

# Sustainability Report

This is Handelsbanken's statutory Sustainability Report for 2023. The purpose of the Sustainability Report is to create an understanding of Handelsbanken's impact on the sustainability topics of environmental, social, and corporate governance, and how these topics could affect the Bank's future development. The report contains the sustainability disclosures required under the Annual Accounts Act and, unless otherwise stated, the information herein refers to the entire Group. Any restrictions in the reporting are clearly stated. The statutory Sustainability Report focuses on Handelsbanken's most material sustainability topics. Key metrics, descriptions of the Bank's sustainability goals and the GRI Content Index are grouped together under the section Sustainability information on pages 257–275. Handelsbanken's Taxonomy reporting can be found on pages 276–305.

## A PART OF THE GLOBAL COMMUNITY

Handelsbanken is involved in numerous initiatives and collaborations which, together with continuous dialogue with stakeholders, guide the Bank's ongoing sustainability work.

Handelsbanken endorses the following initiatives to underline its ambition to contribute to sustainable development.



PRINCIPLES FOR  
RESPONSIBLE  
BANKING

Signatory of:



Principles for  
Responsible  
Investment

Banking operations are regulated by law, and are governed by an extensive framework of statutes and regulations. Handelsbanken also has several internal policies, guidelines and frameworks that govern its sustainability work.

- Policy for sustainability
- Policy for ethical standards
- Policy against corruption
- Guidelines regarding the environment and climate change
- Policy for shareholder engagement and responsible investment at Handelsbanken Fonder
- Framework for gender equality, diversity and inclusivity.

Method of calculation for measuring greenhouse gas emissions:



The Handelsbanken share is included on the following sustainability indexes, among others:

- ECPI
- Solactive Europe Corporate Social Responsibility Index PR
- FTSE4Good
- OMX Stockholm 30 ESG Responsible Index
- SIX SWEDEN ESG Index
- STOXX Global ESG Leaders.

The UN Sustainable Development Goals (SDGs) where Handelsbanken considers itself able to have the greatest impact are:



Do you have any questions about sustainability at Handelsbanken or any opinions?  
Contact [sustainability@handelsbanken.se](mailto:sustainability@handelsbanken.se)



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# Sustainability at Handelsbanken

Life, society and the world that we live in are in a constant state of change. Nevertheless, the core of Handelsbanken's operations remains the same – yesterday, today and tomorrow: responsibility for the financial health of customers. The principles for Handelsbanken's sustainability work are long-term approach, accountability, innovative capacity and compassion. Regardless of whether these concern financing, savings and investments, or advisory services. This means Handelsbanken can provide effective and robust support for initiatives that benefit both people and society in the long term and thereby secure a sustainable economy for generations to come.

## A SUSTAINABLE BUSINESS MODEL

Sustainability practices in the Handelsbanken Group aim to contribute to sustainable development through the Bank's business operations, products and services. Handelsbanken's way of banking is based on trust and respect for the individual. Connecting with customers is central to this – the Bank aims to support its customers through all stages of their lives, basing its business on their needs and preferences. Handelsbanken's sustainability strategy, like many other aspects of the Bank's work, is applied through a decentralised way of working, characterised by a focus on low risks and with a long-term commitment to its customers. The Bank has identified a growing demand for products and

services that not only concern economy and finance, but also support the transition to a sustainable society. Consequently, Handelsbanken's business operations are to be characterised by long-term responsibility, from financing and savings to investments and advisory services. For Handelsbanken, the concept of "responsibility" in this respect refers to solutions that, over time, benefit people, society and the planet.

## DIRECT AND INDIRECT ENGAGEMENT

A well-run bank that acts sustainably and responsibly has a positive impact on the economy in general. This applies to direct economic effects, such as paying corporate tax,

as well as indirect effects. For example, the conditions under which the Bank lends money can make a huge difference, to both the individual and society. In all markets it serves, Handelsbanken finances growth and helps increase employment by providing financing for companies. For example, Handelsbanken is the largest corporate lender in Sweden, and more than one-fifth of household mortgages in Sweden are financed by the Handelsbanken Group.

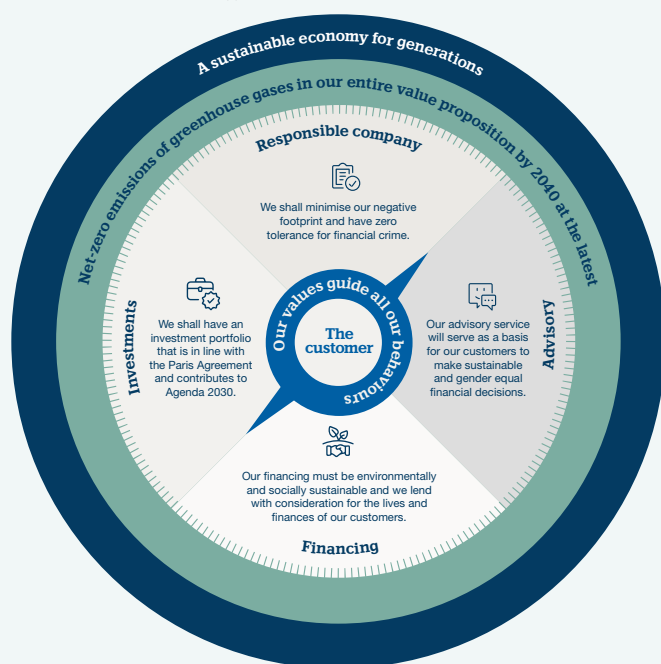
Banking operations in themselves have a relatively minor direct impact on the environment and climate, but striving to constantly reduce the Bank's own impact remains important. Looking for ways to improve energy efficiency, reducing paper consumption and cutting back on travel by air and car – focusing instead on solutions for remote meetings – help to reduce the Bank's direct negative impact. Digital solutions also help the Bank and customers to reduce their respective climate footprints.

A sustainable society requires a robust financial system that cannot be abused. For this reason, the fight against money laundering and terrorist financing is a key component of the 2030 Agenda and the SDGs. Handelsbanken regards work to prevent financial crime as a fundamental principle for secure, sound banking operations.

## Customer-centric approach

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 being entrusted to manage 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 helping our customers – whether large companies, SMEs or private customers – to be more sustainable, Handelsbanken itself becomes more sustainable. Handelsbanken thus works actively to support and accelerate its customers' sustainable development. This takes the form of dialogue and advice, within

## A sustainable business strategy



With a sustainable business model, Handelsbanken wants to be part of financial solutions for people and companies. Regardless of cyclical fluctuations, changes in the business environment and financial crises, the Bank aims to not be involved in short-term speculation but rather make investments that create long-term value.



the framework of financing, in discussions regarding savings and by building close relationships with customers.

#### Approach to risk

Financial strength and stability help Handelsbanken to avoid becoming a burden on society. Handelsbanken has a low risk tolerance, which has helped the Bank keep its credit losses at a low level. Instead, the Bank can positively contribute by being a responsible taxpayer and contributing to financial stability under all economic conditions. Handelsbanken considers the prevention of direct and indirect risks as part of its sustainability work. The Bank is well aware that social and environmental matters can significantly increase credit risk, investment risk and reputational risk. Sustainability risks are thus integrated into normal processes and procedures.

#### THE BANK AS AN EMPLOYER

Handelsbanken's role as an attractive and responsible employer is based on a fundamental belief in the willingness and ability of people to make the right decisions. Leaders and employees have a shared responsibility to see opportunities in one another's differences and to treat each other with respect. Gender equality, diversity and an inclusive corporate culture are therefore core values at Handelsbanken.

#### MATERIALITY AND IMPACT ASSESSMENT

To be a responsible bank, Handelsbanken must first understand what material impacts it has on the wider world through its activities and business relationships. The starting point is the three areas in which Handelsbanken has set specific sustainability goals – financing, savings and investments, and advisory services. In addition to these three areas, consideration has been given to how the Bank acts responsibly, such as its efforts to combat financial crime and its actions as an employer.

In the materiality assessment, the Bank has identified, assessed and prioritised actual and potential impacts, taking into account economic, environmental and social perspectives, including the effects on human rights. Important factors going into the assessment were the environment and climate, human rights and biodiversity.

Using the results of the materiality assessment, the Bank defines the most material sustainability topics to be focused on, followed up, reported and communicated within financing, savings and investments, advisory services and corporate social responsibility.

#### MATERIALITY ASSESSMENT

Handelsbanken performed its most recent materiality assessment in 2022 to align with the requirements set out in GRI Standards 2021. Consideration has also been given to the materiality assessment requirements presented in the draft European Sustainability Reporting Standards (ESRS 1) in April 2022. The materiality assessment thus constituted the first stage in the ongoing process of identifying, assessing and evaluating material sustainability topics on the basis of impact and consequence, as required by both GRI 2021 and the draft ESRS. At the time the materiality assessment was performed in 2022, GRI's sector-specific standards were yet to be completed, meaning that the business environment analysis was instead based on the SASB (Sustainability Accounting Standard Board) and MSCI materiality maps.

A large number of experts from Handelsbanken's various business areas and home markets, including the Bank's Chief Sustainability and Climate Officer, who is also part of the Bank's executive management, took part in the work. Participants took part on the basis of professional roles, as representatives of the Bank, and as sustainability experts. Support and guidance were provided by external sustainability experts.

Important starting points for discussions on the material topics have been the specific areas of human rights, environment and climate, and biodiversity, and how these are included and addressed in the questions.

The first stage consisted of a review of Handelsbanken's previous materiality assessments and the business environment. From these, a list of material topics was created, forming the basis for the ongoing work.

The second stage involved the identification and analysis of these material topics' respective impacts, from a financial, economic, environmental and social (including human rights) perspective. The financial perspective was included as part of the adaptation to the ESRS and the double materiality assessment, while the economic, environmental and social perspectives were included in accordance with the requirements of GRI 2021. An assessment and analysis were also undertaken of how Handelsbanken could have a negative impact by causing, contributing to or being directly linked to an impact, mainly from a financing and investment perspective, but also through internal processes, procedures and work methods.

The different types of impact were analysed in terms of:

- actual/potential
- positive/negative
- direct/indirect
- intended/unintended
- short-term/long-term
- reversible/irreversible.

In the third stage, an assessment was made of how significant an impact each respective topic has on the wider world, after which a final prioritisation was decided by the Bank's Chief Sustainability and Climate Officer, together with employees in the Group Sustainability Department.

Handelsbanken's Sustainability committee, on which a large proportion of executive management sits, was informed during this work of the sustainability topics identified in the materiality assessment. The Bank's Board had the opportunity to evaluate the materiality assessment as part of the approval process surrounding the reporting in the Annual and Sustainability Report. The final result was verified and approved by the Bank's Chief Sustainability and Climate Officer in 2022.

The outcome of the materiality assessment is presented on page 40. During 2023, no material topics were removed, added or reformulated.

#### PREPARATION FOR CSRD

Within the framework of the Bank's activities to prepare for and implement the new Corporate Sustainability Reporting Directive (CSRD), a double materiality assessment was performed during the autumn in accordance with the associated European Sustainability Reporting Standards (ESRS). The result of the double materiality assessment will then form the basis of the Sustainability Report for the next year, i.e. 2024. The assessment was based on two dimensions: impact materiality and financial materiality. Impact materiality refers to how the company impacts the macro environment, society, people and the climate through its operations and management of various sustainability topics. Financial materiality refers to how the company's financial position and financial performance are impacted by the macro environment and various sustainability topics linked to this. The assessment considers both positive and negative impacts and the risks and opportunities faced by the company from different sustainability topics in the short, medium and long term.

The assessment was led by Group Sustainability supported by external experts. Several of the Bank's different central staff functions and support functions as well as product owners were involved in the work in order to obtain and

## Focus on the material

Financing	Savings & investments	Advisory services	Corporate responsibility
<p><b>Material topics</b></p> <ul style="list-style-type: none"> <li>Responsible lending.</li> <li>Responsible financing.</li> <li>Sustainable loan and financing products.</li> </ul>	<p><b>Material topics</b></p> <ul style="list-style-type: none"> <li>Responsible investments.</li> <li>Active stewardship.</li> <li>Sustainable savings and investment products.</li> </ul>	<p><b>Material topics</b></p> <ul style="list-style-type: none"> <li>Responsible advisory services.</li> <li>Gender-equal advisory services.</li> <li>Helping customers make sustainable choices.</li> </ul>	<p><b>Material topics</b></p> <p><b>Responsible banking</b></p> <ul style="list-style-type: none"> <li>Counteract financial crime.</li> <li>Minimise impact on the environment and climate.</li> <li>Privacy and confidentiality.</li> </ul> <p><b>Attractive employer</b></p> <ul style="list-style-type: none"> <li>Sustainable working situation.</li> <li>Leadership and development.</li> <li>Gender equality and diversity.</li> <li>Salaries and remuneration.</li> </ul>
<p><b>Why is it material?</b></p> <ul style="list-style-type: none"> <li>The sustainability requirements that the Bank applies to its lending gives the Bank opportunities to contribute towards a greater respect for environmental and climate issues, biodiversity and human rights and lower sustainability risks by accelerating the pace of the sustainable transition.</li> <li>Handelsbanken strives to support all customer groups in their sustainable development. This requires the continued development of more sustainable and competitive financing products.</li> </ul>	<p><b>Why is it material?</b></p> <ul style="list-style-type: none"> <li>Handelsbanken is convinced that investments in responsible, sustainable business models that respect the boundaries of the planet are essential for generating long-term financial value for our customers.</li> <li>Handelsbanken wants to use its influence to encourage companies to move in a more sustainable direction.</li> <li>According to a customer survey carried out by SKI EPSI in 2023, 70% of private customers and 66% of corporate customers of Handelsbanken in Sweden state that their demands for sustainability will increase in the future.</li> </ul>	<p><b>Why is it material?</b></p> <ul style="list-style-type: none"> <li>Handelsbanken's success depends on the trust of its customers. This confidence is earned by acting responsibly when the Bank meets its customers and gives them advice on, for example, mortgage loans, day-to-day finances, corporate finance and investments.</li> <li>It is important to Handelsbanken to provide opportunities to all its customers to improve their financial security and freedom. For instance, by giving more prominence to gender equality in the development of advisory services, the Bank can improve knowledge and spread awareness of the informed choices customers can make to strengthen their financial independence.</li> </ul>	<p><b>Why is it material?</b></p> <ul style="list-style-type: none"> <li>By fulfilling its undertakings as a responsible bank, Handelsbanken can make a positive difference for customers, employees and the communities in which the Bank operates.</li> <li>The Bank should reflect the diversity in the community, and utilise and respect each employee's competency, experience and value in the best possible way, so that they can develop as individuals and in their professional roles.</li> </ul>
<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>The proportion of green, sustainable or social financing amounts to 7.6% of the Bank's financing volume.</li> <li>Green loans SEK 87.2 billion (63.7), of which green mortgages SEK 35.0 billion (31.8).</li> <li>Approved assets in the green registry SEK 89.0 billion (67.5).</li> <li>Sustainability-linked loans SEK 105.4 billion, of which drawn SEK 39.2 billion.</li> <li>Green bonds issued volume EUR 3,059 million (1,750).</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>Carbon intensity in the fund company's total investment portfolio 51.2 tCO<sub>2</sub>e/SEKm (50.2).</li> <li>Investments in environmental and climate solutions 20.7% (22.7).</li> <li>Sustainable investments 43.2% (43.2) of assets under management.</li> <li>A total of 587 (421) dialogues were carried out with companies.</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>A total of 3,492 employees are licensed by SwedSec or through an equivalent advisory service qualification.</li> <li>Just over 1,100 employees in Sweden have completed training in gender-equal pensions, gender-equal savings and gender-equal advisory services.</li> <li>A new feature for compensation savings was integrated into the advisory services that are used by the Swedish branch operations.</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>91% of employees have completed training in anti-corruption, anti-money laundering and combating the financing of terrorism.</li> <li>The Bank's direct carbon emissions have increased by 0.7% since last year.</li> <li>43% (43) of managers are female.</li> <li>Approximately only 1% of the Group's employees are eligible to receive performance-based variable remuneration.</li> </ul>

ensure various viewpoints on the issues, not only from a risk and impact perspective, but also in terms of business opportunities associated with sustainability.

### STAKEHOLDER DIALOGUE

Many private individuals, organisations and companies affect, and are affected by, how Handelsbanken runs its business. In order to ensure that the Bank develops its sustainability work, and continues being a responsible bank that meets stakeholders' expectations and other external requirements, stakeholder dialogues are held regularly. These take place in different contexts, such as customer meetings and surveys, investor meetings, industry forums, supplier follow-up and dialogues with non-profit organisations, staff and trade unions. Through these dialogues, the Bank is better able to understand the expectations and requirements

that its stakeholders place on the Bank, and how its business operations are to be conducted and developed. This helps the Bank to make well-founded decisions and provides important input for prioritising sustainability work in different business areas and home markets.

### STAKEHOLDERS

Handelsbanken's principal stakeholders are customers, employees, owners and investors, trade unions, and the community at large, including special interest organisations, public authorities and legislators. The Bank's main stakeholder groups have been identified based on the fact that Handelsbanken's operations materially affect them, or are materially affected by them. Handelsbanken also maintains continual dialogues with other stakeholders, such as equity research analysts, trade associations, sustainability analysts, non-profit organisa-

tions, international organisations, municipalities and county councils, suppliers, press and media, students, schools and universities. For Handelsbanken, corporate social responsibility means living up to the expectations of these stakeholders and acting so as to maintain their trust in the Bank.

