - Manufacture of fasteners and screw machine products	0	0	0	0
29	C2599 - Manufacture of other fabricated metal products n.e.c.	0	0	0	0
30	C2611 - Manufacture of electronic components	806	22	0	0
31	C2620 - Manufacture of computers and peripheral equipment	0	0		
32	C2630 - Manufacture of communication equipment	0	0	0	0
33	C2651 - Manufacture of instruments and appliances for measuring, testing and navigation	0	0	0	0
34	C2712 - Manufacture of electricity distribution and control apparatus	0	0		
35	C2720 - Manufacture of batteries and accumulators	1	1		
36	C2733 - Manufacture of wiring devices	0	0		
37	C2740 - Manufacture of electric lighting equipment	1,020	94		
38	C2751 - Manufacture of electric domestic appliances	0	0	0	0
39	C2790 - Manufacture of other electrical equipment	0	0		
40	C2811 - Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0	0	0	0
41	C2812 - Manufacture of fluid power equipment	2	0		
42	C2813 - Manufacture of other pumps and compressors	0	0		
43	C2814 - Manufacture of other taps and valves	0	0		
44	C2815 - Manufacture of bearings, gears, gearing and driving elements	0	0		
45	C2822 - Manufacture of lifting and handling equipment	0	0		
46	C2824 - Manufacture of power-driven hand tools	0	0		
47	C2825 - Manufacture of non-domestic cooling and ventilation equipment	58	46	0	0
48	C2829 - Manufacture of other general-purpose machinery n.e.c.	21	0		
49	C2849 - Manufacture of other machine tools	0	0		
50	C2892 - Manufacture of machinery for mining, quarrying and construction	0	0		
51	C2899 - Manufacture of other special-purpose machinery n.e.c.	3	0		
52	C2931 - Manufacture of electrical and electronic equipment for motor vehicles	0	0		
53	C2932 - Manufacture of other parts and accessories for motor vehicles	0	0		
54	C3099 - Manufacture of other transport equipment n.e.c.	0	0		
55	C3101 - Manufacture of office and shop furniture and fittings	1,083	717		
56	C3250 - Manufacture of medical and dental equipment	2	0	0	0
57	C3291 - Manufacture of brooms and brushes	0	0		
58	C3299 - Other manufacturing n.e.c.				
59	C3312 - Repair of machinery	0	0		
60	C3314 - Repair of electrical equipment	0	0		
61	C3320 - Installation of industrial machinery and equipment	0	0		
62	D3511 - Production of electricity	1,080	914	15	1
63	D3514 - Trade of electricity	0	0	0	0
64	E3700 - Sewerage	0	0		
65	F4110 - Development of building projects	210	87		
66	F4120 - Construction	4	3		

## Handelsbanken

## GAR sector information – CapEx cont.

Breakdown by sector – NACE 4 digits level (code and label)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
		Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
		SEK m	of which environmentally sustainable (CCM)	SEK m	of which environmentally sustainable (CCA)
67	F4120 - Construction of residential and non-residential buildings	628	222	0	0
68	F4212 - Construction of railways and underground railways	1	0		
69	F4222 - Construction of utility projects for electricity and telecommunications	12	11		
70	F4311 - Demolition	0	0		
71	F4312 - Site preparation	34	0	7	0
72	F4321 - Electrical installation	0	0	0	0
73	F4322 - Plumbing, heat and air-conditioning installation	0	0	0	0
74	F4329 - Other construction installation	0	0		
75	F4331 - Plastering	0	0	0	0
76	F4334 - Painting and glazing	0	0		
77	F4399 - Other specialised construction activities n.e.c.	0	0		
78	G4531 - Wholesale trade of motor vehicle parts and accessories	0	0	0	0
79	G4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft	3	0		
80	G4615 - Agents involved in the sale of furniture, household goods, hardware and ironmongery	0	0		
81	G4642 - Wholesale of clothing and footwear	0	0		
82	G4643 - Wholesale of electrical household appliances and equipment	0	0	0	0
83	G4645 - Wholesale of perfume and cosmetics	0	0		
84	G4646 - Wholesale of pharmaceutical goods	2,065	0	0	0
85	G4649 - Wholesale of other household goods	0	0		
86	G4651 - Wholesale of computers, computer peripheral equipment and software	0	0		
87	G4652 - Wholesale of electronic and telecommunications equipment and parts	0	0	0	0
88	G4662 - Wholesale of machine tools	0	0		
89	G4663 - Wholesale of mining, construction and civil engineering machinery	21	0		
90	G4666 - Wholesale of other office machinery and equipment	0	0		
91	G4669 - Wholesale of other machinery and equipment	2	0	0	0
92	G4672 - Wholesale of metals and metal ores	0	0	0	0
93	G4673 - Wholesale of wood, construction materials and sanitary equipment	0	0		
94	G4674 - Wholesale of hardware, plumbing and heating equipment and supplies	0	0	0	0
95	G4675 - Wholesale of chemical products	0	0	0	0
96	G4676 - Wholesale of other intermediate products	0	0	0	0
97	G4690 - Non-specialised wholesale trade	0	0		
98	G4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	2	0		
99	G4752 - Retail sale of hardware, paints and glass in specialised stores	0	0		
100	G4771 - Retail sale of clothing in specialised stores	0	0		
101	G4799 - Other retail sale not in stores, stalls or markets	0	0	0	0
102	H5010 - Sea and coastal passenger water transport	0	0		
103	H5223 - Service activities incidental to air transportation	0	0		
104	I5510 - Hotels and similar accommodation	3,157	182		
105	J5813 - Publishing of newspapers			75	0
106	J5821 - Publishing of computer games	0	0	0	0
107	J5829 - Other software publishing	0	0	0	0
108	J5911 - Motion picture, video and television programme production activities	0	0	0	0
109	J6110 - Wired telecommunications activities	0	0		
110	J6120 - Wireless telecommunications activities	0	0	0	0
111	J6190 - Other telecommunications activities	172	0		
112	J6201 - Computer programming activities	0	0	0	0
113	J6202 - Computer consultancy activities	0	0		
114	K6420 - Activities of holding companies	110	55		
115	K6420 - Financial and insurance activities	495	266		
116	K6492 - Other credit granting	57	48	14	0
117	K6499 - Other financial service activities, except insurance and pension funding n.e.c.	2	0		
118	K6619 - Other activities auxiliary to financial services, except insurance and pension funding	31	32		
119	L6810 - Buying and selling of own real estate	137	18		
120	L6820 - Renting and operating of own or leased real estate	8,072	2,986	44	0
121	L6832 - Management of real estate on a fee or contract basis	0	0		
122	M7010 - Activities of head offices	3,664	1,251	0	0
123	M7022 - Business and other management consultancy activities	27	0		
124	M7112 - Engineering activities and related technical consultancy	766	6	0	0
125	M7120 - Technical testing and analysis	0	0		
126	M7211 - Research and experimental development on biotechnology	169	90		
127	M7219 - Other research and experimental development on natural sciences and engineering	0	0		
128	M7220 - Research and experimental development on social sciences and humanities	0	0		
129	M7311 - Advertising agencies	0	0	0	0
130	M7410 - Specialised design activities	0	0		
131	M7490 - Other professional, scientific and technical activities n.e.c.	0	0		
132	N8110 - Combined facilities support activities	0	0		
133	N8299 - Other business support service activities n.e.c.	1,594	49		
134	Q8810 - Social work activities without accommodation for the elderly and disabled	0	0	0	0
135	R9329 - Other amusement and recreation activities	0	0		



Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			Total (CCM + CCA + WTR + CE + PPC + BIO)		
Non-Financial corporates (Subject to NFRD)			SMEs and other NFC not subject to NFRD			Non-Financial corporates (Subject to NFRD)			Non-Financial corporates (Subject to NFRD)			Non-Financial corporates (Subject to NFRD)		
Gross carrying amount			Gross carrying amount			Gross carrying amount			Gross carrying amount			Gross carrying amount		
SEK m	of which environmentally sustainable (WTR)		SEK m	of which environmentally sustainable (WTR)		SEK m	of which environmentally sustainable (PPC)		SEK m	of which environmentally sustainable (BIO)		SEK m	of which environmentally sustainable (TOTAL)	
0			0			0						628	222	
			0									1	0	
			0			0						12	11	
0			3									0	0	
0			0			0			0			44	0	
												0	0	
0			0									0	0	
												0	0	
			0									0	0	
			0									0	0	
			0									0	0	
0			0									0	0	
0			0									0	0	
0			0									3	0	
			0									0	0	
0			0									0	0	
			0									0	0	
0			0									0	0	
			0									0	0	
0			0			1,044						2,065	0	
			0									1,044	0	
0												0	0	
0			0									0	0	
0			0									0	0	
			0									21	0	
0			0									0	0	
0			0									2	0	
0			0									0	0	
0			0									0	0	
0			0									1	0	
0			0									0	0	
0			0									0	0	
0			0									0	0	
			0									2	0	
			0									0	0	
			0									0	0	
0									0			0	0	
												3,157	182	
												75	0	
0			0									0	0	
0			0			0			0			0	0	
			0									0	0	
			0									0	0	
0			0									172	0	
												0	0	
												0	0	
			7			1						110	55	
0			28			0			0			503	266	
			0									99	48	
			99									2	0	
												130	32	
0			93			0			0			137	18	
												8,209	2,986	
0			0									0	0	
0			0									3,664	1,251	
0			9			0			0			27	0	
												775	6	
												0	0	
			3			1						172	90	
			0									0	0	
			0									0	0	
			0									0	0	
			0						0			0	0	
												1,594	49	
												0	0	
			0									0	0	