### Customers

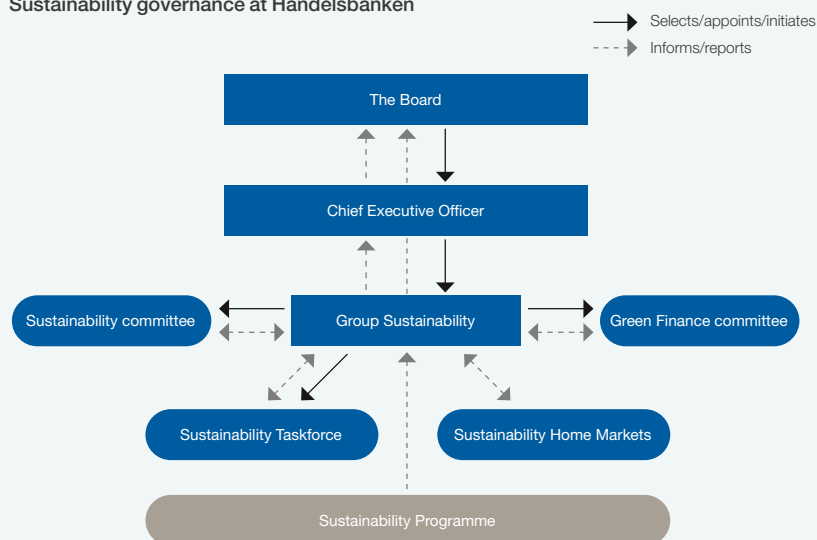
The most important dialogue occurs in the customer meetings that take place every day. These meetings can be held face-to-face at a branch, over the phone, at digital meeting places or on social media. Customer surveys are also carried out continually in order to gain a better understanding of the customers' expectations of Handelsbanken and its sustainability work. Within investment advisory services, sustainability preferences are a standing item on the agenda, and the Bank has seen that

#### Stakeholder model

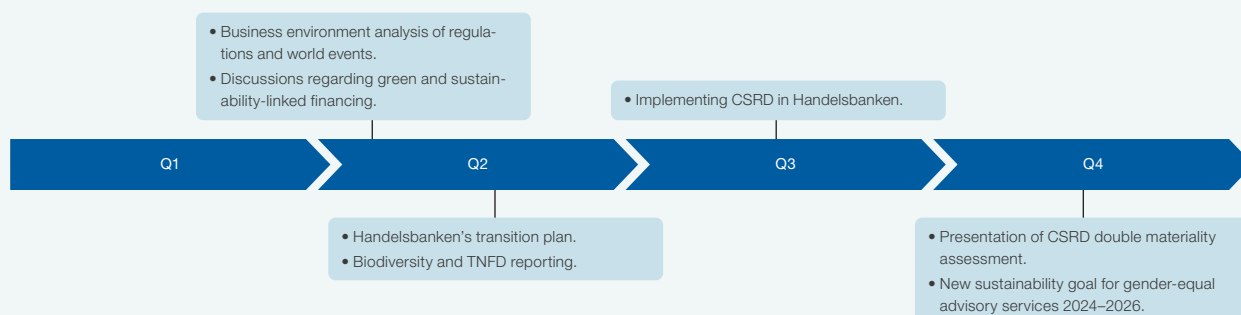


*All stakeholders have expectations of Handelsbanken. They all want the Bank to be stable and responsive to their expectations. How well the Bank manages to live up to these expectations has an impact on the continued success of Handelsbanken.*

#### Sustainability governance at Handelsbanken



#### The Sustainability committee's work in 2023



63 per cent of customers in Sweden state that sustainability is important to them when choosing where to invest their savings.

### Employees

The Bank's employees are a key stakeholder group. Without the right employees, it does not matter how good the products and services are. By participating in their unit's annual business planning process, each individual employee can join, contribute to and influence the way the business is run.

### Owners and investors

The shareholders ultimately determine how Handelsbanken is governed. Shareholders' rights to decide on matters concerning the company's affairs are exercised at regular shareholders' meetings. In the past five years, shareholders corresponding to more than 50 per cent of the votes have been represented. The Bank provides investors, analysts, rating agencies and other capital market players with information regarding Handelsbanken's operations, sustainability work and financial performance. The Bank's management, together with Investor Relations, has had numerous meetings with the Bank's equity and debt investors. On several occasions, the Bank's Chief Sustainability and Climate Officer or Deputy Sustainability and Climate Officer have participated in the meetings, in order to present and answer questions about the Bank's sustainability work.

### Trade unions

Handelsbanken has long had good relationships with the trade unions we deal with, and this is an important part of the Bank's culture. There is an ongoing dialogue between union representatives and managers concerning the operations, on matters such as significant changes – where valuable insights and knowledge are shared as early as the concept stage.

### Society

Handelsbanken has an ongoing dialogue with stakeholders including supervisory authorities, central banks, regulatory bodies, as well as governments and parliaments in Sweden, the EU and the rest of the world. The Bank also maintains contact with several non-governmental organisations (NGOs). During the year, the Bank has had multiple ongoing dialogues, responded to questions and participated in discussions and seminars, to ensure that it remains abreast of the latest developments in sustainability and is up to date with important viewpoints.

### Sustainability analysts

More than twenty investment banks have research analysts who regularly monitor Handelsbanken and its share and debt instruments. In recent years, many of these investment banks have supplemented their traditional company evaluation with an additional evaluation focusing on sustainability. Independent research firms that concentrate solely on sustainability are also becoming more prominent, with analysts evaluating many dimensions of the Bank's sustainability work. These evaluations often take the form of extensive questionnaires, but also include dialogues with individual analysts. During the year, Handelsbanken responded to more than 15 enquiries, surveys and analyses from various international actors.

### Suppliers

Handelsbanken purchases goods and services from numerous suppliers. With the Bank's Supplier Code of Conduct as a starting point, a continuous dialogue is maintained with the most prominent suppliers, with sustainability topics being a central aspect. One result of these dialogues is that the Bank motivates and engages its employees, while also improving both its own and its suppliers' sustainability work.

### SUSTAINABILITY ORGANISATION

Handelsbanken's sustainability work is decentralised and carried out wherever the Bank's business and operational decisions are made. The work is coordinated by a Group-wide specialist function headed by Handelsbanken's Chief Sustainability and Climate Officer, who reports directly to the Chief Executive Officer and is part of the Bank's executive management. The functional responsibility for sustainability work within the Handelsbanken Group is delegated to the Bank's Chief Sustainability and Climate Officer by the Chief Executive Officer and includes a mandate to ensure that sustainability work functions well, is undertaken in accordance with internal and external rules, and involves the further development and improvement of sustainability practices taking into account macro-economic factors.

### THE ROLE OF THE BOARD AND EXECUTIVE MANAGEMENT

Handelsbanken's Board has adopted a policy for sustainability in the Handelsbanken Group, supplemented by guidelines from the Chief Executive Officer in a number of key sustainability areas. The policy for sustainability and supplementary guidelines are available on handelsbanken.com.

In addition to the Board's annual review of the policy for sustainability, the Chief Sustainability and Climate Officer must follow up and report to the Chief Executive Officer and the Board on the Bank's overall sustainability activities every quarter, including matters of urgency to the organisation, and its performance in relation to the sustainability goals that have been adopted. These reports also describe any significant deviations and, where necessary, actions taken as regards Handelsbanken's sustainability work. No significant deviations were reported to the Board during the year. Examples of matters that the Board was informed of or were discussed include work towards the Bank's sustainability goals within investment portfolios, sustainable financing according to financing terms and market conditions and regulations such as current and future reporting principles relating to CSRD.

### COORDINATION ACROSS THE HANDELSBANKEN GROUP

The Chief Sustainability and Climate Officer is also the Chair of Handelsbanken's Sustainability committee, which was formed in 2010. The Sustainability committee analyses the sustainability work undertaken by the Group and, where necessary, takes on a coordinating role. Potential problems and business opportunities are highlighted, and pre-emptive plans of action are established. Decision-makers from both the business operations and central departments make up the Sustainability committee. Several of the members are also part of the Bank's executive management. The Sustainability committee convenes at least three times per year, or more often if necessary.

The process for approving new and amended products and services is based on the Bank's policy for products and services and adheres to a checklist describing the product's characteristics, risks and other relevant information. The process is also intended to ensure that sustainability topics are taken into account.

In order to ensure that the Bank makes the best use of its capacity for innovation, and that all units across all parts of the Bank work together, there are additional working groups with a remit relating to sustainability. One example is the Green Finance committee (GFC), which is responsible for determining technical criteria for green loans, and for approving assets for inclusion in Handelsbanken's portfolio of green assets. In its assessment, the committee considers areas such as life-cycle analysis, positive effects on the climate, powers of resistance and scientific targets. Another example is the committees within Handelsbanken Fonder which prepare matters for decision by the fund com-

pany's CEO regarding methodology development, selection criteria, and whether companies meet the requirements to qualify as being in transition.

During the year, Handelsbanken Group Technology, Data, Innovation established an interdisciplinary working group to promote, implement and oversee sustainable solutions and methods within the organisation. The working group is responsible for training and raising awareness among the organisation's employees about sustainable IT principles and their role in achieving the Bank's sustainability goals, as well as how technology, data and innovation can help Handelsbanken's customers in their sustainable transition.

There are also cross-regional teams with sustainability managers for different geographical markets, which are called Sustainability Home Markets. Both Norway and the UK have dedicated sustainability departments, and in Norway, the Chief Sustainability and Climate Officer is also part of the management team. In the Netherlands, work is coordinated by the Head of Corporate Sales Support Officer and the Head of Internal Governance, Administration and Operational Risk Control. Both functions report directly to the Country General Manager for the Netherlands. Handelsbanken has also launched a cross-organisational programme to identify and coordinate needs for developing infrastructure, data collection and information provision to meet the growing reporting and transparency requirements relating to sustainability. The programme supports the business operations and makes it possible for the Bank to follow up and communicate on its sustainability goals, as well as to report according to regulations, requirements from public authorities and external obligations.

#### HANDELSBANKEN AND THE SUSTAINABLE DEVELOPMENT GOALS

When the UN adopted the 2030 Agenda and the associated SDGs, Handelsbanken's Sustainability committee analysed all 17 goals and the related 169 targets in order to understand how the Bank can work with the goals and the link to operations and the Bank's material sustainability topics. The analysis was from the perspective of impact, risks and opportunities. Based on the results of the analysis, Handelsbanken elected during the years to focus primarily on the following six goals: Gender Equality; Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Sustainable Cities and Communities; Climate Action, and Peace, Justice and Strong Institutions.

For all these goals, Handelsbanken can contribute through its own operations and through business relations. The importance of gender equality, decent work conditions and children's rights are a natural part of the Bank's own operations. Handelsbanken wants to help highlight and accelerate its progress in the communities where the Bank operates and the companies it does business with.

With significant lending to the property sector, Handelsbanken has a particular responsibility in terms of sustainable cities. In corporate lending, the Bank wants to contribute by reducing its indirect impact on the climate and by financing companies leading the way in the transition to a more sustainable economy. The goal of Peace, Justice and Strong Institutions includes the goal of significantly reducing illicit financial flows and substantially reducing corruption and bribery in all their forms, an area where banks play a crucial role and where the Bank recognises the particular importance of its own role.

The 17 SDGs and the 169 related targets represent the agenda for achieving a sustainable future by 2030. Handelsbanken's business can contribute to all 17 goals in the long term, and although the Bank has the greatest impact on the six goals named above, it applies all of the goals in its operations.

#### SUSTAINABILITY RISKS

Sustainability risk is the risk of financial loss that can arise if the Bank fails to identify and manage risks related to the environment, the climate, social conditions and corporate governance in accordance with the policies, guidelines, commitments and ambitions that form the basis for the Bank's general sustainability work. Also included is the risk that the Bank overlooks sustainability risks in its operations that fall outside the framework of existing policies and guidelines. It may also harm Handelsbanken's reputation. Sustainability risks span many areas, such as the environment and climate, human rights, working conditions, financial crime, information and IT security, and corporate governance issues. Sustainability risks are an integrated part of the Bank's existing risk classes, such as credit risk and financial risks, as well as compliance risks. Sustainability risks may arise in the Bank's own operations and through the Bank's business, such as granting credit and investments. More information about the Bank's sustainability risks and risk management is available in the report Risk and Capital – Information according to Pillar 3 2023 on pages 87–104. The identification, management and prevention of sustainability risks is important from both

a financial and a legal perspective, as are the Bank's actions as a community stakeholder. These also play a critical role in the confidence instilled in the public, as well as relationships with customers, employees, owners and investors. Handelsbanken's view is that responsible actions are thus essential to long-term value creation. Activities for managing sustainability risks follow its decentralised model and are aligned with the Bank's generally low tolerance of risk. The Bank's business operations bear the responsibility for identifying and managing sustainability risks. This is done within a framework of established processes for risk management.

A number of leading conventions and guidelines for managing sustainability risks are provided here:

- Task Force on Climate-related Financial Disclosure (TCFD).
- UN Environment Programme Finance Initiative (UNEP FI).
- EBA Guidelines on loan origination and monitoring.
- Partnership for Carbon Accounting Financials (PCAF).
- Science Based Targets initiative (SBTi).
- UN Principles for Responsible Banking (PRB).
- UN Principles for Responsible Investment (PRI).
- Equator Principles.
- Taskforce on Nature-related Financial Disclosures (TNFD).
- UN Universal Declaration of Human Rights.
- International Labour Organisation's core conventions.
- UN Convention on the Rights of the Child.
- UN Guiding Principles on Business and Human Rights.
- Children's Rights and Business Principles.
- UN Global Compact.
- UK Modern Slavery Act.
- EU legislation for anti-money laundering and customer due diligence.
- ISO 27001 international standard.
- Standard of Good Practice produced by Information Security Forum (ISF).



## Management of sustainability risks

Risk area	Risk description	Actions to minimise the risk	Effects by risk class
<b>Climate</b>	<p>Climate-related risks are diverse, complex and often hard to measure. These risks can be divided into physical risks and transition risks. Assets that cannot be utilised due to the climate transition or climate change and lose their value are usually referred to as stranded assets.</p> <p>Physical climate-related risks arise as a consequence of global warming, which in turn is driven by increased greenhouse gas (GHG) emissions. Physical climate-related risks can be divided into acute and chronic risks. Acute risks concern the increased risk and strength of extreme weather events, such as storms, heavy rainfall, flooding and heat waves. Chronic risks refer to long-term changes in climate patterns, such as sustained higher temperatures, rising sea levels or changed precipitation patterns. Both acute and chronic risks may have a negative impact and cause damage to assets or operations that the Bank has financed or in which it has invested.</p> <p>Transition risks consist of risks linked to the transition to an economy with lower emissions and ultimately net-zero GHG emissions. Transition risks may arise, for example, through changes to legislation, changes in the demand for products and services, changed customer behaviour or other structural shifts caused by the transition.</p>	<p>The credit process has been updated and clarified in terms of the assessment of climate-related risk. Handelsbanken has separated climate-related risk from environmental risk in the credit assessment and made it a separate main area. At the same time, the instructions to assess climate-related risk were clarified, and additional documentation requirements for larger credits were introduced.</p> <p>Periodic screening of companies the Bank invests in, checklists in the credit assessment process, support with the help of sector-specific sustainability risks established by external experts, documentation requirements and systems support.</p> <p>Policy documents and instructions for responsible investment and responsible credits, including "Fossil energy – sector framework".</p> <p>In line with TCFD recommendations, the Bank has intensified its work to improve its capacity to assess potential risks of all sizes, particularly those associated with properties. An analysis was conducted of property-specific risk for properties in Sweden, looking at mean sea level rise, as well as a study of flooding risk for properties in Stockholm in the event of extreme sea level rise. These analyses were based on externally calculated climate scenarios provided by the Swedish Meteorological and Hydrological Institute (SMHI).</p>	<p><b>Credit risk</b> Increased credit losses and capital costs due to a deterioration of the financial position of customers financed by the Bank. Credit risk is affected by changes in the borrower's repayment capacity and by changes to the value of the collateral. Climate-related risk is important given that Handelsbanken has a major exposure to the property sector. Physical climate-related risks may cause damage to property which reduces the value of the collateral and also leads to reduced income if the property is used, for example, in production or for leasing. Similarly, transition risks, such as stricter requirements for energy efficiency in properties, entail modification costs that impact repayment capacity and may affect the value of the collateral. New greener production technology may compete with existing companies and impact their income. Deficiencies in terms of environmental, social and legal matters may cause credit losses.</p> <p><b>Liquidity risk</b> Increased costs for market funding if the credit risk in the Bank's assets increases or if the Bank's reputation deteriorates due to sustainability factors.</p> <p>Weakened liquidity if customers use deposits or utilise revolving credit facilities to finance any restoration following acute damage or other events linked to other sustainability factors.</p>
<b>Environmental</b>	<p>Environmental risks are linked to both the Bank's own operations and the suppliers it uses, but also to the companies Handelsbanken invests in and grants credit to. The risks may be associated with direct environmental incidents, pollution or other negative impacts on the environment or ecosystems. However, they may also be indirect, such as business relations with companies engaging in operations that are not aligned with the transition to an environmentally sustainable economy, or which do not give sufficient attention to environmental issues in their operations.</p>	<p>Supplier Code of Conduct.</p> <p>Periodic screening of companies the Bank invests in.</p> <p>Checklists in the credit assessment process, support with the help of sector-specific sustainability risks established by external experts, documentation requirements and systems support.</p> <p>Policy documents and instructions for responsible investment and responsible credits.</p>	<p><b>Market risk</b> Weakened return on the Bank's assets and liabilities, for example through changes in share prices and credit spreads due to sustainability factors.</p> <p>General market risk impacts through sustainability-related effects. At the national level, interest rates and exchange rates may be affected by how the country is expected to suffer from acute and chronic climate events and the assessment of the country's willingness and capacity to transition. Aspects such as the country's natural resources, social conditions, access to renewable energy and technical innovative capacity relating to sustainability are also relevant.</p> <p>Weaker market liquidity and increased volatility due to uncertainty about the future.</p>
<b>Human rights, social conditions and working conditions</b>	<p>The risk of abusing human rights is greatest in the role the Bank has as a lender and when it invests in companies, although the risk is also present in its own operations. Risks related to social conditions chiefly concern working conditions. This refers mainly to health and safety, harassment and victimisation, as well as union rights, reasonable wages and rights to all employee benefits as regulated by law. In its own operations, the risk is mainly linked to the Bank as an employer and the Bank's business culture, as well as relationships with suppliers.</p>	<p>Mandatory training for employees, the Supplier Code of Conduct, supplier audits, the revision and strengthening of related processes associated with the Group's operations and its range of products and services.</p> <p>Periodic screening of companies the Bank invests in, checklists in the credit assessment process, support with the help of sector-specific sustainability risks established by external experts, documentation requirements and systems support.</p> <p>Policy documents for responsible investment and responsible credits.</p>	<p><b>Operational risk</b> Operational losses caused by deficient information security, IT system outages, events resulting from financial crime or sustainability-related business disruptions.</p> <p>Risk of impaired reputation and decreased customer satisfaction if the Bank or those customers receiving financing are deficient from a sustainability perspective. This could be the case if the Bank is perceived to be guilty of greenwashing its products and sustainability goals.</p>
<b>Financial crime</b>	<p>These risks are chiefly associated with the use of the Bank's products and services for criminal activity. This refers primarily to money laundering, corruption, terrorist financing, various types of fraud, tax crime and other serious financial crime.</p>	<p>Mandatory training to raise employees' awareness, constant revision and strengthening of related processes.</p> <p>Customer due diligence, including customer committees and transaction monitoring.</p>	<p><b>Compliance risk</b> Non-compliance, which could lead to sanctions, financial loss or loss of reputation.</p>
<b>Information security and IT security</b>	<p>Risks linked to deficiencies in the management of personal information and company information with respect to availability, accuracy, confidentiality and/or traceability.</p>	<p>Administrative systems, such as rules and instructions, as well as technical security solutions.</p> <p>Continuous follow-up of events which occur both within and outside our operations, for example, through collaboration in international forums.</p> <p>Mandatory training for employees and customers, in order to increase awareness of the threats and risks related to information security.</p>	

## RESPONSIBLE LENDING

Handelsbanken's lending is based on an assessment of the individual customer's repayment capacity. This assessment ensures that credits are not granted to customers with excessive debt, which could lead to them being unable to repay their loans. This level of attention benefits the Bank, the customer and society at large. Sustainability is a vital aspect of the Bank's credit policy. This policy states that lending is to be responsible and in this respect a high level of business ethics is crucial. Handelsbanken also governs the types of risk that should be considered and assessed in its lending operations by applying Group-wide instructions. An analysis of financial, social and environmental sustainability in the customer's business must always be taken into account, and sustainability risks are integrated into the analysis of the customer's repayment capacity. In the assessment, the Bank factors in the impact from and on areas such as the environment and climate, human rights, and basic principles regarding working conditions, corruption and bribery. Climate-related risks, both physical and transition risks, are a focal point of this assessment.