## GAR KPI stock – Turnover

2024-12-31

		Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)				
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling		
<b>GAR – Covered assets in both numerator and denominator</b>																
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	95.7	6.3	5.8	0.0	0.1	0.0	0.0		0.0	0.0	0.0				
2	<b>Financial undertakings</b>	<b>54.5</b>	<b>4.2</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>				
3	Credit institutions	55.0	4.3		0.0	0.0	0.0	0.0		0.0	0.0	0.0				
4	Loans and advances	67.1	9.1		0.0	0.0	0.1	0.0		0.0	0.0	0.0				
5	Debt securities, including UoP	50.5	2.6		0.0	0.0	0.0	0.0		0.0	0.0	0.0				
6	Equity instruments															
7	Other financial corporations	44.4	0.1		0.0	0.0	0.0	0.0		0.0	0.0	0.0				
8	Of which investment firms	42.7	0.0		0.0	0.0										
9	Loans and advances	42.7	0.0		0.0	0.0										
10	Debt securities, including UoP															
11	Equity instruments															
12	Of which management companies	48.5	2.2		0.0	0.0	0.0	0.0		0.0	0.0	0.0				
13	Loans and advances	48.5	2.2		0.0	0.0	0.0	0.0		0.0	0.0	0.0				
14	Debt securities, including UoP															
15	Equity instruments															
16	Of which insurance undertakings	48.5	2.3		0.1	0.0	0.0	0.0		0.0	0.0	0.0				
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments	48.5	2.2		0.0	0.0	0.0	0.0		0.0	0.0	0.0				
20	<b>Non-financial undertakings</b>	<b>35.6</b>	<b>7.4</b>		<b>1.1</b>	<b>2.3</b>	<b>0.4</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.1</b>				
21	Loans and advances	35.6	7.4		1.1	2.3	0.4	0.0		0.0	0.0	0.1				
22	Debt securities, including UoP															
23	Equity instruments	48.5	2.2		0.0	0.0	0.0	0.0		0.0	0.0	0.0				
24	<b>Households</b>	<b>100.0</b>	<b>6.3</b>	<b>6.3</b>												
25	Of which loans collateralised by residential immovable property	100.0	6.3	6.3												
26	Of which building renovation loans															
27	Of which motor vehicle loans	100.0														
28	<b>Local government financing</b>															
29	Housing financing															
30	Other local government financing															
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>															
32	<b>Total GAR assets</b>	<b>51.2</b>	<b>3.4</b>	<b>3.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>				

2024-12-31

Circular economy (CE)					Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total assets covered
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
		Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which transitional		Of which enabling			
	0.0				0.0				0.2				95.9	6.3	5.8	0.0	0.1	41.0	
	0.1				0.0				0.0				54.7	4.2		0.0	0.0	1.4	
	0.0				0.0				0.0				55.0	4.3		0.0	0.0	1.4	
	0.0				0.0				0.0				67.1	9.1		0.0	0.0	0.4	
	0.0				0.0				0.0				50.6	2.6		0.0	0.0	1.0	
	3.6				0.0				0.0				48.0	0.1		0.0	0.0	0.1	
	3.9				0.0								46.6	0.0		0.0	0.0	0.1	
	3.9				0.0								46.6	0.0		0.0	0.0	0.1	
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0	
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0	
	0.0				0.0				0.0				48.5	2.3		0.1	0.0	0.0	
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0	
	0.7				0.9				3.7				41.4	7.4		1.1	2.3	1.8	
	0.7				0.9				3.7				41.4	7.4		1.1	2.3	1.8	
	0.0				0.0				0.0				48.5	2.2		0.0	0.0	0.0	
													100.0	6.3	6.3			37.8	
													100.0	6.3	6.3			37.8	
													100.0					0.0	
	0.0				0.0				0.1				51.3	3.4	3.1	0.0	0.1	76.6	

## GAR KPI stock – Turnover

2023-12-31

		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant assets (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
	<b>GAR – Covered assets in both numerator and denominator</b>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	94.2	4.3	4.0	0.0	0.1	0.0	0.0		0.0				
2	<b>Financial undertakings</b>	<b>2.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>						
3	Credit institutions							0.0						
4	Loans and advances							0.1						
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	39.2	0.1		0.0	0.1								
8	Of which investment firms	44.6	0.0		0.0	0.0								
9	Loans and advances	44.6	0.0		0.0	0.0								
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	<b>Non-financial undertakings</b>	<b>27.0</b>	<b>5.2</b>		<b>0.0</b>	<b>1.5</b>	<b>0.4</b>	<b>0.0</b>		<b>0.0</b>				
21	Loans and advances	27.0	5.2		0.1	1.5	0.4	0.0		0.0				
22	Debt securities, including UoP													
23	Equity instruments													
24	<b>Households</b>	<b>100.0</b>	<b>4.3</b>	<b>4.3</b>										
25	Of which loans collateralised by residential immovable property	100.0	4.3	4.3										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	<b>Local government financing</b>													
29	Housing financing													
30	Other local government financing													
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>													
32	<b>Total GAR assets</b>	<b>48.5</b>	<b>2.2</b>	<b>2.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>				

2023-12-31

Circular economy (CE)					Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds					
Of which enabling					Of which enabling				Of which enabling				Of which enabling					
													95.4	4.3	4.0	0.0	0.0	39.6
													46.9	0.0		0.0	0.0	1.0
													47.0	0.0		0.0	0.0	0.9
													28.5	0.0		0.0	0.0	0.1
													49.9					0.8
													50.3					0.0
													44.0	0.1		0.0	0.1	0.0
													44.6	0.0		0.0	0.0	0.0
													44.6	0.0		0.0	0.0	0.0
													33.0					
													33.0					
													30.1	5.5		0.0	1.5	1.8
													30.1	5.5		0.0	1.5	1.8
													100.0	4.3	4.3			36.8
													100.0	4.3	4.3			36.8
													49.2	2.2	2.1	0.0	0.0	76.9