Here, the Bank's assessment provides an understanding of the customer's transition needs and how Handelsbanken can support these activities in the future to reduce risks in the customer's operations. The Bank's work to help real estate customers enhance their energy efficiency is a concrete example of how we work with sustainability when granting credit. One aim of this is to reduce the risks relating to the future minimum requirements for energy efficiency and to reduce energy and operating expenses in the long term.

Handelsbanken also excludes controversial sectors under established guidelines for business relations, such as coal mining and other fossil fuel extraction.

In 2023, the sustainable construction initiative Hållbar byggbransch was launched – a collaboration between six major banks in Sweden and the construction and property sector. The initiative aims to combat tax evasion and illegal labour, and to promote healthy competition in the industry. As a lender, Handelsbanken has an important role to play, together with other banks, for positive change. Based on common guidelines developed within the framework of the initiative, Handelsbanken now applies special terms when lending to construction and property companies. The terms aim to give borrowers better control of their construction sites through digital control and follow-up systems.

## RESPONSIBLE FINANCING

According to the European Commission, buildings in the EU account for 40 per cent of the

EU's energy consumption and 36 per cent of GHG emissions. Through the revised Energy Efficiency Directive, the total energy consumption at the EU level will decrease by 11.7 per cent by 2030, and according to the European Climate Law, the EU's emissions are to decline by at least 55 per cent by 2030.

As part of the EU's work in climate and energy efficiency, the Union is reviewing the Energy Performance of Buildings Directive (EPBD). The proposals presented would involve the introduction of Minimum Energy Performance Standards (MEPS) for existing buildings. Depending on how the Directive is formulated and how far-reaching the new requirements are, this could have an impact on Handelsbanken's customers and thereby also the Bank. The Bank is following developments and measures and reports key metrics linked to energy efficiency and its customers' properties in the Bank's Climate Change Progress Report 2023.

More information about the Bank's requirements regarding the fossil fuel sector and the results of the analyses are presented in the Climate Change Progress Report 2023, available at [handelsbanken.com/en/sustainability](https://handelsbanken.com/en/sustainability).

The property sector is key to both reductions in energy consumption and a reduction of emissions. The Bank's impact analysis related to its PRB activities states that the Bank's opportunities for increased positive impact and decreased negative impact in terms of the environment and climate are mainly within the construction and property sector since it represents a significant portion of the lending portfolio.

At the global level, high standards will be set when it comes to the transition of the sector, and Handelsbanken will work closely with its customers to drive developments in line with international, national and local regulations such as the Paris Agreement and the SDGs. Guidelines and activities based on these initiatives and regulations will be stated in the Bank's own transition plan.

For several years, the Bank has offered green and sustainability-linked financing, as well as advisory services in green and sustainable loan and market financing to a number of sectors. The sectors affected, primarily by green loan financing, are construction and real estate, focusing on reduced energy consumption, although green loan financing also includes assets within forestry, renewable energy, environmentally friendly transport, waste management and water management. These areas are crucial for a transition in line with the Paris Agreement, where a renewable energy system, decreased negative impact on biodiversity and reduced climate impact from the construction and property sector will be vital.

In the markets where Handelsbanken mainly operates, the majority of its lending is property related, meaning that the impact analysis as regards reducing energy consumption is relevant for the whole Bank. 90 per cent of the Bank's loans to the public on 31 December 2023 comprised financing of the property sector. Customers are private individuals, housing co-operative associations, SMEs and large real estate companies. All customer segments can benefit from a product range that promotes a sustainable transition.

## EXPOSURE TO CLIMATE-RELATED RISKS

Over the years, Handelsbanken has successively stepped up its environmental guidelines with regard to the fossil-fuel sector, with the aim of clarifying that the Bank is aware of, and acts on, risks associated with the extraction and consumption of fossil fuels among the companies we have business relationships with. One consequence of this is that the Bank has reduced its lending to the fossil fuel sector over time. Lending has declined 75 per cent since 2021 to SEK 387 million, corresponding to 0.02 per cent of total loans to the public.<sup>1</sup>

A substantial part of the Bank's lending is to the property sector. Properties are potentially associated with climate-related risks, as they can be exposed to both physical climate-related risks and transition risks. There are opportunities for increased business volumes when the Bank finances customers' investments relating to climate change mitigation and adaptation. As regards climate-related risks, the Bank has intensified its work in recent years to improve its capacity to assess potential risks of all sizes, particularly those associated with properties. An analysis was conducted of property-specific risk for properties in Sweden, looking at mean sea level rise, as well as a study of flooding risk for properties in Stockholm in the event of extreme sea level rise. These analyses were based on externally calculated climate scenarios provided by the Swedish Meteorological and Hydrological Institute (SMHI).

More information about the Bank's stricter requirements relating to the fossil fuel sector and the results of the analyses are presented in the Bank's Climate Change Progress Report for the lending operations, available at [handelsbanken.com/en/sustainability](https://handelsbanken.com/en/sustainability).

## DEVELOPMENTS IN 2023

Last year's escalating energy crisis has led to greater focus on energy and energy efficiency. Sharp interest rate increases have resulted in a decrease in financial buffers, and a survey by

<sup>1</sup> In order to align with future reporting requirements, Handelsbanken has in 2023 included additional sectors in its reporting of the Bank's exposure to the fossil fuel sector.

Novus in summer 2023 found that 18 per cent of Swedes were concerned about how they would cope with high energy costs during the winter. Following a summer with heavy flooding and subsequent landslides, many customers have begun to review their opportunities to protect their properties through various types of climate change adaptation.

We create and bundle products and services with attractive offerings to partially offset the costs entailed in energy efficiency measures.

In 2023, Handelsbanken in Sweden launched a new digital service, Energikollen, that guides and helps mortgage customers find the right type of energy efficiency measures adapted to their housing circumstances. It also visualises the energy class the residential property may receive after implementing a number of measures to improve energy efficiency. At the same time, a number of more favourable terms were launched for products related to solar panels, geothermal heating solutions and air-based heat pumps as well as energy declarations.

There is an increasing demand from customers for loan products that take the environment and climate into consideration as these products create value and incentives. Handelsbanken can see continuing strong demand for green and sustainability-linked financing products at the Bank and in the bond market for large corporate customers. Sustainability-linked loans are the most requested loan products in the large corporate group. Climate remains the most common sustainability aspect to which loans are linked in a sustainability-linked structure but as the number of borrowers increases we are seeing signs of a diversification of the theme.

The interest in thematic funding is strong and, despite a more volatile bond market, the Bank has noted continued significant interest, from both issuers and investors. Green bonds remain the most common sustainable form of funding in the Nordic capital market.

## HANDELSBANKEN'S GREEN BONDS

Handelsbanken established its first Green Bond Framework in 2018 and has since issued two bonds within this framework – one in 2018, and one in 2020. In order to develop the green offering, the Bank's Green Bond Framework was updated in 2022 and the Bank issued a third green bond under the framework. During the first quarter of 2023, Handelsbanken issued, through the subsidiary Stadshypotek, its first covered green bond: a five-year bond under the framework for a total value of EUR 1 billion. During the second quarter, Handelsbanken issued, through the subsidiary Stadshypotek, its first covered green bond in the SEK market: a five-year bond for a total value of SEK 9 billion. All of the issues attracted a great deal of interest from the market and were heavily over-subscribed.

Handelsbanken's Green Bond Framework is based on the Green Bond Principles 2021, which are guidelines developed by the International Capital Market Association (ICMA) that have been adjusted in order to comply with the EU Taxonomy criteria. An independent evaluation has been performed by CICERO Shades of Green.

The capital raised through the issue of Handelsbanken's green bonds is used for lending to clearly definable investments that lead to low carbon emissions and a climate-sustainable future. Examples of this are clean transport, sustainable forest management, green buildings, renewable energy and sustainable water management. In June 2023, the Bank reported the environmental impact of its green bonds by publishing a Green Bond Impact Report.

## Green assets

Handelsbanken has built up a green registry, consisting of credits that finance green assets and that comply with the requirements and criteria stipulated in Handelsbanken's Green Bond Framework. At the time of the first issue in 2018, the assets in the green registry totalled approximately SEK 10 billion. The volume had increased to SEK 89 billion at the end of 2023.

## SUSTAINABLE LOAN AND FINANCING PRODUCTS

One of the Bank's main contributions to sustainable development is in the interaction with our customers through the financial products we offer. Thus, it is vital to take sustainability into account when approving new and amended products. The process for this is based on the Bank's policy for products and services and adheres to a checklist describing the product's characteristics, risks and other relevant information. The process is also intended to ensure that sustainability topics are taken into account.

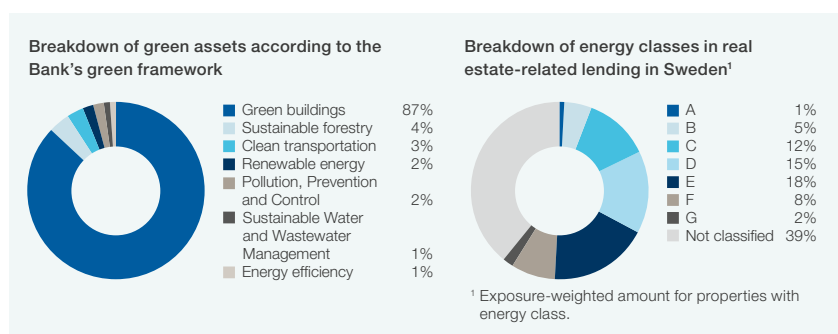
Handelsbanken offers several types of green lending products. To ensure that the environment and climate are taken into consideration when a green loan is used for financing, the Bank has developed technical criteria that must be satisfied by all green loan products which are approved by the Bank's Green Finance Committee.

## Offerings to corporate customers

Green loans to companies and housing co-operative associations include financing of buildings, renewable energy, sustainable forest management, water management, waste management, environmental transport, climate change adaptations, energy-efficiency measures, and investments aimed at retaining biodiversity. In Sweden, the Green Energy Loan, which was previously solely intended to be used to finance investments in energy efficiency improvements, such as solar panels, ventilation and geothermal heating solutions, was extended to also include climate-adaptation measures such as flooding and was renamed the Climate and Energy Loan (Klimat och Energilån). The loan is available to private individuals, companies and housing co-operative associations. In order to help customers review different types of investments linked to these improvements, Handelsbanken has partnered with a Swedish technology consultancy company.

Handelsbanken has seen a marked decline in new builds, where green construction credit has been an attractive product, and instead noted increased interest in renovation focusing on energy and climate-adaptation measures. The Bank can help the customer throughout the process with its range of green financing with additional advisory services.

Green financing can be provided to both large and small customers who wish to finance a specific investment or asset with an environmentally sustainable purpose. For large customers who do not require financing for a specific project or investment with such a purpose but who are engaged in transparent, ambitious sustainability efforts, Handelsbanken can offer



sustainability-linked loans with incentives for the customer to improve in predetermined sustainability goals. These targets are often company-specific, such as a reduction in carbon emissions in line with the Paris Agreement's 1.5°C target, energy efficiency, recycling rate or social factors.

Companies wanting to finance electric-powered vehicles, electric-powered carriers and buses can choose green leasing for an individual lease or for their vehicle fleet. Since 2023, battery charging stations can also be included in green leasing, in response to demand and interest from our customers.

### Offerings to private customers

The majority of new builds in Sweden are energy-efficient constructions, and the demand for energy-efficient homes has increased significantly among the Bank's private customers. Handelsbanken has a positive view of developments, and wishes to encourage it by offering more favourable terms for mortgage loans, known as green mortgage loans. During the year, lower interest rates were launched in Norway and the Netherlands for private customers with energy-efficient houses.

To assist customers in their climate transition and to highlight the advantages and possibilities associated with reduced energy consumption, Handelsbanken has created an advisory website with everyday energy saving tips, green offers from business partners and a digital guide for various energy efficiency measures for the

customer's home. The purpose of this package is to give customers the support and solutions to make energy efficiency improvements more easily and fund the measures with Climate and Energy Loans at favourable interest rates.

### Product development and business development

Extensive product development work is taking place in all our home markets, with customer collaboration, processes and product development adapted to differing geographical markets where necessary as well as to national and local regulations. This is also well-aligned with Handelsbanken's decentralised working methods, local presence and regional conditions.

Examples of activities:

- a central coordinating function for product development to ensure better knowledge sharing
- development of tools to support advisory discussions about, and the assessment of, sustainability work by SMEs
- customer and stakeholder dialogue on products and advisory services
- ongoing dialogue and interaction and external collaborations to develop advisory tools – mainly for SMEs but also for private customers
- training employees in products and advisory services, for example, with films and webinars explaining how sustainable financing is addressed and included in customer meetings
- engagement and dialogue in various stakeholder groups, such as trade associations

- business development activities internally and with external partners to facilitate the collection of sustainability data from customers.

## RESPONSIBLE INVESTMENTS

As a part of the financial system and as manager of its customers' savings, Handelsbanken plays an important role in facilitating society's transition to sustainable development. To achieve this, Handelsbanken and its subsidiaries have set a number of challenging sustainability goals. Below, we describe how the various subsidiaries within the savings area work with responsible investments, active stewardship and product development. The focus area is the subsidiary that generates the largest impact, Handelsbanken Fonder, which manages just over SEK 904 billion, representing about 88.4 per cent of the total assets under management in Handelsbanken.

### HANDELSBANKEN FONDER

Handelsbanken Fonder AB is a fund company with 112 mutual funds. The company offers active and passive, equity, fixed income and allocation management. The fund company has been permitted to conduct mutual fund operations since 1991.

### Sustainability in fund management

Together with financial criteria, ESG factors are integrated into Handelsbanken Fonder's analysis and investment decisions. The purpose of the sustainability analysis is both to identify risks in companies' business models and to find companies at the forefront of the transition to sustainable development. The approach varies depending on the asset class and asset management strategy, but the work is based on the following three methods: inclusion of investments, exclusion of investments and active stewardship.

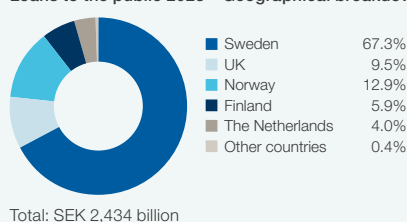
### Inclusion

Handelsbanken Fonder applies a long-term investment horizon and works in different ways to identify and invest in companies with sustainable operations, or whose products and services promote sustainable development, in accordance with the goals of the 2030 Agenda and the Paris Agreement.

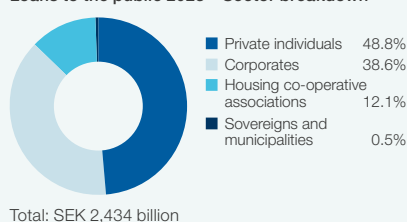
For actively managed equity funds and fixed-income funds, the company evaluation is critical. Each company is analysed based on relevant questions regarding its strategy, financial and non-financial results and risks, capital structure, social and environmental impact, and corporate governance. The analysis is based on information from the companies, external sources and own internal analysis.

Loans to the public – by sector 31 December 2023	SEK bn	Proportion of total lending, %
Private individuals	1,191	48.8
Housing co-operative associations	294	12.1
Property management	732	30.1
Manufacturing	23	0.9
Retail	31	1.3
Hotel and restaurant	6	0.3
Passenger and goods transport by sea	1	0.0
Other transport and communication	12	0.5
Construction	19	0.8
Electricity, gas and water	16	0.7
Agriculture, hunting and forestry	22	0.9
Other services	22	0.9
Holding, investment, insurance companies, mutual funds, etc.	24	1.0
Sovereigns and municipalities	12	0.5
Other corporate lending	29	1.2
<b>Total</b>	<b>2,434</b>	<b>100.0</b>

Loans to the public 2023 – Geographical breakdown



Loans to the public 2023 – Sector breakdown





The allocation management team offers actively managed funds-of-funds. This means that investments are made in other funds rather than in individual companies. The process for selecting and following up fund investments takes sustainability criteria into account at both the fund and fund company level. It also looks at organisation, sustainability, the management team and the investment process. For all fund managers, with no exceptions, the allocation management at Handelsbanken Fonder demands systematic sustainability work.

Index management and other passive management are rules-based types of fund management where the sustainability approach of each fund is integrated into the funds' index methodology or strategy. It is therefore seen as vital to actively select indexes and strategies that reflect the fund company's sustainability requirements. Indexes are produced in collaboration with an index supplier and a supplier of sustainability analyses.

Certain indexes tracked by the passively managed funds include companies based on their ESG performance. This is done through an evaluation of the companies' ESG ratings, and companies that successfully manage sustainability-related risks and opportunities are favoured. Handelsbanken Fonder also offers mutual funds with indexes that select and weight companies so that the portfolio's GHG emissions are aligned with the Paris Agreement's climate goals.

**Index funds aligned with the Paris Agreement**  
Since 2021, seven index funds track Paris Aligned Benchmarks (PAB). These indexes have been structured to be in line with the emissions reductions required to achieve the goals of the Paris Agreement. The transition to these indexes is one step in the process of reducing the emission intensity of the portfolios, and a key milestone on the way to net-zero emissions. In 2023, another Paris-aligned index fund was launched, Handelsbanken Developed Markets Index Criteria. Accordingly, at year-end eight of the fund company's index funds tracked Paris Aligned Benchmarks, and the assets under management in these mutual funds amounted to SEK 135.2 billion or 15 per cent of assets under management.