## GAR KPI stock – CapEx

2024-12-31

		Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)				
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling		
	<b>GAR – Covered assets in both numerator and denominator</b>															
1	Loans and advances, debt securities and equity instruments not HFI eligible for GAR calculation	96.2	6.5	5.8	0.1	0.1	0.0	0.0		0.0	0.0					
2	<b>Financial undertakings</b>	<b>53.6</b>	<b>4.2</b>		<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>					
3	Credit institutions	55.0	4.4		0.0	0.0	0.1	0.0		0.0	0.0					
4	Loans and advances	67.1	9.1		0.0	0.0	0.1	0.0		0.0	0.0					
5	Debt securities, including UoP	50.6	2.6		0.0	0.0	0.1	0.0		0.0	0.0					
6	Equity instruments															
7	Other financial corporations	19.3	0.2		0.0	0.1	0.0	0.0		0.0	0.0					
8	Of which investment firms	13.6	0.0		0.0	0.0										
9	Loans and advances	13.6	0.0		0.0	0.0										
10	Debt securities, including UoP															
11	Equity instruments															
12	Of which management companies	48.7	2.2		0.0	0.0	0.0	0.0		0.0	0.0					
13	Loans and advances	48.7	2.2		0.0	0.0	0.0	0.0		0.0	0.0					
14	Debt securities, including UoP															
15	Equity instruments															
16	Of which insurance undertakings	48.7	2.3		0.1	0.0	0.0	0.0		0.0	0.0					
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments	48.7	2.2		0.0	0.0	0.0	0.0		0.0	0.0					
20	<b>Non-financial undertakings</b>	<b>47.9</b>	<b>12.6</b>		<b>1.4</b>	<b>2.7</b>	<b>0.3</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>					
21	Loans and advances	47.9	12.6		1.4	2.7	0.3	0.0		0.0	0.0					
22	Debt securities, including UoP															
23	Equity instruments	48.7	2.2		0.0	0.0	0.0	0.0				0.0				
24	<b>Households</b>	<b>100.0</b>	<b>6.3</b>	<b>6.3</b>												
25	Of which loans collateralised by residential immovable property	100.0	6.3	6.3												
26	Of which building renovation loans															
27	Of which motor vehicle loans	100.0														
28	<b>Local government financing</b>															
29	Housing financing															
30	Other local government financing															
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>															
32	<b>Total GAR assets</b>	<b>51.5</b>	<b>3.5</b>	<b>3.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>					



2024-12-31

Circular economy (CE)					Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total assets covered
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
		Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which transitional		Of which enabling			
	0.0				0.1					0.0				96.3	6.5	5.8	0.1	0.1	41.0
	0.0				0.0					0.0				53.6	4.2		0.0	0.0	1.4
	0.0				0.0					0.0				55.1	4.4		0.0	0.0	1.4
	0.0				0.0					0.0				67.2	9.1		0.0	0.0	0.4
	0.0				0.0					0.0				50.7	2.6		0.0	0.0	1.0
	0.0				0.0					0.0				19.3	0.2		0.0	0.1	0.1
	0.0				0.0									13.6	0.0		0.0	0.0	0.1
	0.0				0.0									13.6	0.0		0.0	0.0	0.1
	0.0				0.0					0.0				48.7	2.2		0.0	0.0	0.0
	0.0				0.0					0.0				48.7	2.2		0.0	0.0	0.0
	0.0				0.0					0.0				48.7	2.3		0.1	0.0	0.0
	0.0				0.0					0.0				48.7	2.2		0.0	0.0	0.0
	0.6				1.8					0.0				50.6	12.6		1.4	2.7	1.8
	0.6				1.8					0.0				50.6	12.6		1.4	2.7	1.8
	0.0				0.0					0.0				48.7	2.2		0.0	0.0	0.0
														100.0	6.3	6.3			37.8
														100.0	6.3	6.3			37.8
														100.0					0.0
	0.0				0.0					0.0				51.5	3.5	3.1	0.0	0.1	76.6

## GAR KPI stock – CapEx

2023-12-31

		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	<b>GAR – Covered assets in both numerator and denominator</b>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	94.5	4.2	4.0	0.1	0.1	0.0	0.0		0.0				
2	<b>Financial undertakings</b>	<b>0.8</b>	<b>0.1</b>		<b>0.0</b>	<b>0.1</b>								
3	Credit institutions													
4	Loans and advances													
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	16.9	1.2		0.0	1.2								
8	Of which investment firms	5.4	0.0		0.0	0.0								
9	Loans and advances	5.4	0.0		0.0	0.0								
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	<b>Non-financial undertakings</b>	<b>35.5</b>	<b>4.7</b>		<b>1.2</b>	<b>1.4</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>				
21	Loans and advances	35.5	4.7		1.2	1.4	0.0	0.0		0.0				
22	Debt securities, including UoP													
23	Equity instruments													
24	<b>Households</b>	<b>100.0</b>	<b>4.3</b>	<b>4.3</b>										
25	Of which loans collateralised by residential immovable property	100.0	4.3	4.3										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	<b>Local government financing</b>													
29	Housing financing													
30	Other local government financing													
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>													
32	<b>Total GAR assets</b>	<b>48.7</b>	<b>2.2</b>	<b>2.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>				

2023-12-31

Circular economy (CE)					Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds					
Of which enabling					Of which enabling				Of which enabling				Of which enabling					
													95.9	4.3	4.0	0.1	0.1	39.6
													45.7	0.1		0.0	0.1	1.0
													47.0			0.0	0.0	0.9
													28.5			0.0	0.0	0.1
													49.9					0.8
													50.3					0.0
													21.9	1.2		0.0	1.2	0.0
													5.5	0.0		0.0	0.0	0.0
													5.5	0.0		0.0	0.0	0.0
													33.0					
													33.0					
													40.1	5.1		1.2	1.4	1.8
													40.1	5.1		1.2	1.4	1.8
																		0.0
													100.0	4.3	4.3			36.8
													100.0	4.3	4.3			36.8
													49.4	2.2	2.1	0.0	0.0	76.9