#### Investing in companies in transition

Handelsbanken Fonder wants to be part of the transition to a world with low carbon emissions. Companies that make the transition from fossil energy production to renewable energy production play an important part in actually reducing overall carbon emissions. A certain degree of exposure to the fossil fuel sector can therefore be accepted if a company meets the fund com-

pany's requirements to qualify as a company in transition. This applies to most of the mutual funds, and relates to companies in power generation, transmission and distribution of electricity.

Handelsbanken Fonder's Sustainability committee prepares supporting documentation for the CEO, who then decides whether a company meets the requirements established for qualification as a company in transition. Currently, 21 companies have qualified, meaning that the fund company's actively managed equity funds and fixed-income funds, its actively managed allocation funds and some passively managed funds can invest in these companies.

The index funds that track Paris-aligned Benchmarks are also able to invest in companies in transition, but this is determined by clear quantitative rules as part of the index methodology. Nine companies are currently recognised as companies in transition and are thus approved for investment by these mutual funds.

Read more about the requirements for companies in transition at [handelsbankenfonder.se](https://handelsbankenfonder.se).

#### Sustainable bonds

Sustainable bonds are one way of injecting capital to finance a company's sustainability initiatives, and the availability of various types of sustainable bonds on the bond market continues to grow. Handelsbanken Fonder's active fixed-income management has been monitoring this trend closely, and is a major investor in green, social and sustainable bonds.

In early 2023, Handelsbanken Hållbar Global Obligation invested in a social bond issued by a UK bank where the funding is solely used to support SMEs run by women in the UK. The purpose of this Women-Led Social Bond is to balance gender inequalities and enable women to expand their operations.

At the end of 2023, holdings of green, sustainable and social bonds totalled SEK 52.3 billion for the entire fixed-income management.

Fixed-income management is also investing in sustainability-linked bonds (SLBs). These are bonds that facilitate the responsible financing of a company's transition, using predefined sustainability goals that the company is required to meet, together with the ongoing reporting of its progress.

During the year, Handelsbanken Hållbar Global High Yield invested in a sustainability-linked bond issued by a Brazilian company active in the paper and packaging industry. The company is Brazil's largest producer and exporter of packaging paper and sustainable packaging solutions. The framework followed by the bond focuses on reducing water use in the company's production of paper products. The framework also includes a goal that focuses on biodiversity under which the company is to

reintroduce two regionally extinct species and reinforce at least four threatened species into the forests.

#### Impact investing

Impact investing concerns investments made with the intention to create a positive, measurable impact on society, the climate and environment in addition to financial returns. For Handelsbanken Fonder, this means in concrete terms that the fund company invests in companies that are considered to make a positive contribution, through their operations, to one or more of the SDGs. Each investment is analysed based on a framework to evaluate what the company does and for whom. The framework identifies the stakeholders who benefit from the company's solutions or operations. This can range from local populations in an area with social challenges to specific groups that lack access to fundamental human needs, as well as environmental and climate solutions in general. Areas where investments can be made include companies with products and services in sectors such as education, financial services, healthcare and medical services, housing, electricity, infrastructure, green energy, water and sanitation, sustainable agriculture and food production. The analysis also aims to provide a quantitative answer to the scope of the company's positive impact and how this changes over time.

Handelsbanken Fonder currently has two impact funds: Handelsbanken Latinamerika Impact Tema and Handelsbanken Global Impact. Handelsbanken Fonder is a member of the Global Impact Investing Network (GIIN). This is a global network that brings together impact investors to spread knowledge and methods, and to develop tools for impact investing.

#### Exclusion<sup>1</sup>

Handelsbanken Fonder excludes companies with products or business models that have high sustainability risks – and that risk hindering the objectives of 2030 Agenda and the Paris Agreement. Handelsbanken Fonder therefore excludes:

1. Products and services that significantly risk having an adverse impact on the world, the society or various stakeholders.
2. Investments that are at odds with Handelsbanken Fonder's role as a responsible investor and the fund company's ambition to invest in sustainable development and a sustainable future.
3. Certain products and services that represent an increased sustainability risk in the companies' value chains.
4. Individual companies deemed to have risks that cannot be managed through dialogues.

<sup>1</sup> According to the Swedish Investment Fund Association's definition of "exclusion", no more than 5 per cent of turnover in the company where the investment is made may derive from operations related to such products or services. The 5 per cent limit applies as in many sectors, it is difficult to secure zero tolerance at all stages. It can be difficult to establish the exact turnover related to a specific sector, which means that the external ESG analysis the fund company rely on is permitted to estimate the turnover level. This may lead to the level being either under-estimated or over-estimated compared to the actual situation. One example is that the fund company excludes companies within the media, hotel and telecommunication sectors where more than 5 per cent of turnover derives from the distribution of pornography.

**Limits for exclusion**

Sectors	Max sales production, %	Max sales distribution, %
Controversial weapons <sup>1</sup>	0	0
Nuclear weapons	0	0
Weapons and military equipment	5	5
Alcohol	5	5
Tobacco	0	5
Cannabis	5	5
Pornography	0	5
Commercial gambling	5	5
Fossil fuels – extraction	5	5
Fossil fuels – power generation	5 <sup>2</sup>	5 <sup>2</sup>
Oil sands	0	-

<sup>1</sup> Cluster bombs, anti-personnel mines, chemical and biological weapons.

<sup>2</sup> For the majority of the mutual funds, there can be an exemption from the principle of excluding fossil fuels for a period, if the company fulfils Handelsbanken Fonder's criteria for qualification as a company in transition. For further information, refer to the respective fund's prospectus.

For services related to these sectors, the upper limit is 50 per cent. Services refers to, for example, marketing, key components, raw materials, machinery and technical equipment, technology, IT and support services.

A handful of derivative-based exchange-traded funds (ETFs) do not apply these exclusion criteria. This applies to the XACT Bull (ETF), XACT Bull 2 (ETF), XACT Bear (ETF) and XACT Bear 2 (ETF) funds that have indirect exposure through OMXS30 derivatives to sectors covered by the fund company's exclusion criteria. For further information, refer to the respective fund's prospectus.

In accordance with the policy for shareholder engagement and responsible investment, all mutual funds therefore exclude all companies involved in controversial weapons, nuclear weapons and cigarette manufacturing.

The mutual funds also exclude companies that derive more than 5 per cent of their turnover from the extraction of combustion coal or that derive more than 30 per cent from coal power generation.

In addition, the fund company applies further exclusion criteria for 99.8 per cent of the fund volume.<sup>1</sup>

This means the mutual funds exclude companies that derive more than 5 per cent of their sales from controversial sectors, and sectors with business models that produce a significant increase in sustainability risk, for more information refer to the table above. The mutual funds also exclude companies that violate international norms and conventions in areas such as human rights, the environment, labour rights or anti-corruption and anti-bribery.

For equity funds and fixed-income funds, the requirements in the table apply when deciding to exclude companies and sectors. The allocation funds have the same requirements for funds they invest in, irrespective of whether these are Handelsbanken Fonder's own funds or funds managed by external fund managers.

**Follow-up and control**

The fund company's risk control function has daily monitoring activities to ensure that the mutual funds follow its rules regarding the exclusion of companies that do not meet the threshold values set by the fund company. This also applies to companies that violate international norms and conventions.

**Stewardship**

As a major investor and owner, Handelsbanken Fonder has a responsibility and an opportunity

to influence companies to act responsibly and run their operations in a sustainable manner. Active stewardship is carried out in a number of ways and can be divided into active stewardship and dialogues.

**Direct dialogues and collaborative engagements**

Dialogues can be conducted in various ways. These can be divided into direct dialogues and dialogues with other investors.

Dialogues cover strategic sustainability topics at a general level, such as demands for clearer objectives, or for a greater degree of transparency regarding the sustainability work carried out by the companies. They could also concern sector or industry-specific themes, risks or specific events that have adverse impact on sustainable development. The fund company's portfolio managers and sustainability specialists often take part in the direct dialogues, which adds value to the dialogue through additional relevant perspectives on the company's operations, risks and opportunities. In 2023, Handelsbanken Fonder held direct dialogues with 199 companies. Climate dialogues as a prioritised issue for the fund company and in 2023, the fund company held 80 direct dialogues with companies on the climate. Dialogue is also a tool to manage the portfolio companies' risks, adverse impacts and opportunities in respect of biodiversity and human rights. In 2023, the fund company held 27 direct dialogues with companies on biodiversity and 53 direct dialogues on human rights, and taken part in investor coalitions focusing on these issues.

The allocation management team also holds ongoing dialogues with fund companies and asset managers, aimed at influencing their investment activities to move in a more sustainable direction.

One benefit of collaborative dialogues is that multiple investors together represent a larger

ownership share, sending a clear signal to the company about investor expectations on a specific issue. Collaborative dialogues are often led by a supplier, either on a specific theme, for example human rights or the climate, or on suspected violations of international norms, such as the UN Global Compact or the OECD Guidelines for Multinational Enterprises. A total of 388 companies have been addressed in 2023.

**Investor networks, collaborations and statements**

Handelsbanken Fonder is an active participant in investor networks and collaborations and those that Handelsbanken Fonder has joined most recently include: Nature Action 100, Investor Initiative on Hazardous Chemicals and Business Coalition for a Global Plastics Treaty.

Handelsbanken Fonder also frequently supports investor statements directed at companies and other decision-makers, to advocate for higher sustainability ambitions in a number of different ways. The fund company supported and signed statements in areas relating to the climate and human rights during the year.

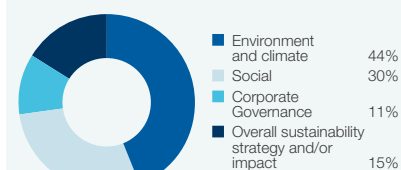
Within the framework of investor networks, collaborations and statements supported by Handelsbanken Fonder, 17,754 companies have been contacted during 2023.

For more information, please visit [handelsbankenfonder.se](https://handelsbankenfonder.se).

**Active stewardship**

The overriding purpose of the fund company's corporate governance is to promote conditions for a sustainable healthy development of the companies in which the fund capital has been invested. The role as a shareholder is to be exercised in such a manner that the company's value and thereby the net asset value of the funds develop over the long term in the best possible manner and in the mutual interests of the fund unit holders. The fund company believes that focused, active and responsible stewardship is an important part of the assignment from fund unit holders.

As a shareholder, Handelsbanken Fonder can exert an influence over companies through active stewardship in both its actively and passively managed funds. Two of the most direct ways to exercise this influence are through

**Breakdown of topics addressed in direct and collaborative dialogues**

<sup>1</sup> At year-end, XACT Bull (ETF), XACT Bull 2 (ETF), XACT Bear (ETF) and XACT Bear 2 (ETF) did not actively apply the fund company's additional exclusion criteria. These ETFs have indirect exposure through OMXS30 derivatives to sectors covered by the fund company's exclusion criteria. For further information, refer to the respective fund's prospectus.

representation in nomination committees and voting at shareholders' meetings. The basis for this work is the fund company's policy for shareholder engagement and responsible investment, Guidelines for nomination committees, voting policy and relevant sector regulations from the Swedish Investment Fund Association, the Swedish Code of Conduct for fund management companies, and the Guidelines for fund management companies' shareholder engagement.

#### Nomination committee work

Handelsbanken Fonder has, for example, worked for many years towards set goals to ensure a balanced gender distribution in the nomination committee group, which has had positive results. Handelsbanken Fonder appointed women to 75 per cent of the nomination committees it served on during the period leading up to the AGM season in 2023. The aim is to contribute to the creation of more gender-neutral boards over time.

Ahead of Annual General Meetings in 2023, Handelsbanken Fonder participated in 68 nomination committees. The proportion of women on the boards proposed by these committees increased, from an average of 37 per cent in 2022 to 38.5 per cent in 2023. Handelsbanken Fonder will participate in 63 nomination committees for 2024. The focus will continue to be on achieving more gender-equal boards in the Nomination committee work leading up to 2024.

#### Voting at shareholders' meetings

Handelsbanken Fonder invests in a significant number of companies spread over numerous geographical markets. By voting at shareholders' meetings, Handelsbanken Fonder can influence the direction these companies take in relevant matters. In general, the fund company votes at shareholders' meetings in companies where the holdings exceed 0.5 per cent, or when an issue of particular importance is raised.

In 2023, Handelsbanken Fonder votes at 977 annual and extraordinary general meetings in 43 countries. Votes were cast either in person at the meetings or through proxies via electronic voting. Via proxy voting, the fund company is able to reach more companies and geographical markets.

#### Voting on sustainability

In principle, Handelsbanken Fonder supports shareholder proposals that promote corporate sustainability and greater transparency in the disclosure and reporting of the companies' climate impact, and their work with human rights and labour rights. In 2023, Handelsbanken Fonder voted at 164 shareholders' meetings at which sustainability was on the agenda. In total, the fund company voted on 471 shareholder proposals. The fund company voted in favour of 142 and against 319 of them. A summary of how Handelsbanken Fonder voted is available at handelsbankenfonder.se.

#### Incentive programmes

Handelsbanken Fonder receives many enquiries from companies about incentive programmes before they are presented at the shareholders' meeting, and has detailed dialogues about them with the companies. Together with other institutional owners, the fund company demands a certain level of transparency in the design of these programmes, and has, as part of the Institutionella Ägares Förening – IÄF (Institutional Owners Association for Regulatory Issues in the Stock Market), prepared a document with guidelines for how these programmes should be presented. Ahead of the 2023 AGM season, the fund company held 17 dialogues on the subject. In addition, several other incentive programmes were analysed prior to a vote. During the period leading up to the AGM season in 2024, Handelsbanken Fonder will request and assess sustainability parameters in share incentive plans in order to advance efforts to achieve established sustainability goals.

#### Securities litigations and settlements

Occasionally, companies that the fund company has invested in commit crimes or breach regulations, such as fraud or breach of marketplace rules. Such violations may result in securities litigations being brought against the company, often as a class action. These are often resolved through a settlement, with the company being compelled to compensate shareholders for losses incurred. Settlements may also include demands, for example in the form

of changes to the board of directors, new or amended internal rules, or control activities. In order for Handelsbanken Fonder to safeguard the rights of the fund unit holders in such proceedings, two law firms are engaged to monitor the companies' actions and arising litigations. In 2023, our mutual funds received USD 2,036,098 in class action settlements in the USA. The amount derived from 51 different settlements and was paid out to 19 of the mutual funds.

#### EU reporting of funds

In accordance with the Sustainable Finance Disclosure Regulation (SFDR), Handelsbanken Fonder reports its mutual funds in the following manner:<sup>1</sup>



#### The fund has sustainable investments or a reduction in carbon emissions as its objectives (Article 9)

Mutual funds that have sustainable investments as their objective invest in companies whose products and services are deemed to make a direct positive contribution to fulfilling one or more of the SDGs in the 2030 Agenda for Sustainable Development.

Mutual funds with the objective to reduce carbon emissions strive to achieve a low exposure to carbon dioxide and other GHG emissions to fulfil the long-term global warming goals in the Paris Agreement, i.e. to limit the global temperature increase to no more than 1.5°C. These mutual funds comply with the EU Paris Aligned Benchmarks and are reported as Article 9.3.

14 of the mutual funds are reported as Article 9 mutual funds, with total assets under management of SEK 181.7 billion, corresponding to 20.1 per cent of assets under management. These types of mutual funds are also referred to as dark green funds.

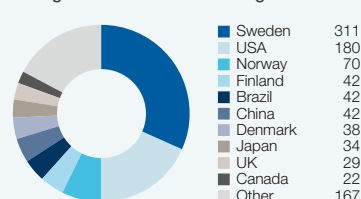
<sup>1</sup> The regulations in this area are subject to ongoing development and clarification from the European Commission and the European supervisory authorities, including the Swedish Financial Supervisory Authority. Handelsbanken Fonder is following this development carefully so that it can take the necessary measures as agreed.

#### Nomination committees and shareholders' meetings

Active stewardship	2023	2022	2021	2020	2019
<b>Nomination committees</b>	<b>68</b>	<b>70</b>	<b>47</b>	<b>41</b>	<b>34</b>
Number of nomination committee places where we have appointed women, %	75	73	79	71	65
<b>Shareholders' meetings<sup>1</sup></b>	<b>977</b>	<b>1,163</b>	<b>1,019</b>	<b>647</b>	<b>813</b>
Of which Swedish companies	311	302	338	238	224
Of which non-Swedish companies	666	861	681	409	589

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

#### Voting at shareholders' meetings



#### Reporting of class actions

Year	Total compensation in USD	Number of settlements
2023	2,036,098	51
2022	1,073,869	38
2021	379,507	25
2020	879,456	13
2019	3,760,000	8



### **The fund promotes environmental and social characteristics (Article 8)**

The fund promotes environmental and social characteristics through its investments, but does not have sustainable investments as its objective. This means that the fund considers the environment and climate, as well as human rights, labour rights and non-discrimination.

90 of the mutual funds are reported as Article 8 mutual funds, with total assets under management of SEK 714.8 billion, corresponding to 79.1 per cent of assets under management. These types of mutual funds are also referred to as light green funds.



### **Sustainability risks are integrated into investment decisions (Article 6)**

Sustainability risks are integrated into investment decisions, without the fund promoting environmental and social characteristics, or having sustainable investments as its objective. Sustainability risks are primarily managed through stewardship, in the form of dialogues and active stewardship. The fund also considers Principal Adverse Impacts (PAI) on sustainability factors.

Four of the mutual funds are reported as this type of Article 6 mutual fund, with total assets under management of SEK 5.5 billion, corresponding to 0.6 per cent of assets under management.



### **Sustainability risks are not integrated into investment decisions (Article 6)**

Due to the fund's investment strategy, sustainability risks are not integrated into investment decisions. Examples of such mutual funds are those that invest only in derivative instruments and liquid funds.

Four of the mutual funds are reported as this type of Article 6 mutual fund, with total assets under management of SEK 2.1 billion, corresponding to 0.2 per cent of assets under management.