## GAR KPI flow – Turnover

2024-12-31

		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	<b>GAR – Covered assets in both numerator and denominator</b>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	93.2	7.2	5.8	0.0	0.2	0.0	0.0		0.0	0.0	0.0		
2	<b>Financial undertakings</b>	<b>63.7</b>	<b>7.8</b>		<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
3	Credit institutions	68.8	9.6		0.0	0.0	0.1	0.0			0.0			
4	Loans and advances	68.8	9.6		0.0	0.0	0.1	0.0			0.0			
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	56.1	5.2		0.0	0.0	0.0	0.0		0.0	0.0			
8	Of which investment firms	42.7	0.0											
9	Loans and advances	42.7	0.0											
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	<b>Non-financial undertakings</b>	<b>45.7</b>	<b>10.6</b>		<b>0.6</b>	<b>2.7</b>	<b>0.5</b>	<b>0.0</b>		<b>0.0</b>	<b>0.1</b>			
21	Loans and advances	45.9	10.7		0.6	2.7	0.6	0.0		0.0	0.1			
22	Debt securities, including UoP													
23	Equity instruments													
24	<b>Households</b>	<b>100.0</b>	<b>6.9</b>	<b>6.9</b>										
25	Of which loans collateralised by residential immovable property	100.0	6.9	6.9										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	<b>Local government financing</b>													
29	Housing financing													
30	Other local government financing													
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>													
32	<b>Total GAR assets</b>	<b>38.9</b>	<b>3.0</b>	<b>2.4</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>			

2024-12-31

Circular economy (CE)					Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered	
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
		Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which transitional	Of which enabling				
	0.1				0.1					0.3				93.8	7.2	5.8	0.0	0.2	41.7
	0.4				0.0					0.0				64.1	7.8		0.0	0.0	3.2
														68.9	9.6				1.9
														68.9	9.6				1.9
	0.9				0.0					0.0				57.0	5.2		0.0	0.0	1.3
	3.9													46.6					0.3
	3.9													46.6					0.3
	0.7				1.9					4.3				53.1	10.6		0.6	2.8	3.0
	0.7				1.9					4.3				53.4	10.7		0.6	2.8	3.0
														100.0	6.9	6.9			35.4
														100.0	6.9	6.9			35.4
														100.0					0.0
	0.0				0.1					0.1				39.1	3.0	2.4	0.0	0.1	100.0

## GAR KPI flow – CapEx

2024-12-31

		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	<b>GAR – Covered assets in both numerator and denominator</b>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	94.0	7.7	5.8	0.1	0.3	0.1	0.0		0.0	0.0			
2	<b>Financial undertakings</b>	<b>61.1</b>	<b>7.8</b>		<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>			
3	Credit institutions	68.8	9.6		0.0	0.0	0.1	0.0		0.0				
4	Loans and advances	68.8	9.6		0.0	0.0	0.1	0.0		0.0				
5	Debt securities, including UoP													
6	Equity instruments													
7	Other financial corporations	49.7	5.2		0.0	0.0	0.1	0.0		0.0	0.0			
8	Of which investment firms	13.6	0.0											
9	Loans and advances	13.6	0.0											
10	Debt securities, including UoP													
11	Equity instruments													
12	Of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	Of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	<b>Non-financial undertakings</b>	<b>59.2</b>	<b>17.7</b>		<b>1.0</b>	<b>3.9</b>	<b>0.6</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>			
21	Loans and advances	59.4	17.8		1.0	3.9	0.6	0.0		0.0	0.0			
22	Debt securities, including UoP													
23	Equity instruments													
24	<b>Households</b>	<b>100.0</b>	<b>6.9</b>	<b>6.9</b>										
25	Of which loans collateralised by residential immovable property	100.0	6.9	6.9										
26	Of which building renovation loans													
27	Of which motor vehicle loans	100.0												
28	<b>Local government financing</b>													
29	Housing financing													
30	Other local government financing													
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>													
32	<b>Total GAR assets</b>	<b>39.2</b>	<b>3.2</b>	<b>2.4</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>			



2024-12-31

Circular economy (CE)					Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total assets covered
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds						
Of which enabling					Of which enabling				Of which enabling				Of which enabling						
	0.0				0.3				0.0				94.3	7.7	5.8	0.1	0.3	41.7	
	0.0				0.0				0.0				61.1	7.8		0.0	0.0	3.2	
													68.9	9.6		0.0	0.0	1.9	
													68.9	9.6		0.0	0.0	1.9	
	0.0				0.0				0.0				49.7	5.2		0.0	0.0	1.3	
	0.0												13.6	0.0				0.3	
	0.0												13.6	0.0				0.3	
	0.4				3.7				0.0				63.9	17.7		1.0	3.9	3.0	
	0.4				3.7				0.0				64.1	17.8		1.0	3.9	3.0	
													100.0	6.9	6.9			35.4	
													100.0	6.9	6.9			35.4	
													100.0					0.0	
	0.0				0.1				0.0				39.3	3.2	2.4	0.0	0.1	100.0	

## KPI off-balance-sheet exposures – Stock, Turnover

2024-12-31														
Climate change mitigation (CCM)							Climate change adaptation (CCA)				Water and marine resources (WTR)			
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		
1	Financial guarantees (FinGuar KPI)	2.2	0.6		0.0	0.6	0.0	0.0		0.0				
2	Assets under management (AuM KPI)	4.7	1.4		0.1	0.6	0.4	0.0		0.0	0.0		0.0	