## **Events during the year**

### **SFDR**

Handelsbanken Fonder reports in accordance with the SFDR regulation, and as of January 2023, information about the mutual funds is published in accordance with the templates referred to in the regulation. During 2022, definitions and methods were clarified to show what the SFDR considers to be a sustainable investment and how Article 8 and Article 9 mutual funds meet with the requirements of the regulation. This has required and continues to require extensive work on the part of Handelsbanken Fonder, and work has continued in 2023 focusing on parts of the regulation that were unclear. One such area was how to report Handelsbanken Fonder's Paris-aligned index funds, which aim to reduce carbon dioxide and other

GHG emissions. At the end of 2022, as a precaution given the ambiguities in the SFDR, Handelsbanken Fonder chose to change the reporting of its Paris-aligned index funds from Article 9.3 to Article 8. However, in April 2023, the European Commission presented a clarification that made clear that index funds that follow a registered EU benchmark, such as the Paris Aligned Benchmark, meet the requirements to be reported as Article 9.3. As a result of this clarification, Handelsbanken Fonder chose to again report its Paris-aligned index funds as Article 9.3 as of 12 May.

### **Holdings linked to Russia**

Russia's invasion of Ukraine in February 2022 has resulted in untold human suffering – and has had huge consequences for society and the global economy, the full extent of which are not yet possible to ascertain. Following Russia's violation of international law, Handelsbanken Fonder resolved to divest all direct exposure to the Russian market shortly after the invasion. The starting point for asset management has been that Handelsbanken Fonder invests in companies – not countries; however, in this situation, it became clear that companies were greatly affected by the countries in which they operated. Geopolitical risk is becoming increasingly more relevant from an investment and sustainability perspective.

Handelsbanken Fonder began gradually reducing its holdings in Russian securities as far back as in autumn 2021. When the Russian market closed down in 2022, only a few shareholdings remained, and these are valued at a price "near zero". As of the end of 2023, the Russian stock exchange continues to be closed to foreign investors, which means the holdings still remain. These will be divested as soon as the market conditions and regulations allow, with the ambition of minimising customer losses.

During the year, Handelsbanken Fonder has held dialogues with 23 international companies concerning their presence in, or business relations with, Russia. Handelsbanken Fonder is monitoring developments and regularly addresses relevant issues within the framework of the fund company's stewardship.

### **New funds 2023**

#### **Handelsbanken Global Digital**

Handelsbanken Global Digital was launched in early 2023. The fund is a global equity fund with the aim to invest in companies that are assumed to be positively affected by the investment theme digitalisation. The fund invests in companies regarded as being, or that may become, key players in the digital transition.

Digitalisation is a vital part in the transition to a more sustainable society. This may involve technology that reduces emissions through automation and smart logistics. It could also involve smart buildings and digitalisation that

improves the quality of, and access to, education and healthcare, such as simulations of robotic surgery.

### **Handelsbanken Global Infrastruktur**

Handelsbanken Global Infrastruktur was launched in autumn 2023. This is a passively managed fund that follows a rules-based systematic management model. This fund makes global investments in companies that ensure basic functions in society such as communication, transportation, energy, electricity network, water and waste management – areas in which major investments will be required in the future. Infrastructure also plays a key role in sustainable development and the transition to achieve the SDGs, such as Goal 11: Sustainable Cities and Communities and Goal 6: Clean Water and Sanitation.

### **Handelsbanken Developed Markets Index Criteria**

During the autumn, the index fund Handelsbanken Developed Markets Index Criteria was launched, which invests in developed stock markets globally. The fund is an Article 9.3 fund, and companies in the index are selected and weighted so the index portfolio's carbon dioxide and other GHG emissions are in line with the long-term climate goals of the Paris Agreement. This is Handelsbanken Fonder's eighth Paris-aligned index fund.

### **Handelsbanken Global Impact**

At the end of 2023, an impact fund, Handelsbanken Global Impact, was launched, an actively managed equity fund. The goal is, in addition to generating financial returns, to invest in companies that the fund company considers to have, or expects to have, a positive impact on any of the 17 SDGs. The fund further broadens Handelsbanken Fonder's range of dark green Article 9 mutual funds and expands the offering to customers with strong sustainability preferences.

### **Nordic Swan Ecolabelled mutual funds**

New, stricter criteria for Nordic Swan Ecolabelled funds came into effect at the beginning of 2023. Among other things, these criteria entail stricter requirements in areas such as climate, the integration of the EU Taxonomy into the sustainability analysis and requirements relating to biodiversity. Read more at [svanen.se/en/funds/save-in-funds](https://svanen.se/en/funds/save-in-funds).

At year-end, Handelsbanken Fonder offered four Nordic Swan Ecolabelled mutual funds with a total value of SEK 101 billion, equivalent to 11.2 per cent of total assets under management.

### **Looking forward**

Handelsbanken Fonder will continue to work towards its established sustainability goals (read more about these on pages 261–262), which are in line with both Handelsbanken



Fonder's overall transition plan and the goals set under the framework of science-based targets. Human rights and biodiversity are two areas, in addition to climate issues, that will require a broader and deeper approach, primarily through continued direct dialogues. Clear expectations and frameworks, such as the TNFD, are helping to move this work forwards. The active dialogue with customers and stakeholders will continue, in order to constantly ensure that the fund company's sustainability efforts are in line with their expectations. The fund company is also following the continued development of the SFDR.

#### HANDELSBANKEN LIV

Handelsbanken Liv Försäkringsaktiebolag, hereinafter also referred to as the life insurance company, is a wholly owned subsidiary of Svenska Handelsbanken AB. The life insurance company's insurance policies are distributed by Handelsbanken as an affiliated intermediary. Handelsbanken Liv has assets under management of approximately SEK 260 billion and employs around 100 people.

Its sustainability work is primarily conducted by its sustainability manager, and day-to-day management is governed by adopted policies and strategies. The Board of Handelsbanken Liv is responsible for adopting goals and strategies and adopting policies relating to sustainability. The CEO makes decisions on daily management linked to this area, for example in respect of guidelines, new or changed insurance products, investments within the framework of traditional insurance (no new sales) and the selectable range of funds for unit-linked insurance. The selection and evaluation of mutual funds and fund companies that can be chosen within unit-linked insurance uses the methods of inclusion, exclusion and stewardship. This follows the life insurance company's basic sustainability criteria. In addition to the basic criteria, there are further criteria linked to the environment and climate. Examples of criteria that must be met when choosing a fund company or mutual funds are that they must:

- support the UN Principles for Responsible Investment (PRI) and the UN Global Compact,
- strive to invest in companies and projects that support the UN SDGs (2030 Agenda), and
- exclude investments in companies engaged in controversial activities, such as alcohol, tobacco, cannabis, commercial gambling and controversial weapons.

#### The past year

During 2023, Handelsbanken Liv launched Sweden's first Nordic Swan Ecolabelled entry-level solution for occupational pension. Assets are invested in companies that Handelsbanken Liv considers contribute to the transition to a more sustainable society. Customers also receive a personal and gradual reduction in risk as their pension draws closer.

#### Looking forward

Handelsbanken Liv will continue to follow accepted practice to ensure that assets under management are aligned with the Paris Agreement and that mutual funds and the fund companies with which the life insurance company collaborates comply with the established sustainability criteria. In the coming year, Handelsbanken Liv will continue to review the previously established sustainability goals. The aim is to ensure that the life insurance company has goals that are relevant and to ensure that sustainability initiatives are conducted in areas where there is the greatest potential to make a difference. The goals will also be aligned with Handelsbanken's overall transition plan.

#### OPTIMIX

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.

All of the funds in Optimix Investment Funds and Add Value Fund are classed as Article 8 (light green) under the SFDR. The mutual funds aim to promote environmental or social aspects by excluding companies exposed to controversial operations. Optimix excludes companies that do not respect its criteria for the environment, human rights, working conditions and anti-corruption. Optimix monitors negative consequences, known as Principal Adverse Impacts, on sustainability factors when making investment decisions.

Optimix is a signatory to the PRI and manages its investments in accordance with these principles and the UN Global Compact.

In 2018, Optimix introduced sustainability mandates for its discretionary portfolio management services. The purpose is to promote investments with environmental aspects, such as reduced carbon emissions and improved energy efficiency over time. A sustainability mandate also entails investments in investment products which, under Optimix's policy for responsible investments, combine inclusion and exclusion. The sustainability mandate for all risk profiles means that at least half of the portfolio is comprised of sustainable investments according to Articles 8 and 9 of the SFDR. Optimix continues to see a strong inflow to these sustainability mandates. Total assets under management for the sustainability mandates amount to EUR 213.9 million.

Optimix publishes advance purchase information and periodic SFDR templates for its funds and strategies on its website as well as a Principal Adverse Impact statement. Optimix uses Clarity AI to provide sustainability data primarily linked to the negative impact under the SFDR and the EU Taxonomy.

Optimix has obtained and documented sustainability preferences for all of its discretionary management customers. Through the use of a

personal approach to each customer's needs based on financial goals and risk appetite, as well as sustainability preferences, Optimix can ensure the best solution for each customer. This will result in more satisfied customers.

Optimix is part of the Net Zero Steering Committee Netherlands and accepts Handelsbanken's Group-wide goal for net-zero emissions from its investment portfolios by 2040, taking into account its customers' sustainability preferences.

#### HANDELSBANKEN WEALTH & ASSET MANAGEMENT LTD

Handelsbanken Wealth & Asset Management Limited 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 Handelsbanken plc's customers.

#### A sustainable offering in the UK

Handelsbanken Wealth & Asset Management offers four global, sustainable multi-asset funds designed for different customer profiles in terms of risk appetite and financial return targets. The long-term goal shared by each of the mutual funds is a return in excess of inflation, while also influencing companies to find solutions to sustainability challenges.

The mutual funds exclude companies whose main business is in sectors such as tobacco, alcohol, military equipment, pornography or gambling. Investments are excluded if more than 5 per cent, or USD 500 million, of turnover derives from these sectors (zero tolerance for tobacco producers, and less than 15 per cent of sales revenue). Investments are also assessed relative to other negative sustainability factors.

This is the fundamental approach to the selection and exclusion of certain sectors and business operations. The mutual funds also take a more active role in finding interesting sustainable investments, and the fund managers actively search for opportunities to invest in companies that can exhibit sound management of ESG factors, and in companies that can prove their commitment to improve.

- Examples of environmental factors are climate change, waste management, use of water and pollution.
- Examples of social factors are impact on society, working conditions, social care and human rights.
- Examples of governance factors are corporate accountability, diversity on boards of directors, equitable salary structure and business ethics norms.

Another very important – and growing – part of the mutual funds' investments is impact investing. These are investments with the objective of providing a financial return by solving a specific problem, focusing on one or more of the SDGs. This could be a case of building social housing,

contributing to renewable energy production, or research aiming to find biotechnical solutions to difficult-to-treat illnesses and health problems.

### Due diligence

The fund managers have a strict structure for due diligence and for the process of identifying and analysing potential fund holdings, from both an investment and a sustainability perspective. The managers analyse companies and other funds in the context of their own frameworks and approaches to sustainable investments. The overall assessment includes scrutiny of the investment goals and underlying fund holdings, in order to ensure that the investments, in principle, are aligned with Handelsbanken Wealth & Asset Management's policy for sustainable investments. The assessment is a continual process rather than only once in connection with the initial investment. The fund managers also have a number of trusted external data providers to help with their investment research.

The fund managers also believe that support from peers is an important factor in the positive performance of the mutual funds. Handelsbanken Wealth & Asset Management is a member of the UK Sustainable Investment and Finance Association (UKSIF). UKSIF's goal is to unite investors involved in sustainable financing and to support its members in the work to expand, improve and promote the sector. As a member of UKSIF, Handelsbanken Wealth & Asset Management is part of a financial sector organisation that can gather forces to influence adaptation to the SDGs in a positive direction, and share its collective knowledge.

A sustainability investment committee, which includes external members, convenes once per quarter and provides oversight of the fund managers' processes. The committee is responsible for undertaking an independent review of the sustainable investment policy, and for ensuring that the mutual funds' selected investment instruments remain in line with the sustainability goals. In addition, the Authorised Corporate Director for the sustainable funds, Handelsbanken ACD Limited, supervises this review process.

### RESPONSIBLE ADVISORY SERVICES

When offering advisory services in relation to granting credit, investments and in insurance mediation, Handelsbanken always considers the customer's overall situation and financial circumstances. Based on this, the Bank can provide guidance on financing or investments adapted to each customer's requirements. Handelsbanken focuses on the customer's needs – not individual products or services.

The information the Bank provides to customers must be clear, factual and easy to understand. The terms and conditions for the Bank's services must be clear and not change arbitrarily. When providing investment advice, the Bank adapts its recommendations to the

customer's goals, interests, savings horizon and attitude to risk. The Bank considers it essential for the customer to understand the risk associated with each type of financial instrument, and also to have the knowledge and experience needed to invest in the product or service selected. In the Bank's investment advisory services, customer sustainability preferences are discussed, and the customer is informed about Handelsbanken's sustainability work.

The regulations for financial advisory services and insurance mediation require that all employees who provide customers with advice concerning investments and insurance have relevant, up-to-date skills. The Bank has broad expertise in this area and complies with the regulatory requirements from the EU and local supervisory authorities in all of the markets where the Bank offers advisory services. Handelsbanken has about 3,500 employees licensed to provide investment advice, such as the SwedSec licence for advisory services on financial instruments. This licence requires holders to take a refresher course on an annual basis. Employees who provide investment advice as part of their day-to-day work are also required to attain Handelsbanken's Basic certification for advisors.

### ACCESSIBILITY AND INCLUSIVITY

Handelsbanken strives to provide all customers – even those with a disability or language difficulty, for example – with equal access to information and services, no matter their prior financial knowledge. The available information is easy to read, hear, see and understand whether provided in print, by telephone, online or in videos or meetings. Accessibility is a cornerstone in all the Bank's development work. Handelsbanken's work is based on internationally recognised standards, as well as our own guidelines. The Bank's membership in the International Association of Accessibility Professionals (IAAP) enables it to expand its knowledge and create even better conditions for everyone who visits its digital meeting places. Handelsbanken also sees that this membership provides opportunities to share its experiences of working for increased accessibility. The main focus is to promote compliance with the EU Web Accessibility Directive. The Directive means each EU country is expected to implement the content of the directive in its legislation. The harmonisation of digital meeting places for the Bank's private customers in the EU has begun.

### EQUITY RESEARCH

Analysis of environmental, social and governance issues is a prioritised area in the Bank's strategy for its global equity research department. Continuous dialogue is undertaken with the companies the Bank covers, with some of the focus areas discussed in 2023 being the EU Taxonomy, reductions in GHG emissions, physical climate-related risks, sustainability

risks in the supply chain and biodiversity.

As part of the work to integrate sustainability topics into the research process, the research department also collects sustainability data and key metrics in a sustainability database, which is accessible to customers. The goal is that the analysis of key sustainability topics becomes a natural part of the Bank's equity research, making skills development in these matters a high priority for all employees in the equity research department. All analysts also produce sustainability analyses of the listed Nordic companies the Bank covers.

During the year, the Bank's sustainability analysts have published 37 in-depth reports and commentaries on a variety of sustainability topics, an increase of 30 per cent over the previous year. Moreover, eight panel discussions were arranged with invited companies and experts during the year, focusing on themes such as the EU Taxonomy, forest management, energy and physical climate-related risks.

### ADVISORY SERVICES IN FORESTRY AND FARMING

Forests play a significant role in the health of the climate and in biodiversity. Handelsbanken has a comprehensive offering to customers who own forest land or agricultural properties in Sweden. The Bank has a high level of sector expertise in the Forestry and Farming business area, as its employees have backgrounds stretching from forest management, forestry and agronomy to business administration and law. It also cooperates closely with other advisory companies within, for example, corporate law, sylviculture and tax-related matters. Sustainability matters have long been highly relevant to forestry and farming companies, as these matters often have a direct effect on the profitability of their operations. For private forest owners, production targets and environmental goals have correlated since the early 1990s thanks to the Swedish Forestry Act, while for farming companies, an increased focus on biodiversity, new technological initiatives, growing techniques and advisory services on the efficient use of input goods have reduced the environmental impact.

During the year, Handelsbanken's customer magazine "Tillväxt" featured a series on the theme of renewable energy. The various instalments focused on opportunities and challenges facing initiatives related to solar panels, biofuels, and wind and hydropower. Handelsbanken also highlighted how companies and industries can work with green cycles and new technology. The series demonstrated good examples in the green business community and society's work towards a transition to renewable energy, from a producer and consumer perspective.

The "Skog och lantbruk" newsletter regularly highlights new developments in technology and research that contribute to increased sustainability. Articles this year concerned optimised

energy consumption, carbon sinks and new technology in agriculture that is contributing to more efficient use of resources that benefit the climate and the environment.

Handelsbanken is one of several financial partners of Mistra BIOPATH, a research programme with a vision to integrate biodiversity as a natural part of financial decision-making in the business community. During the year, "Skog och lantbruk" took part in workshops on how banks can contribute to preventing the loss of biodiversity through our customers and new business models. These workshops considered biodiversity from both a forestry and agricultural perspective. In parallel with this work, a pilot project is being carried out at the Bank with the aim of describing and measuring how our customers' forest land or agricultural properties contribute to maintaining and strengthening biodiversity.

A review during the year of the Bank's business guidelines for the offering to forest land and agricultural customers resulted in a clarification of the follow-up of animal welfare. Swedish animal legislation aims to promote good animal welfare and respect for animals and their physical and mental well-being. The new guidelines concern ensuring and documenting the maintenance of good animal welfare in our customer relationships.

Work on implementing sustainability topics as a natural part of individual customer dialogues continued during the year. Checklists and business support were gradually refined to help identify customer interests and needs linked to green and sustainable investments.

During the year, the Bank continued to take part in the Swedish Bankers' Association's discussions on the interpretation of the Taxonomy regulations for the forestry sector, and how these will affect green financing in the future.

## CUSTOMER SATISFACTION

Handelsbanken strives to build a trusting, long-term relationship with every customer. All important business decisions should be made as close to the customer as possible. This contributes to better meetings, better decisions and more satisfied customers. In everything the Bank does, its aim is to create the best possible conditions for successful customer meetings.

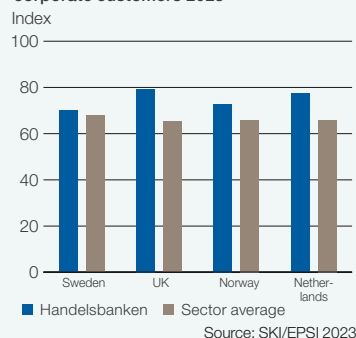
Customer satisfaction is important for Handelsbanken, and is measured by the Bank on a regular basis via its own surveys and external, independent studies. Every year, EPSI Rating, which includes the Swedish Quality Index, carries out independent surveys of customer satisfaction in the Nordic region and the rest of Europe.

This year's surveys show that Handelsbanken has more satisfied private and corporate customers than the average for the banking sector in all its home markets.

Customer satisfaction, private customers 2023



Customer satisfaction, corporate customers 2023



## Managing customer complaints

For Handelsbanken, it is important that customers who lodge complaints are very satisfied with how their complaints are handled. The Bank attaches great importance to handling comments and complaints in a manner that inspires trust.

A customer who lodges a complaint must be met with respect and understanding, regardless of the scope of the customer's involvement with the Group. Customer complaints must be dealt with properly, thoroughly and as efficiently as possible. Complaints must be handled based on a formal assessment of the factual issue. First, the complaint is addressed by the local branch that is responsible for the customer. If the customer wishes to pursue the matter, each home market has a designated complaints officer. Customers who are dissatisfied with the Bank's decision and wish to appeal are referred to 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. There are also complaints officers at the Group level who regularly report to executive management and product owners regarding complaints received and indications of needs for improvement. Information about how the Bank handles complaints is available on the Bank's websites.

## RESPONSIBLE BANKING

Handelsbanken upholds good business ethics and works systematically to take into account new requirements and expectations, as well as to integrate new regulations into its daily operations. Handelsbanken is not allied to any political parties. The Bank does not provide any financial support to any political party, nor does it make any other type of political donation.

Handelsbanken has a number of policies that describe the Bank's view on, and approach to, a variety of issues. The complete policy for sustainability, the policy for ethical standards, the policy for management of conflicts of interest and the policy against corruption, as well as summa-

ries of several other policies in the Handelsbanken Group, can be found on the Bank's website. In addition, a selection of guidelines adopted by Handelsbanken's Chief Executive Officer is available on the Bank's website.

## IMPOSITION OF ADMINISTRATIVE FINES

Banking operations are governed by extensive laws and regulations. If a bank does not comply with them, the responsible supervisory authorities can decide on administrative fines and, in the worst case, revoke the banking licence. Administrative fines may be imposed on banks for breaches such as corruption, product or service information or labelling that fails to meet applicable requirements, or non-compliance with laws or regulations in the social or economic spheres.

During the year, the Bank's subsidiary Handelsbanken Fonder had one (1) fine of NOK 5 million imposed on it by the Finanstilsynet in Norway due to a shortselling case. The fund company has taken measures to ensure correct processing in the future and accepted and paid the fine.

## POLICY FOR ETHICAL STANDARDS

The policy for ethical standards is reviewed at least once a year by the Board. The review is based on any changes made in the relevant legislation, changes in external expectations, the Bank's experience from ongoing internal work, and observations from the Bank's comprehensive internal control.

## POLICY FOR SUSTAINABILITY

In 2016, Handelsbanken's Board adopted a policy for sustainability that sets the direction for the Bank's work and clearly sets out the Bank's view of sustainability. The policy applies throughout the Handelsbanken Group and encompasses all activities in relation to customers, suppliers and other business partners.

## PRINCIPLES WHEN GRANTING CREDIT

Sustainability aspects are a vital part of the Bank's credit policy. The policy states that the Bank's lending must be responsible and meet

high ethical standards. When granting credit, Handelsbanken must assess and evaluate the customer's approach to the principles and agreements supported by the Bank. Handelsbanken can ultimately decline to grant credit to companies that do not apply these principles.

### MODERN SLAVERY AND HUMAN TRAFFICKING

Handelsbanken does not accept any form of child labour, slave labour or human trafficking. It works to prevent them from occurring in the Group's supply chain and in other companies with which Handelsbanken has business relationships. The UK Modern Slavery Act 2015 requires that certain organisations annually state the actions that they have taken to ensure that modern slavery and human trafficking are absent from their supply chains or in their operations. As well as mandatory training for all employees in the UK, internal instructions and procedures are in place so that employees know what to do if they are faced with or suspect a case of modern slavery or human trafficking. A working group was set up in 2023 with representatives from different parts of the Bank in the UK with responsibility for monitoring and developing activities in this area.

More information and a statement on the Modern Slavery Act 2015 is available at [handelsbanken.co.uk](https://handelsbanken.co.uk).

### CLIMATE AND THE ENVIRONMENT

Climate change is one of the greatest challenges of our age. Handelsbanken works actively to halt and counteract its own negative impact on the environment, as well as to redirect financial flows to benefit low GHG emissions, environmental improvements, and climate-related adaptations.

#### Minimise impact on the environment and climate

In accordance with the Paris Agreement, emissions linked to the Bank's own operations must be reduced over time. Systematic environmental work is continually under way at Handelsbanken aimed at steadily reducing the environmental impact of the business. This is followed up by a number of key metrics that indicate the progress that has been made, see page 271. Handelsbanken's goal is to actively work to minimise its direct environmental impact by constantly developing its environmental activities. This will be achieved by boosting resource efficiency and recycling, for example, and taking environmental impact into account in our purchasing and business travel. One concrete example of this work is the Bank's company car guidelines, stipulating that company cars that are neither electric nor plug-in hybrids may only be selected in exceptional cases. The Bank also has a travel policy stipulating that train and public transport should always be the preferred

choice for domestic travel, that environmentally friendly vehicles should be primarily booked as rental cars and taxis and that day trips should be replaced with digital meetings where possible.

Group Technology, Data, Innovation is working proactively towards achieving carbon neutrality in Handelsbanken's IT operations by 2040. A transition plan has been developed that currently focuses on such areas as energy efficiency, life cycle optimisation and reuse of IT equipment. The Bank's goal is to move as many Windows and Linux servers as possible from its own data centres to the cloud, which will create the conditions for enhancing energy efficiency and thereby reduce the Bank's carbon emissions. This is an ongoing process. At the same time, a review is being carried out in cooperation with the responsible units with the aim of eliminating environments that are no longer in use.

#### Energy and carbon dioxide

The Bank's impact, excluding business relationships, derives mainly from energy consumption, business travel and transport as well as use of resources such as paper.

In 2023, carbon emissions reported from Handelsbanken's operations totalled 9,369 tonnes. This is an increase of 0.7 per cent or 65 tonnes. The main reason for the higher figure

was the continued increase in business travel compared with 2021 when Covid-19 restrictions applied. Increased emissions from business travel were partly offset by the Bank's total energy consumption reducing by 6 per cent due to energy efficiency measures and smaller office space, which thus resulted in a decline in Scope 1–2 emissions.

#### Environmental work during the year

Throughout Handelsbanken, changes are constantly being made which, overall, are reducing environmental and climate impact.

Examples of actions carried out by the Bank during the year:

- Climate goal for Scope 1–2 submitted to the Science Based Targets initiative (SBTi) for validation.
- Used computers and screens reused or recycled as part of a supplier programme. This was equivalent to 800 tonnes of emissions avoided in 2023.
- In Norway, the head office and six branches of the bank were certified under Norway's Eco-Lighthouse certification scheme. This means that environmental and climate work must be monitored and integrated into their corporate governance. The goal is for all bank branches in Norway to be certified by 2027.

#### A selection of policies adopted by the Bank's Board:

- Policy on governance and steering documents
- Credit policy
- Policy for operational risks
- Capital policy
- Financial policy
- Communication policy
- Policy for sustainability
- Policy for ethical standards
- Policy against corruption
- Policy for management of conflicts of interest
- Policy for remuneration
- Policy for suitability assessment
- Policy for risk control
- Policy for compliance
- Policy on measures against financial crime
- Policy for complaints management.

A summary of these policies can be found in the Bank's Corporate Governance Report and at [handelsbanken.com](https://handelsbanken.com).

#### Selection of guidelines established by the Bank's Chief Executive Officer:

- Guidelines regarding the environment and climate change
- Guidelines regarding human rights and working conditions

- Guidelines regarding business relations with the weapons and defence industry
- Guidelines regarding business relations in forestry and farming
- Guidelines regarding the tobacco industry
- Guidelines for managing taxes.

#### A selection of policy documents that the boards of Handelsbanken's subsidiaries have decided on:

- Policy for shareholder engagement and responsible investment at Handelsbanken Fonder
- Policy for responsible investment at Handelsbanken Liv
- Policy for sustainability for Handelsbanken Liv
- Policy for sustainability for Stadshypotek
- Policy against corruption at Stadshypotek.

#### Selection of guidelines in the HR area:

- Guidelines on alcohol, drugs and gambling
- Guidelines for the prevention of victimisation and harassment
- Guidelines on bribery and improper influence
- Framework for gender equality, diversity and inclusivity
- Guidelines for work environment.



### Carbon capture and storage

To achieve the goals of the Paris Agreement, a sharp reduction in global emissions will not be enough. Carbon dioxide must also be captured from the atmosphere and stored, known as carbon capture and storage (CCS). Another term for this process is negative emissions. Handelsbanken primarily strives to minimise the emissions generated by its operations. Since some measures take time to implement and the effects are not always easy to verify, the Bank has also engaged in carbon offsetting as a supplementary measure since 2017. As of 2023, the Bank is focusing on CCS rather than carbon offsetting. To support the development of CCS, the Bank invests in negative emission certificates through the Puro.earth platform. The platform builds on a common standard for guaranteeing long-term CCS with projects that are quantifiable, verifiable and scalable.

### Biodiversity

The accelerating loss of biodiversity is an ongoing threat to the current and future economy and welfare. Habitat loss and degradation are two of the main causes of biodiversity decline. A further cause is climate change, which both affects and is affected by the loss of biodiversity. The extent to which the oceans and forests can retain their ability to absorb carbon dioxide is crucial to halting climate change. And at the same time, high biodiversity can ease the effects of the climate change that is already occurring by protecting against storms, fires, etc.

Robust climate action benefits biodiversity. Handelsbanken aims to use its experience from climate reporting, and responsible financing and investments, to help to reverse the biodiversity trend.

Handelsbanken's impact and dependency on biodiversity is mainly indirect, through the Bank's financing and investments. In order to be able to measure and contribute to positive change, Handelsbanken collaborates with different societal stakeholders in its work on biodiversity. The Mistra research project BIOPATH, in which Handelsbanken is a lead partner, brings together influential partners from the business community with researchers in economics and ecology, among other areas, aiming to stop and reverse the loss of biodiversity. New and existing approaches must be mapped, evaluated and developed, so that biodiversity can be integrated into financial decision-making. The Bank is also a member of Business@Biodiversity Sweden, a platform for knowledge sharing, training and exchanging experiences in respect of biodiversity.

In September 2023, the recommendations of the TNFD framework were published, which

provided a common standard for companies to report their dependencies and impacts on biodiversity. During the year, Handelsbanken participated in four workshops with BIOPATH partners focusing on best practices for implementing the TNFD framework. The Bank has commenced an analysis of its material risks and opportunities associated with biodiversity.

### HANDELSBANKEN'S TRANSITION PLAN

During the year, Handelsbanken's transition plan – Towards net zero 2040 – was published. It is based on the Bank's unique corporate culture and the goal of becoming a net-zero company by 2040. This goal encompasses the entire Group and includes lending, leasing, and investments as well as emissions from the Bank's own operations, such as energy consumption and business travel. Handelsbanken has also established a number of climate goals for 2030 in line with the objective to keep the global mean temperature increase below 1.5°C. The transition plan sets out the Bank's overall strategy for working towards these goals. The Bank's efforts to execute the transition plan follow its overall corporate structure with four home markets. During the year, each home market established a steering committee consisting of sustainability experts and relevant decision-makers for product, support and customer organisations, and chaired by the respective country general manager. These committees have developed and agreed on national action plans to further align their operations with the Bank's climate goals and ambitions. The action plans were developed based on the Bank's transition plan, and the process was coordinated by a Group-wide working group chaired by the Bank's Chief Sustainability and Climate Officer.

Handelsbanken is aware that a number of factors beyond the Bank's direct control are crucial if the Bank is to reduce financed emissions at the required rate. This includes, but is not limited to, technological innovation, changing consumption patterns and policy measures. Handelsbanken will continue to work towards becoming a net-zero company and assumes that the relevant conditions for the global transition will fall into place. The Bank will do so as it is convinced that a rapid and orderly transition aimed at limiting global warming to 1.5°C is best for the communities where the Bank operates, its customers, and thus also for Handelsbanken.

Handelsbanken's transition plan can be divided into four areas:

1. Business development
2. Engagement strategy
3. Metrics and targets
4. Governance.

### Business development regarding climate work

Handelsbanken aims to work together with its customers and portfolio companies on their journey towards net-zero GHG emissions. Developing products and services that help and support them in the transition is crucial for Handelsbanken to achieve its goals. The Bank has already come a long way and many of its products and services are aligned with the Bank's goals and ambitions, and products such as green loans and fossil-free funds are important components of the Bank's current operations. The Bank's remaining products and services will be reviewed in the coming years and updated to align with the Bank's goals and ambitions.

In order for the Bank to achieve its climate goals, they need to be integrated into relevant processes and decision-making. This includes, but is not limited to:

- credit assessments and credit decisions
- investment analyses and investment decisions
- customer dialogue
- purchasing and procurement
- product development.

Work on integrating climate-related risks and opportunities is ongoing, and considerable progress has been made in terms of key decision-making processes, such as the credit process and the investment process in asset management. This work will continue in the coming years. A focus area for 2024 is the continued integration of the Bank's climate goals into processes and procedures linked to the Bank's real estate financing.

### Engagement strategies on climate issues

Handelsbanken's primary strategy to achieve its goal is to support its customers in their transition. The Bank is convinced that a majority of its customers and the companies in which its asset management operations invest will be able to transition their business operations in line with the 1.5°C target given the right support and conditions.

As a financial institution, Handelsbanken can influence the business decisions of its customers and portfolio companies, including how they approach the transition to net-zero emissions. The Bank is determined to use this influence to support and accelerate the transition. The Bank has a number of tools at its disposal, such as advisory services, training, voting at general meetings, and lending terms. Handelsbanken already uses these tools to promote positive change and will continue to do so in the future with the ambition to increase their effectiveness. Handelsbanken will continuously review its

strategies for supporting its customers and portfolio companies and, where necessary, update them to align with the Bank's climate transition goals and to identify business opportunities. This includes providing proactive and constructive feedback and support to its customers and portfolio companies in order to promote the transition of their operations.

Focus during the coming year is to improve customer engagement strategies towards real estate companies.

### Metrics and targets for climate work

In 2021, Handelsbanken published Group-wide sustainability goals that address not only the Bank's long-term climate ambitions, but also the Bank's determination to further integrate sustainability into relevant parts of the operations. These goals include an overall climate goal of achieving net-zero GHG emissions as soon as possible and by 2040 at the latest.

Handelsbanken's work towards net-zero emissions by 2040 will not be linear. Interim targets, such as sector-specific targets for 2030, will be set in line with the 1.5°C target, with the ambition to have relevant climate goals validated by the SBTi. By 2030, the Bank will make the changes and developments necessary to enable it to accelerate the pace of its emission reductions over the subsequent decades and achieve net-zero emissions by 2040. Handelsbanken Fonder has set a number of interim targets as part of its efforts to achieve net-zero emissions by 2040, including a target to halve the carbon intensity of its mutual funds by 2030. The Bank has set sector-specific reduction targets for its real estate financing and for lending to companies active in power generation.

For more information on the Bank's metrics and targets, see Handelsbanken's Climate Change Progress Report 2023 at [handelsbanken.com/en/sustainability](https://handelsbanken.com/en/sustainability).

### Governance in climate work

Handelsbanken's values and strong corporate culture are vital to the Bank's success. The Bank's philosophy is based on trust and respect for the individual, both customers and employees. The Bank's decentralised way of working creates commitment and gives every employee both responsibility and opportunities to make an impact on the Bank's operations, including its sustainability and climate goals.

As of 2023, the Bank's transition plan is part of its regular business planning. Each home market has appointed a Net Zero Steering Committee that includes the country general manager, operations managers and sustainability specialists. Each home market is responsible for the implementation of the Group's transition

plan through national roadmaps that describe the business development to be carried out during the year and are decided by the national steering committee. Development and implementation of the national roadmaps is coordinated by Group Sustainability through the Handelsbanken Task Force on Net Zero 2040, which brings together representatives from each home market. The Task Force is led by Handelsbanken's Chief Sustainability and Climate Officer.

### THE SCIENCE BASED TARGETS INITIATIVE (SBTi)

The SBTi was formed by the CDP, the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) in 2015 to provide science-based methodologies to support companies across the world in their work to reduce GHG emissions, with the objective of preventing the worst effects of climate change.

Handelsbanken signed up to the SBTi in 2021. This means that the Bank has committed to set emission reduction targets using methodologies provided by the SBTi. In order to ensure that its climate goals are based on a solid scientific foundation, the Bank applied for validation of its targets by the SBTi in 2023, which is expected to take place in early 2024. The targets were established based on the three business areas that form the foundation of the Bank's transition plan: own operations, lending and investments.

For Handelsbanken's own operations, the Bank used the methodologies provided by the SBTi to set targets for its own Scope 1 and 2 emissions. The goal is to reduce its absolute emissions in these scopes by at least 50 per cent by 2030, which is in line with the goal of achieving net-zero Scope 1 and 2 emissions by 2040. In addition to its absolute emissions target, the Bank has also established targets linked to the continued purchase of 100 per cent renewable electricity in its operations. For Handelsbanken's lending portfolio, targets have been established based on different target methodologies provided by the SBTi and based on the Bank's loan portfolio and its exposure to different types of sectors. As a real estate-focused bank with large real estate financing operations, the Bank sees this as a sector where it can make a major difference. The Bank has therefore set a target that both the properties and the real estate companies financed should be aligned with the 1.5°C target. In addition to targets for the real estate sector, Handelsbanken has developed targets in other areas where it can have the greatest impact, focusing on emission-intensive sec-

tors and large companies. The targets developed in 2023 cover a total of 84 per cent of the Bank's loans to the public, as of the base year 2021. For more information on the targets for the lending portfolio and how they are followed up, see Handelsbanken's Climate Change Progress Report 2023 at [handelsbanken.com/en/sustainability](https://handelsbanken.com/en/sustainability).

Within investments, Handelsbanken Fonder has developed targets using methodologies provided by the SBTi to align the Bank's mutual funds with 1.5°C target by 2040. The targets are based on the portfolio companies' climate goals and cover both direct and indirect investments. For more information about Handelsbanken Fonder's targets, see [handelsbankenfonder.se](https://handelsbankenfonder.se).

### COUNTERACT FINANCIAL CRIME

Handelsbanken regards the prevention of financial crime as a fundamental principle for secure, sound banking operations. Steps to prevent all types of financial crime have top priority. Handelsbanken has undertaken to comply with the applicable laws and regulations regarding money laundering, terrorist financing, international sanctions and corruption in 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 operations and regularly monitor the Bank's work on preventing and counteracting financial crime.