## KPI off-balance-sheet exposures – Stock, CapEx

2024-12-31														
		Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)		
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		
1	Financial guarantees (FinGuar KPI)	3.2	0.5		0.0	0.5	0.0		0.0					
2	Assets under management (AuM KPI)	5.3	2.0		0.2	0.8	0.6	0.0		0.0	0.0	0.0	0.0	

## KPI off-balance-sheet exposures – Flow, Turnover

2024-12-31														
		Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)		
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		
1	Financial guarantees (FinGuar KPI)	1.0	0.3		0.0	0.2	0.0	0.0						
2	Assets under management (AuM KPI)	4.4	1.1		0.1	0.5	0.3	0.0		0.0	0.0		0.0	

## KPI off-balance-sheet exposures – Flow, CapEx

2024-12-31														
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
% (compared to total eligible offbalance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
1	Financial guarantees (FinGuar KPI)	1.8	0.2		0.0	0.2	0.0	0.0						
2	Assets under management (AuM KPI)	4.7	1.6		0.1	0.6	0.4	0.0		0.0	0.0			0.0

2024-12-31																			
Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which enabling
	0.1					0.1										3.5	0.5		0.0
	0.4	0.0		0.0		0.1	0.0				0.0	0.0				6.5	2.0		0.2

2024-12-31																			
Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	0.0					0.0					0.0					1.9	0.2		0.0
	0.4	0.0		0.0		0.1	0.0				0.0	0.0				5.7	1.6		0.1

## Nuclear and fossil gas related activities in accordance with (EU) 2022/1214

In 2022 the European Commission determined that certain activities for power generation from fossil gas and nuclear energy shall be included in the taxonomy. The regulation consists of detailed technical criteria as well as requirements for separate reporting for non-financial and financial undertakings. The Bank has low exposures in the balance sheet to a limited number of non-financial counterparties whose economic activities are subject to these regulations, and these exposures are disclosed in the set templates.

### On-balance sheet – credit portfolio

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

### Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

## Taxonomy-aligned economic activities (denominator)

### On-balance sheet – credit portfolio, turnover

		Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	374	0.0	374	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	254	0.0	254	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	83,312	3.3	83,305	3.3	7	0.0
8.	Total applicable KPI	83,940	3.4	83,933	3.4	7	0.0

## Taxonomy-aligned economic activities (denominator) cont.

On-balance sheet – credit portfolio, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	Amount	%		Amount	%	Amount	%
1. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI							
2. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI							
3. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	454	0.0		454	0.0		
4. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	80	0.0		80	0.0		
5. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI							
6. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI							
7. Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	86,386	3.5		86,376	3.5	10	0.0
8. Total applicable KPI	86,920	3.5		86,910	3.5	10	0.0

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	Amount	%		Amount	%	Amount	%
1. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
2. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	196	0.0		196	0.0		
3. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	183	0.0		183	0.0		
4. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
5. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
6. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
7. Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,989	1.3		11,827	1.3	161	0.0
8. Total applicable KPI	12,369	1.4		12,207	1.4	161	0.0

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	Amount	%		Amount	%	Amount	%
1. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
2. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	267	0.0		267	0.0		
3. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	67	0.0		67	0.0		
4. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
5. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
6. Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0		0	0.0		
7. Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16,739	1.9		16,623	1.9	116	0.0
8. Total applicable KPI	17,073	1.9		16,957	1.9	116	0.0

## Taxonomy-aligned economic activities (numerator)

On-balance sheet – credit portfolio, turnover

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	374	0.4	374	0.4		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	254	0.3	254	0.3		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	83,312	99.3	83,305	99.3	7	100.0
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	83,940	100	83,933	100	7	100

On-balance sheet – credit portfolio, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	454	0.5	454	0.5		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	80	0.1	80	0.1		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	86,386	99.4	86,376	99.4	10	100.0
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	86,920	100	86,910	100	10	100



## Taxonomy-aligned economic activities (numerator) cont.

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	196	1.6	196	1.6		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	183	1.5	183	1.5		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	11,989	96.9	11,827	96.9	161	100.0
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	12,369	100.0	12,207	100.0	161	100.0

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	267	1.6	267	1.6		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	67	0.4	67	0.4		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	16,739	98.0	16,623	98.0	116	100.0
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	17,073	100.0	16,957	100.0	116	100.0

## Taxonomy-eligible but not taxonomy-aligned economic activities

On-balance sheet – credit portfolio, turnover

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.0	2	0.0		
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.0	2	0.0		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,192,299	47.8	1,192,042	47.8	257	0.0
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	1,192,303	47.8	1,192,046	47.8	257	0.0

On-balance sheet – credit portfolio, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,195,868	48.0	1,195,684	48.0	184	0.0
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	1,195,868	48.0	1,195,684	48.0	184	0.0

## Taxonomy-eligible but not taxonomy-aligned economic activities cont.

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0	1	0.0
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.0	1	0.0	1	0.0
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	2	0.0	2	0.0
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	132	0.0	66	0.0	66	0.0
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	48	0.0	24	0.0	24	0.0
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	2	0.0	2	0.0
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	30,913	3.5	15,457	1.7	15,457	1.7
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	31,105	3.5	15,552	1.7	15,552	1.7

Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.7	0.0	0.4	0.0	0.4	0.0
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	28.0	0.0	14.0	0.0	14.0	0.0
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.0	0.0	3.0	0.0	3.0	0.0
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.3	0.0	0.7	0.0	0.7	0.0
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	32,827	3.7	16,413	1.8	16,413	1.8
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	32,863	3.7	16,431	1.8	16,431	1.8