Handelsbanken's established policies and measures against financial crime and corruption comprise the Bank's framework for conducting this work and are updated annually. The Bank also has a policy for ethical standards which sets out how the Bank ensures that employees are not accessories to financial crime. In addition, the Bank's employees are required to complete mandatory courses each year on money laundering, terrorist financing, international sanctions, corruption and predicate offences to money laundering such as fraud and tax evasion.

The work of preventing and counteracting financial crime 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 and strong connection to the local community create good opportunities to build close, long-term customer relationships and in-depth knowledge of its customers. Customer relationships are mainly initiated at one of Handelsbanken's branches, which gives the Bank's staff a better ability to get to know the customers and to understand their business and the

# Sustainability information

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# Sustainability information

Information about the Bank's sustainability goals, sustainability key metrics and the GRI Content Index is presented below. Combined with the statutory Sustainability Report on pages 36–65 and the Bank's Taxonomy reporting on pages 276–305, this information comprises Handelsbanken's 14th Sustainability Report in accordance with the Global Reporting Initiatives (GRI) standards for sustainability reporting, and has been reviewed by the Bank's external primary auditor. Refer to the audit report on page 306.

## HANDELSBANKEN'S SUSTAINABILITY GOALS

Handelsbanken's business model facilitates responsible operations. By developing and offering sustainable products within its core operations: financing, savings and investments, and advisory services, the Bank can work to maximise positive impact, minimise negative impact and in doing so promote a more sustainable society. The sustainability goals apply throughout the Handelsbanken Group. However, business areas and subsidiaries may work in different ways to achieve them, and be at different stages in their work.

In 2021, Handelsbanken's management set two overarching goals for sustainability at the Bank:

- To be, and to be recognised as, the most sustainable bank among peer competitors.
- Net-zero GHG emissions as soon as possible and by 2040 at the latest. This includes lending, leasing and investments as well as the Bank's own operations, such as energy consumption and business travel.

In addition to these, three strategic business goals in financing, investments and advisory services were adopted in 2021, with the advisory services goal updated in 2023:

- Financing – By 2025, 20 per cent of the Bank's financing volume shall consist of green financing, social financing or financing that contributes to the borrower's measurable, sustainable transition.
- Investments – The investment portfolios shall be in line with the goals and transition pathway of the Paris Agreement, achieve net-zero GHG emissions by 2040 at the latest, and increase the mutual funds' contributions to the 2030 Agenda.
- Advisory services – Handelsbanken will create the conditions to improve the financial situation for women and thereby promote a gender-equal economy. By 2026, the percentage of women among Handelsbanken's customers who consider themselves to have a high level of financial literacy shall increase from 62 per cent in 2023 to 75 per cent in 2026. This goal will be achieved through education and providing advisory services.

The quantitative goals for advisory services primarily refer to the Swedish market. Other home markets will prepare equivalent goals adapted to their market conditions. More information is available in Handelsbanken PRB Self-Assessment 2023 at [handelsbanken.com/en/sustainability](https://handelsbanken.com/en/sustainability).

In addition to these specific goals, the Bank must act responsibly in everything it does, from being a responsible taxpayer, countering financial crime and upholding human rights, to being a financially stable bank and protecting customers' personal data and their financial health.

## The way ahead

In order for Handelsbanken to support its customers' sustainable transition and leverage the opportunities that the transition offers, the Bank monitors developments and adapts both itself and its goals accordingly. Activating as many of the Bank's customers as possible, regardless of how much progress they have made with their transition, is critical to supporting the climate transition on a broader scale. Handelsbanken has respect for the fact that market conditions may change, as well as best practice in reporting and regulations that govern the property market's climate work and the Bank may therefore choose to adjust its goal and the scope of what is included in it based on what happens in the outside world, and how Handelsbanken can best support its customers.

The primary means to achieve the climate goal will be the continued widespread integration of a climate-related perspective into the Bank's lending and advisory services to customers. With additional goals related to sustainable financing, the Bank will support customers via products and advisory services aiming for reduced emissions and greater energy efficiency. The reduction in emissions is not expected to be linear over time, and in the short term, the reported emissions may rise. As the Bank continues to develop its products and services, and these make their full impact over time, reported emissions are expected to more tangibly decrease. The Bank's climate goals are also expected to be supported by reduced emissions from the energy systems in the Bank's home markets, together with measures and actions decided

at global, European and national level.

Handelsbanken's climate goals also entail the Bank minimising its direct environmental impact by constantly and systematically developing its environmental activities. This will be achieved by boosting resource efficiency and recycling, for example, and by taking environmental impact into account in our purchasing and business travel, and will be followed up via key metrics.

The aim of Handelsbanken's goal of 20 per cent sustainable financing<sup>1</sup> is to increase the provision of capital to private and corporate customers that will enable the transition to a sustainable society. Sustainable financing<sup>2</sup> refers to both loans that can already be classed as green, and to loans with terms that aim to support larger customer groups with focus on transition. Like the rest of the market and other banks, the criteria that the Bank uses for green financing in this respect are not yet fully aligned with the EU Taxonomy criteria (see the EU Taxonomy reporting on pages 276–305) and instead follow the criteria established by the Bank's third-party-audited green financing framework. The financial goal is to help accelerate product development and business development, reduce sustainability risks and compliance risks, and improve the Bank's knowledge development. The goal aims to progress the Bank from its current starting point of a low, but quickly growing, proportion of green financing, to integrating environmental, climate and social aspects more broadly into its financing business.

The expectation is that the goal will be achieved by increasing both green and sustainability-linked financing, with a particular focus on mortgages and properties. For example, links to energy class or energy efficiency, as well as advisory services, are regarded as relevant supplements and thus interesting areas for development. The market for sustainable finance is undergoing rapid development, as are the regulations and reporting requirements and standards that govern companies' work with climate-related issues and the energy efficiency of properties. Accordingly, the Bank is continuously evaluating the impact of external factors, such as the economic climate, different options for customers to invest in energy efficiency, regulatory developments in energy effi-

<sup>1</sup> The denominator for calculating the goal is the financing volume, consisting of the Bank's loans to the public and revolving credit facilities for large companies. The numerator is green financing, including green mortgages, social financing, sustainability-linked loans for large companies (both utilised and unutilised) and sustainability-linked loans for properties (retail market).

<sup>2</sup> Criteria for green loans according to the Bank's Green Bond Framework [handelsbanken.com/handelsbankens-green-bonds](https://handelsbanken.com/handelsbankens-green-bonds), aligned with the 2021 ICMA Green Bond Principles and adapted to, but not fully aligned with, the EU Taxonomy.



ciency and reporting, the CSRD/ESRS and the standardisation of terms in sustainable financing, etc., on the Bank's 20 per cent goal, the conditions for meeting this goal and the conditions for achieving the desired reduction in risk for customers and the Bank. Individually, advisory services, financing solutions, price incentives and regulations will not by themselves necessarily bring about a transition on a broad front or at the rate needed. For this reason Handelsbanken intends – in relation to this goal

– to not only work with established forms of sustainable financing but also to pursue a customer-centric approach featuring a full range of solutions to meet all customer needs.

Achieving the goal of net-zero emissions from investment portfolios by 2040 means that the entire portfolio must be carbon neutral. Accordingly, some holdings will have made much further progress and thus have a positive contribution, while others will continue to generate a slight impact. In general, this means that

all companies in which Handelsbanken has invested must reduce their GHG emissions and any remaining emissions must be weighted against capturing the same amount of carbon. As a long-term investor, Handelsbanken wants to make broad investments in the sectors that drive society forward, and use its influence to encourage companies to reduce their emissions and increase their contribution to the 2030 Agenda.

## Financing

Responsible financing	2023	2022	2021	2020	2019
Handelsbanken's green bonds, volume, EUR m	3,059	1,750	1,000	1,000	500
Green bonds, volume arranged, SEK bn	66.8	40.6	33.9	32.4	16.3
Green loans, volume outstanding, SEK bn <sup>1</sup>	87.2	63.7	28.1	20.2	7.3
of which green mortgages	35.0	31.8	8.7	5.4	0.6
Breakdown of energy classes in real estate-related lending (SEK bn) <sup>2</sup>					
Energy class A	30.7	5.2	3.9	-	-
Energy class B	108.7	49.4	36.0	-	-
Energy class C	249.2	134.7	106.2	-	-
Energy class D	313.9	204.3	171.7	-	-
Energy class E	350.4	275.0	247.6	-	-
Energy class F	158.3	134.3	122.0	-	-
Energy class G	63.8	39.4	34.4	-	-
Unclassified	787.0	602.5	646.4	-	-
Sustainability-linked loans, SEK bn <sup>1</sup>	105.4	59.0	23.9	-	-
utilised volumes	39.2	14.6	3.2	-	-
unutilised volumes	66.2	44.4	20.7	-	-
Progress towards financial goal (20% by 2025) <sup>3</sup>					
Proportion of sustainable lending (excl. unutilised revolving credit facilities)	5.5	3.4	1.4	-	-
Proportion of sustainable financing (incl. unutilised revolving credit facilities) <sup>4</sup>	7.6	4.8	2.2	-	-
Financing volumes, SEK bn <sup>5</sup>	2,545.9	2,549.1	2,391.0	-	-
Green assets according to the Bank's green framework, SEK bn	89.0	67.5	17.0	14.1	12.1
Equator Principles <sup>6</sup>					
Project financing, number of loans					
Category A	0	0	0	0	0
Category B	0	1	1	1	1
Category C	0	0	0	0	0
Project-related corporate loans, number of loans					
Category A	0	0	0	0	0
Category B	1	1	1	0	0
Category C	0	0	0	0	0
Total number of leased cars <sup>7</sup>	15,364	17,492	19,165	19,468	20,467
Total emissions all cars (tonnes CO <sub>2</sub> e)	14,330	22,208	27,339	30,609	34,464
Average emissions all cars CO <sub>2</sub> (g/km)	77.2	105.5	120.1	128.2	137.3
Average emissions Handelsbanken's company cars CO <sub>2</sub> (g/km)	22.1	37.9	45.4	61.3	91.1

<sup>1</sup> Excluding Finland. Criteria for green financing in accordance with Handelsbanken's Green Bond Framework, refer to handelsbanken.com/handelsbankens-green-bonds, in line with the 2021 ICMA Green Bond principles and adapted to but not fully aligned with the EU Taxonomy.

<sup>2</sup> The Bank has analysed all of its real estate-related lending in Sweden, Norway, the UK and the Netherlands and, based on the allocation of collateral for calculating capital requirements, has identified collateral with a valid energy declaration. Comparative figures as per 31 December 2022 refer only to Sweden.

<sup>3</sup> Excluding Finland for 2023 and 2022. Key metrics for 2021 have been restated, outcome for 2021 including Finland was 1.4% and 2.4%, respectively.

<sup>4</sup> The denominator for calculating the goal is the financing volume, consisting of the Bank's loans to the public and revolving credit facilities for large companies. The numerator is green financing, including green mortgages, social financing, sustainability-linked loans for large companies (both utilised and unutilised) and sustainability-linked loans for properties (retail market).

<sup>5</sup> Loans to the public including unutilised revolving credit facilities.

<sup>6</sup> Equator Principles – number of reported loans in the Bank's lending portfolio.

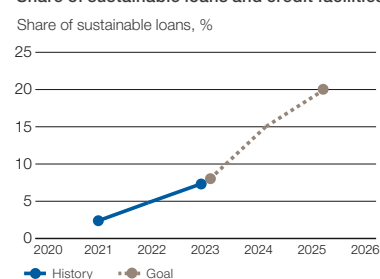
<sup>7</sup> Refers to Sweden.

### GOAL ACHIEVEMENT

Handelsbanken still has some progress to make on attaining the set sustainability goal for financing – by 2025, 20 per cent of the Bank's financing volume shall consist of green financing, social financing or financing that contributes to the borrower's measurable, sustainable transition. The Bank is aware that the goal is ambitious and that the effects of the product and business development required to meet this goal will increase as the Bank moves closer to achieving the final goal. Handelsbanken sees value in having set a stretch goal that challenges

and requires innovation and the integration of sustainability on a broad front, instead of selecting a goal based on expected volume growth in the current offering. In 2023, Handelsbanken took a number of steps towards this goal, for example, the subject of energy was integrated more into the Bank's daily dialogue with customers by training advisors in the importance of the energy class of buildings and establishing more detailed follow-ups of progress at the branches. The Bank also initiated several partnerships with other companies to offer packaged solutions and advice to customers to

### Share of sustainable loans and credit facilities



assist them in their energy efficiency measures, choice of energy sources and climate transition. These activities also contributed to an increase in the share of green and sustainable financing in the Bank. The Bank's ambition over the next few years is to continue to improve and expand the product range in both green financing and sustainability-linked financing, which will create

further incentives for both private and corporate customers to become, for example, more energy effective, primarily with respect to housing and properties. This is where links to energy class or energy efficiency, as well as advisory services, are regarded as relevant supplements and thus interesting areas for development. The market for sustainable finance is undergoing

rapid development, as are the regulations and reporting requirements and standards that govern companies' work with climate-related issues and the energy efficiency of properties. The Bank is following these developments to adapt our offering to customers.

## Savings and investments

Responsible investments <sup>1</sup>	2023	2022	2021	2020	2019
Assets under management in funds that exclude <sup>2</sup> controversial sectors, SEK bn	902	795	904	678	576
Assets under management in funds that exclude <sup>2</sup> fossil fuels, SEK bn	902	795	904	678	576
Proportion of assets under management in funds with:					
negative screening regarding controversial sectors, %	95	94	94	92	88
negative screening regarding fossil fuels, %	95	94	94	92	88
negative screening regarding companies that violate international norms and conventions, %	95	94	94	92	88
Assets under management in funds with:					
positive screening regarding sustainability aspects (ESG), SEK bn <sup>3</sup>	181.7	54.7	51.2	35.9	3.9
screening regarding environmental aspects <sup>4</sup> , SEK bn – old method	5.3	6.2	5.6	3.8	0.3
screening regarding environmental aspects <sup>4</sup> , SEK bn – new method <sup>5</sup>	276.7	39.9	-	-	-
Fund assets under management in green, sustainable and social bonds, SEK bn <sup>6</sup>	52.3	49.7	48.0	32.0	22.2
Fund assets under management in impact investing, SEK bn <sup>7</sup>	11.6	9.8	8.3	7.2	4.4
Proportion of fund assets under management evaluated according to PRI, % <sup>8</sup>	100	100	100	100	100
Total number of dialogues	587	421	331	566	563
Participation in shareholders' meetings	977	1,163	1,019	647	813
of which companies listed in Sweden	311	302	338	238	224
of which companies listed outside Sweden	666	861	681	409	589
Participation in nomination committees	68	70	47	41	34
Proportion of unit-linked insurance funds that exclude <sup>2</sup> fossil fuels	100	100	100	91	86
Fund assets under management reported according to EU Sustainability Finance Disclosure Regulation (SFDR) <sup>9</sup>					
Article 9 – Mutual funds that have sustainable investment or a reduction in carbon emissions as their objective, SEK bn <sup>10</sup>	181.7	54.7	150.7	-	-
Article 8 – Mutual funds that promote environmental and social characteristics, SEK bn <sup>10</sup>	725.0	746.0	759.1	-	-
Article 6 – Mutual funds that integrate sustainability risks into investment decisions, SEK bn	40.3	38.5	40.9	-	-
Article 6 – Mutual funds that do not integrate sustainability risks due to their investment strategy, SEK bn	2.1	5.7	5.9	-	-
Proportion of fund assets reported according to EU Sustainability Finance Disclosure Regulation (SFDR) <sup>9</sup>				-	-
Article 9 – Mutual funds that have sustainable investment or a reduction in carbon emissions as their objective, % <sup>10</sup>	19.1	6.5	15.8	-	-
Article 8 – Mutual funds that promote environmental and social characteristics, % <sup>10</sup>	76.4	88.3	79.3	-	-
Article 6 – Mutual funds that integrate sustainability risks into investment decisions, %	4.3	4.6	4.3	-	-
Article 6 – Mutual funds that do not integrate sustainability risks due to their investment strategy, %	0.2	0.7	0.6	-	-
Assets under management in funds with Paris Aligned Benchmarks (PAB), SEK bn	135.2	94.9	99.5	-	-
Proportion of assets under management in funds with Paris Aligned Benchmarks (PAB), %	14.2	11.2	10.4	-	-
Outcome of Handelsbanken Fonder AB's sustainability goals:					
Carbon intensity in total fund portfolio, GHG/EVIC (tCO <sub>2</sub> e/SEKm)	51.2	50.2	49.2	61.2	-
Proportion of fund assets under management in climate solutions, % – old method <sup>11</sup>	9.9	11.2	11.6	12.4	-
Proportion of fund assets under management in environmental and climate solutions, % – new method <sup>11</sup>	20.7	22.7	-	-	-
Proportion of fund assets under management in sustainable investments, % – old method <sup>12</sup>	35.0	42.1	34.2	33.9	-
Proportion of fund assets under management in sustainable investments, % – new method <sup>12</sup>	43.2	43.2	-	-	-

<sup>1</sup> Unless otherwise stated, this item refers to volumes excluding own holdings.

<sup>2</sup> The term "exclusion" means that no more than 5 per cent of turnover in the company may derive from operations related to such products or services. There can be an exemption from the principle of excluding fossil fuels, if the company fulfils the fund company's criteria for qualification as a company in transition.

<sup>3</sup> The change in volume compared with last year was essentially due to the fact that volumes in index funds that follow a registered EU benchmark, such as the Paris Aligned Benchmark, were reported as Article 8 funds in 2022 but are now reported as Article 9.3 funds. In 2023, the European Commission presented a clarification on the application of the regulations.

<sup>4</sup> The data point was adjusted in 2022 to align with the SFDR and includes Handelsbanken Fonder's own Article 9 mutual funds under management that primarily make investments that promote environmental and climate solutions. Until 2022, this point included the fund company's direct and indirect holdings that can be classified as companies in transition. The key metrics have been presented according to both the old and the new method for comparability.

<sup>5</sup> The volume refers to the total fund assets under management, and not the adjusted volume as reported under the key metric "positive screening regarding sustainability aspects (ESG)." This is the reason for the higher proportion.

<sup>6</sup> Refers to holdings in Handelsbanken Fonder's own actively managed fixed-income funds. The volume refers to the total fund assets under management, and not the adjusted volume.

<sup>7</sup> Investments that generate measurable positive effects for society combined with financial returns. From 2022, no external holdings are included in the calculation and the figure only comprises Handelsbanken Fonder's own managed mutual funds. The volume refers to the total fund assets under management, and not the adjusted volume.