## Handelsbanken's taxonomy disclosure for life insurance operations

### Taxonomy disclosures for life insurance in accordance with article 8 in the taxonomy regulation

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments			
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights	
Turnover-based: (%)	2.3	Turnover-based: (SEK m)	6,770
Capital expenditures-based: (%)	0.1	Capital expenditures-based: (SEK m)	234
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio: (%)	93.3	Coverage: (SEK m)	293,563
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.		The value in monetary amounts of derivatives.	
(%)	0.0	(SEK m)	1
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/ EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings: (%)	23.1	For non-financial undertakings: (SEK m)	67,859
For financial undertakings: (%)	0.0	For financial undertakings: (SEK m)	0
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings: (%)	21.6	For non-financial undertakings: (SEK m)	63,530
For financial undertakings: (%)	0.0	For financial undertakings: (SEK m)	0
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings: (%)	29.6	For non-financial undertakings: (SEK m)	86,772
For financial undertakings: (%)	0.0	For financial undertakings: (SEK m)	0
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of exposures to other counterparties and assets:	
(%)	–	SEK m	–
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy- aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
(%)	1.9	SEK m	5,458
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	
(%)	23.1	SEK m	67,859
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	
(%)	21.9	SEK m	64,386

## Handelsbanken's taxonomy disclosure for life insurance operations cont.

### Taxonomy disclosures for life insurance in accordance with article 8 in the taxonomy regulation

Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings - Turnover-based: (%)	2.3	For non-financial undertakings - Turnover-based: (SEK m)	6,770
For non-financial undertakings - Capital expenditures-based: (%)	0.1	For non-financial undertakings - Capital expenditures-based: (SEK m)	234
For financial undertakings - Turnover-based: (%)	0.0	For financial undertakings - Turnover-based: (SEK m)	0
For financial undertakings - Capital expenditures-based: (%)	0.0	For financial undertakings - Capital expenditures-based: (SEK m)	0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based: (%)	-	Turnover-based: (SEK m)	-
Capital expenditures-based: (%)	-	Capital expenditures-based: (SEK m)	-
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based: (%)	-	Turnover-based: (SEK m)	-
Capital expenditures-based: (%)	-	Capital expenditures-based: (SEK m)	-
Breakdown of the numerator of the KPI per environmental objective			
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:			
(1) Climate change mitigation			
Turnover-based: (%)	4.5	Transitional activities: A % Turnover)	0.1
		Enabling activities: B % (Turnover)	0.7
Capital expenditures-based: (%)	0.1	Transitional activities: A % (CapEx)	0.0
		Enabling activities: B % (CapEx)	0.0
(2) Climate change adaptation			
Turnover-based: (%)	0.7	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
(3) The sustainable use and protection of water and marine resources			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
(4) The transition to a circular economy			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
(5) Pollution prevention and control			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0
(6) The protection and restoration of biodiversity and ecosystems			
Turnover-based: (%)	0.0	Enabling activities: B % (Turnover)	0.0
Capital expenditures-based: (%)	0.0	Enabling activities: B % (CapEx)	0.0

## Nuclear and fossil gas related activities in accordance with (EU) 2022/1214 Insurance operations in the life insurance company

### Insurance operations in the life insurance company

Nuclear energy related activities			
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.		YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.		YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.		YES
Fossil gas related activities			
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.		YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.		YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.		YES

## Taxonomy-aligned economic activities (denominator)

### Insurance operations in the life insurance company, turnover

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	13,412	4.6	13,340	4.5	72	0.0
8.	Total applicable KPI	13,417	4.6	13,345	4.5	72	0.0

### Insurance operations in the life insurance company, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14	0.0	14	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	143	0.0	96	0.0	47	0.0
8.	Total applicable KPI	163	0.1	117	0.0	47	0.0



## Taxonomy-aligned economic activities (numerator)

Insurance operations in the life insurance company, turnover

Amount (SEK m) and proportion							
CCM + CCA			Climate change mitigation (CCM)		Climate change adaptation (CCA)		
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	13,412	100.0	13,340	100.0	72	100.0
8.	Total applicable KPI	13,417	100.0	13,345	100.0	72	100.0

Insurance operations in the life insurance company, CapEx

Amount (SEK m) and proportion							
CCM + CCA			Climate change mitigation (CCM)		Climate change adaptation (CCA)		
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.4	1	0.6		
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14	8.7	14	12.2		
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	2.7	4	3.8		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.8	1	1.1		
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	143	87.4	96	82.4	47	100.0
8.	Total applicable KPI	163	100.0	117	100.0	47	100.0

## Taxonomy-eligible but not taxonomy-aligned economic activities

Insurance operations in the life insurance company, turnover

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	18,736	6.4	9,368	3.2	9,368	3.2
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	18,736	6.4	9,368	3.2	9,368	3.2

Insurance operations in the life insurance company, CapEx

Amount (SEK m) and proportion							
CCM + CCA				Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.0	3	0.0	3	0.0
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0	0	0.0	0	0.0
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,628	1.2	1,814	0.6	1,814	0.6
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	3,636	1.2	1,818	0.6	1,818	0.6





## Auditor's report on the review of Svenska Handelsbanken AB's (publ) sustainability report

*NOTE: this is an unofficial translation of the report originally issued in Swedish. In case of discrepancies between the original report and this translation the original Swedish version shall prevail.*

To the management of Svenska Handelsbanken AB (publ), corporate identity number 502007-7862

### Conclusion

We have been commissioned by the management of Svenska Handelsbanken AB (publ) to review Svenska Handelsbanken AB's sustainability report for 2024. Svenska Handelsbanken AB's Sustainability Report consists of pages 259-371 of this document.

Based on our review described in the section Auditor's Responsibilities, no circumstances have come to light that give us reason to believe that the Sustainability Report has not, in all material respects, been prepared in accordance with the criteria, which include:

- that the Sustainability Report meets the requirements of the ESRS, with the exception that it is presented outside the Board of Directors' Report and that it is the management that is responsible for the preparation of the Sustainability Report;
- that the process that the company has implemented to identify reported sustainability information has been carried out as described in the sustainability report
- compliance with the reporting requirements of the EU Green Taxonomy Regulation Article 8

### Basis for conclusion

We have conducted the review in accordance with ISAE 3000 (revised) Assurance engagements other than audits and review reviews of historical financial information. Our responsibilities under this standard are described in more detail in the section Auditor's Responsibilities.

We believe that the documentation we obtained during our review is sufficient and appropriate in order to provide us with a basis for our conclusion.

### Information of particular importance

We would like to draw attention to the description of the principles and criteria for the Sustainability Report on page 261, where it is stated that the Sustainability Report has been prepared in accordance with the ESRS, with the exception of the requirement for placement in the Board of Directors' Report, and that the management is responsible for the preparation of the Sustainability Report.

### Management's responsibilities

Management is responsible for preparing the Sustainability Report in accordance with applicable criteria as set out on page 261 of the Sustainability Report.

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Report in accordance with the ESRS and for describing this process in the ESRS 2 IRO-1 section of the Sustainability Report. These responsibilities include:

- to understand the context in which the Group's activities and business relationships take place and to develop an understanding of its relevant stakeholders;
- to identify the actual and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect, or can reasonably be expected to affect, the Group's financial position, financial results, cash flows, access to financing or cost of capital in the short, medium or long term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability issues by selecting and applying appropriate thresholds; and
- make assumptions that are reasonable under the circumstances.

The management is also responsible for the preparation of the Sustainability Report, which includes:

- compliance with disclosure requirements under the ESRS;
- compliance with the reporting requirements of the EU Green Taxonomy Regulation Article 8 and
- the selection and application of appropriate sustainability reporting methodologies and to make assumptions and estimates that are reasonable in the circumstances.

This responsibility also includes the internal control deemed necessary to prepare a sustainability report that does not contain material misstatements, whether due to irregularities or mistakes.

### Limitations in the preparation of the Sustainability Report

When reporting forward-looking statements in accordance with the ESRS, the management of Svenska Handelsbanken AB (publ) must prepare forward-looking statements based on the assumptions made about events that may occur in the future and possible future activities of Svenska Handelsbanken AB (publ). Actual outcomes are likely to be different because expected events often do not occur as expected.

### Auditor's responsibilities

Our task is to give a limited opinion on the sustainability report based on our review.

We have carried out the review in accordance with ISAE 3000 (revised). This standard requires us to plan and implement our review procedures to achieve limited assurance that the Sustainability Report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), except that it is presented outside the Board of Directors' Report and that it is the management that is responsible for the preparation of the Sustainability Report.

Audit firms apply the International Standard on Quality Management 1, which requires firms to design, implement and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards for professional practice and applicable legal and regulatory requirements.

We are independent in relation to Svenska Handelsbanken AB in accordance with generally accepted auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

The review includes obtaining evidence about the sustainability report through various measures. The auditor chooses which actions are to be performed, including by assessing the risks of material misstatement in the basis for the sustainability report, whether these are due to irregularities or mistakes. In this risk assessment, the auditor takes into account those parts of the internal control that are relevant to how Svenska Handelsbanken AB prepares the documentation in order to design review procedures that are appropriate in the

circumstances, but not for the purpose of making an opinion on the effectiveness of the internal control. The review has been limited to a general analysis of the sustainability report and the basis for it, as well as inquiries from the company's staff. Our assurance is therefore based on limited assurance compared to an audit.

**The review procedures mainly include:**

Our review measures regarding the process the company has undertaken to identify sustainability information to report included, but were not limited to, the following:

- gain an understanding of the process by:
  - conducting inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
  - review the company's internal documentation of its process; and

- evaluate whether the information obtained from our actions on the process implemented by the company is consistent with the description of the process in the sustainability report.

Our review actions regarding the Sustainability Report included, but were not limited to, the following:

- obtain through inquiries a general understanding of the internal control environment, reporting processes and information systems relevant to the preparation of the information in the sustainability report.
- evaluated whether information identified as material through the process that the company has carried out to identify the content of the sustainability report is also included.
- evaluated whether the structure and presentation of the sustainability report is in line with the requirements of the ESRS;

- carry out inquiries to relevant personnel and analytical review procedures regarding selected disclosures in the Sustainability Report;
- perform random substantive review on a selection of disclosures in the sustainability report
- obtain, through inquiries and analytical review procedures, evidence on the methodologies for producing material estimates and forward-looking information and on how those methodologies were applied;
- gain an understanding of the process of identifying economic activities that are covered by and consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability report.

**Other information**

Our assignment does not include information relating to previous periods.

Stockholm, February 26, 2025

PricewaterhouseCoopers AB

Deloitte AB

Magnus Svensson Henryson  
Authorized Public Accountant

Malin Lünig  
Authorized Public Accountant