<sup>8</sup> Requirement that all internal and external fund managers sign the Principles for Responsible Investment (PRI).

<sup>9</sup> Handelsbanken Alternatives Fund Limited is not reported according to the EU Sustainability Finance Disclosure Regulation (SFDR).

<sup>10</sup> In April 2023, the European Commission presented a clarification that made clear that index funds that follow a registered EU benchmark, such as the Paris Aligned Benchmark, meet the requirements to be reported as Article 9.3. As a result, Handelsbanken Fonder chose to again report its Paris-aligned index funds as Article 9.3.

<sup>11</sup> The goal to increase investments in climate solutions was adjusted in 2022 to better comply with the definitions of the SFDR. The goal now also refers to environmental solutions including climate solutions. The key metrics have been presented according to both the old and the new definition for comparability. For definitions and a description of methods, see handelsbankenfonder.se.

<sup>12</sup> The goal to increase the proportion of sustainable investments was adjusted in 2022 to better comply with the definition of sustainable investments in the SFDR. The key metrics have been presented according to both the old and the new definition for comparability. For definitions and a description of methods, see handelsbankenfonder.se.

## HANDELSBANKEN FONDER

### Vision and sustainability goals

Handelsbanken Fonder's vision is to create financial wealth and planetary health through the fund company's investments. To clarify how it intends to achieve this, the fund company works from its own sustainability goals that also reflect the fund company's commitment to the Net Zero Asset Managers (NZAM) initiative and the part of Handelsbanken's commitment to the UN Principles for Responsible Banking (PRB) that the bank signed in 2019. Handelsbanken Fonder's sustainability goals have been established in two main areas:

- Paris-aligned investment portfolios
- Contribution to 2030 Agenda.

Handelsbanken Fonder will report on its performance in relation to these goals at least annually, in accordance with the goal requirements under the NZAM and PRB frameworks.

### Paris-aligned investment portfolios

From an investment perspective, the climate transition is tied to both risks and opportunities. Handelsbanken Fonder therefore works both to reduce the carbon footprint and climate-related risks in the fund company's investment portfolios and to direct investments towards companies that contribute to solutions in the climate transition. The first overarching sustainability goal is therefore to achieve net-zero GHG emissions in the fund company's total investment portfolio by 2040. The fund company has two interim targets on the way to this goal:

- 50 per cent reduction in the carbon intensity of the fund company's total investment portfolio by 2030
- doubling of investments in environmental and climate solutions by 2030.

The special report<sup>1</sup> by the UN's Intergovernmental Panel on Climate Change, the IPCC, states that a 50 per cent reduction in carbon emissions by 2030 is a vital precondition if global warming is to be limited to 1.5°C.

There are several different approaches to achieving the goal of net-zero emissions from the fund company's total investment portfolio. By only investing in sectors with an inherent low carbon footprint, the goal could be achieved relatively quickly. However, this is not the way to make a real-world impact. A complete transformation is required if global climate goals are to be achieved, above all in sectors with historically high emissions. All companies must take a focused, goal-oriented approach to reduce their carbon emissions – and as a long-term investor, Handelsbanken Fonder must join them on this journey. The fund company therefore wants to make broad investments in sectors that drive society forward, and use its influence to encourage companies to reduce their emissions.

Pushing companies to reduce their emissions is only one part of reducing emissions in society. The other part is about investing in environmental and climate solutions. By investing in companies that develop products and services that help in the climate transition, participating in new issue of shares and IPOs, and by investing in different sustainable bonds, Handelsbanken Fonder ensures that environmental and climate solutions – and the companies behind them – can grow.

### Contribution to 2030 Agenda

Handelsbanken Fonder's second overarching sustainability goal – to increase the mutual funds' contribution to the 2030 Agenda – focuses on the overall objectives of the 17 SDGs, which countries around the globe have agreed on achieving by 2030. It is largely a matter of fulfilling basic human rights and needs – such as the right to education and healthcare, access to clean water, financial inclusion, gender equality and inclusion. It is also about protecting and managing ecosystems, biodiversity and natural resources sustainably. In order to increase the mutual funds' contribution to the 2030 Agenda, the fund company has set the following two interim targets:

- 30 per cent increase to the proportion of sustainable investments by 2025
- increase engagement activities with a positive outcome every year until 2025.

To promote and accelerate the efforts to achieving the 17 SDGs and the 169 targets by 2030, extensive investments and political reforms will be required. Handelsbanken Fonder works actively to contribute to and be a part of these necessary investments. As with its work on climate-related matters, Handelsbanken Fonder is convinced that investing in solutions is an important part of the work to reach the goals set out in the 2030 Agenda for Sustainable Development. The fund company also believes that identifying and investing in companies that can deliver relevant solutions to the challenges the world is currently facing is a considerable opportunity in terms of investment.

A challenge in this respect is the access to data regarding how well certain companies are contributing to the SDGs. The mutual funds' investment universe is large, and the fund company has invested in numerous smaller companies all over the world, and the data for some of these may not always be comprehensive or entirely accurate.

The fund company applies both its own research analysis and the assistance of external data providers to assess the companies' contribution to the SDGs. This analysis is also important in being able to define what is considered to be a sustainable investment and to report this in accordance with the EU SFDR.

Another way of contributing to the goals of the 2030 Agenda for Sustainable Development

is by engaging with companies and encouraging them to move in the right direction. The fund company's active stewardship is carried out in a number of ways and can be divided into active stewardship and dialogues. As well as general strategic sustainability topics, dialogues with companies cover specific aspects of a company's risks, opportunities and engagement in matters related to sustainable development. Through its active stewardship, Handelsbanken Fonder engages with companies through its participation in nomination committees and voting at shareholders' meetings.

### Follow-up of goals

The purpose of quantitative goals is to be able to measure results and provide stakeholders with the ability to monitor developments. Handelsbanken Fonder reports its results in relation to the goals at least once a year. In addition, regular follow-up activities are undertaken in the fund company's Sustainability Risk Forum, which monitors the mutual funds' sustainability performance.

### Outcome 2023

#### Carbon intensity

Handelsbanken Fonder's total carbon intensity, including Scope 1, 2 and 3, increased by 2.0 per cent in 2023, from 50.2 to 51.2 tCO<sub>2</sub>e/SEKm. Including only Scope 1 and 2, the carbon intensity declined by 13.1 per cent. Further details on the exact drivers of this change will be presented in the fund company's Climate Report, as well as the Sustainability and Stewardship Report to be published in 2024.

The fund company works actively on its climate impact through means such as direct dialogues – focusing on the companies that make the largest contribution to the fund company's total emission intensity and the areas in which the fund company sees tangible opportunities for improvements in the companies' reporting, goals or progress. During the year, the fund company noted that several companies had improved their reporting of emissions data and that in many cases the companies had higher emissions than previously estimated. It is positive that higher-quality data exists that better reflects reality, but this entails challenges in interpreting the overall trend. The fund company therefore maintains its view that it is more appropriate to look at the general long-term direction rather than at specific figures since emissions data tends to change considerably when a company changes from estimated to reported data.

Handelsbanken Fonder measures emissions in relation to the Enterprise Value Including Cash (EVIC), a value that is largely determined by the market value of the holdings. This means that carbon intensity can therefore rise or fall depending on how the market values a company, even if the absolute emissions remain unchanged. The fund company considers both

<sup>1</sup> Global Warming of 1.5°C. See the full report: [ipcc.ch/sr15/](https://www.ipcc.ch/sr15/).

direct and indirect emissions in the companies' value chains, i.e. Scope 1, 2 and 3. It can be challenging to include Scope 3, as the companies in many cases still do not report data on these emissions and they use estimates instead. This is why sustainability reporting, in the context of the fund company's stewardship, is an important matter where the fund company advocates for companies to measure and report their emissions to a greater extent than presently.

In the short term there are several factors of uncertainty when carbon intensity is calculated for the mutual funds. However, this is no reason to avoid reporting the full picture with regard to emissions. Instead, the goal is to report as transparently as possible, and to report on the methods and metrics used. In the long term, Handelsbanken Fonder is convinced that its choice of investments and its stewardship will lead the fund company in the right direction towards net-zero emissions.

Disclosures regarding carbon intensity are based primarily on information provided by the ESG data provider, ISS ESG. The disclosures present a snapshot of the portfolio's carbon footprint and the calculations are not exhaustive.

#### Environmental and climate solutions in the mutual funds

The proportion of environmental and climate solutions for 2023 declined marginally during the year, from 22.7 per cent to 20.7 per cent of assets under management. Further details on the exact drivers of this change will be presented in the fund company's Sustainability and Stewardship Report to be published in 2024.

#### Sustainable investments in the mutual funds

The proportion of sustainable investments remained unchanged during the year, representing 43.2 per cent of assets under management. Further details will be presented in the fund company's Sustainability and Stewardship Report to be published in 2024.

#### Stewardship in the mutual funds

The number of direct dialogues grew marginally from 197 to 199 in 2023. During the year, the fund company continued to prioritise proactive stewardship and to leverage the combined resources and expertise of the entire fund management team in its dialogues. Collaboration between fund managers and sustainability specialists creates the conditions to conduct far-reaching, effective stewardship. In addition to its own direct dialogues, in 2023 the fund company participated in collaborative dialogues together with other investors, aimed at 388 companies. Within the framework of investor networks and statements supported by Handelsbanken Fonder, 17,754 companies have been contacted during the year.

Through active stewardship, the fund company has also exercised an influence over companies by participating in 68 nomination committees ahead of annual general meetings in 2023, and voted at 977 shareholders' meetings.

Further details on the exact drivers of these changes will be presented in the fund company's Sustainability and Stewardship Report to be published in 2024.

#### HANDELSBANKEN LIV

##### Vision and sustainability goals

Handelsbanken Liv's vision is to contribute towards greater security in life and a richer future. The life insurance company's sustainability goals aim to promote sustainable development, for both future generations and our planet. The goals are divided into three areas: environment, social responsibility and business ethics.

##### Environment – Investments for a climate-neutral future

The overarching climate goal is net-zero GHG emissions from the investment portfolio as soon as possible, and by 2040 at the latest. Interim targets to be achieved by 2025 are to:

- Reduce the environmental impact of own operations by 25 per cent.
- Increase the range of mutual funds with climate-related and environmental solutions by 15 per cent.
- Only offer mutual funds that exclude fossil fuels.

##### Social responsibility – Gender-equal pensions

The overarching social sustainability goal is to ensure long-term financial security for all of the life insurance company's customers, and in particular to contribute to a reduced income disparity between men and women upon retirement, in line with Handelsbanken's goal of gender-equal advisory services. Interim targets to

be achieved by 2025 for ensuring increased financial independence through gender-equal pensions are to:

- Reduce the pension gap between men and women through business development and training initiatives in gender-equal pensions.
- Reduce financial inequality by improving access to financial services.
- Increase the knowledge of gender equality throughout the operations, at both company-wide and individual unit level.

##### Business ethics – Sustainable purchases and external fund suppliers

The overarching sustainability goal regarding business ethics includes the evaluation of selected suppliers and partners to ensure that they meet the sustainability criteria established by Handelsbanken Liv. As soon as possible, and by 2025 at the latest, Handelsbanken Liv will ensure that external fund suppliers whose funds are offered in its insurance solutions actively work to achieve the climate goal of the Paris Agreement, and contribute to investments that support the 2030 Agenda for Sustainable Development. Interim targets in this area, to be achieved by 2025, are:

- Procurement and outsourced operations are to be sustainable.
- Only offer mutual funds from suppliers committed to the Paris Agreement.
- Only offer mutual funds from suppliers that actively contribute to the 2030 Agenda.

#### Outcome 2023

##### Carbon intensity

Since 2016, Handelsbanken Liv has monitored the emission intensity of its investments, i.e. the GHG emissions generated by the companies invested in by the mutual funds in the portfolio. Handelsbanken Liv has chosen to report emission intensity in line with Insurance Sweden's recommendations, meaning that it is expressed as a weighted average value. Emission intensity is calculated using emissions data taken from ISS Ethix, which includes both direct and indirect emissions (Scopes 1 and 2).

In 2023, Handelsbanken Liv has reduced the emission intensity of the shares in equity funds and mixed funds linked to unit-linked insurance and traditional insurance in Sweden. The portfolio-weighted emission intensity decreased from 6.8 tCO<sub>2</sub>e/SEKm in 2022 to 4.0 tCO<sub>2</sub>e/SEKm in 2023. Investments in green bonds in traditional insurance amounted to SEK 1.4 billion (1.3), corresponding to 24 per cent (24) of the total portfolio. In addition, Handelsbanken Liv has maintained a low exposure to fossil fuel-intensive sectors: 3.6 per cent (4.5) of shares in equity funds and mixed funds. 95 per cent of Handelsbanken Liv's range of funds comprises funds that promote positive environmental or social characteristics (Article 8) or have sustainable investment as their objective (Article 9). An in-depth look at the life insurance company's environmental and climate-related work is published annually in Handelsbanken Liv's climate

#### The mutual funds' progress towards the goals

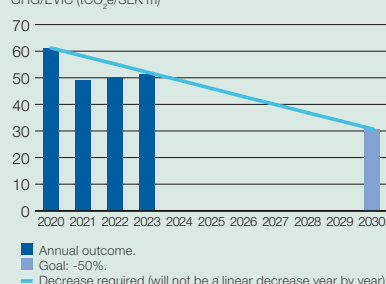
##### Measuring emissions

The direct and indirect impact of the company's emissions are divided into three different Scopes.

- **Scope 1:** Direct emissions, sources of emissions owned or controlled by the company.
- **Scope 2:** Indirect emissions from the consumption of electricity, heating or steam.
- **Scope 3:** Other indirect emissions, such as emissions produced by the manufacturing activities of sub-contractors and emissions generated during use of the product, transportation with vehicles not directly owned by the company, outsourced operations, waste management and energy consumption not covered by Scope 2.

##### Interim target 1: Carbon intensity of our mutual funds – Scope 1, 2 & 3

GHG/EVIC (tCO<sub>2</sub>e/SEKm)





report, which is prepared according to TCFD recommendations.

### HANDELSBANKEN WEALTH & ASSET MANAGEMENT LTD

Handelsbanken Wealth & Asset Management supports the Group's sustainability goals and will continue to develop further business plans in a direction that contributes to achieving those goals. Work on the Group's sustainability goals

in the future will involve, among other things, developing investment strategies aligned with the Paris Agreement, in accordance with SBTi recommendations. Such development tallies well with the long-term management strategy and the intention of the sustainable funds to make a genuine difference. It will be achieved by giving companies an incentive to take responsibility via the process for sustainable investments, and through adaptation to the

SDGs. In addition to climate-oriented principles, Handelsbanken Wealth & Asset Management has also committed to increasing its investments' contribution to the 2030 Agenda. The mutual funds currently have investments within the framework of several of the SDGs, from Clean Water and Sanitation to Industry, Innovation and Infrastructure.

## Advisory services

Responsible advisory services	2023	2022	2021	2020	2019
Number of employees licensed to provide advisory services (e.g. Swedsec license)	3,492	3,499	4,017	4,336	4,373
Number of employees with advisory license "Handelsbanken certifiering rådgivning bas" – Sweden	1,701	1,720	1,820	-	-
Number of employees who have completed course on gender-equal pensions – Sweden <sup>1</sup>	1,157	1,489	739	-	-
Number of employees who have completed course on gender-equal advisory services – Sweden	1,202	1,364	-	-	-
Advisory meetings with customers – Sweden, Finland, Norway <sup>2</sup>	91,972	79,759	98,332	-	-
Proportion of women	51.7	52.6	52.7	-	-
Proportion of men	48.3	47.4	47.3	-	-
Of which pension advisory meeting	25,389	47,884	25,821	-	-
Proportion of women	56.7	52.3	57.4	-	-
Proportion of men	43.3	47.7	42.6	-	-
Of which asset management meeting	50,490	49,438	50,490	-	-
Proportion of women	55.4	56.8	55.4	-	-
Proportion of men	44.6	43.2	44.6	-	-

<sup>1</sup> One-off course in 2021.

<sup>2</sup> Pension savings and wealth management may be addressed at the same meeting.

### GENDER-EQUAL ADVISORY SERVICES

Handelsbanken's current sustainability goal for gender-equal advisory services is that the Group, from 2020 and by the end of 2023, through business development and training initiatives, will in a measurable way create conditions for gender-equal savings and thus contribute to reducing the wealth gap between men and women. By making financial services available to more people, and increasing women's financial independence, the Bank increases its customers' financial stability and contributes to the Gender equality SDG.

The gap between men's and women's savings is primarily due to causes unrelated to the Bank's advisory services, such as the labour market. In many cases, women are paid less and work part time to a higher degree, affecting their incomes and their ability to save. In order to achieve the gender-equal savings goal and help more customers achieve financial security, thus moving towards a more gender-equal economy, the Bank's method for working with gender-equal advisory services is:

- educate and boost knowledge about financial gender equality
- analyse the advisory services and follow up with the operational side of the business
- support individual development within the area of personal finances by launching tools and aids which facilitate and simplify savings and investments.

### Business intelligence

There are many reasons to actively promote gender equality. At the root of the matter, it is about fairness and human rights.

Statistics from Eurostat – "Gender pay gaps in the European Union" and "Gender pay gap in the UK" show that the pay gap between men and women in Handelsbanken's home markets was between just over 11 per cent (Sweden) and 15 per cent (UK) in 2020. An OECD report from 2021 shows that the pension gap between women and men (lower average pension, expressed as a percentage, for women compared with the corresponding figure for men at 65 years of age) in the same markets was just over 40 per cent (the UK) and just over 26 per cent (Norway).

### Goal achievement for gender-equal advisory services 2023

In 2023, the Bank further developed the advisory tool in Sweden so that advisors have better support to discuss gender equality in finances with the Bank's customers. The Bank also launched a new savings target known as "compensation savings" as part of its advisory services in Sweden. This savings target aims to help customers easily catch up on any shortfall in pension provisions from having worked part-time, and to raise customer awareness of aspects of their private finances that could affect the outcome of their savings and pension.

During the year, the Bank continued to follow up on savings started via digital guides. The results show that, on average, women save about SEK 800 less per month in mutual funds than men. Generally speaking, women and men have different attitudes towards savings. Handelsbanken's follow-up indicates that slightly more women than men met with the Bank during the year for investment advice: 51.7 per cent compared to 48.3 per cent. The digital savings guides have also been used more by women than men, at 55 per cent and 45 per cent, respectively. The total amounts saved are also lower. The risk attitude, and the manner in which capital is invested, vary between men and women savers. Medium risk is the most common risk level for our customers' savings, but the second most common for men is medium/high risk, whereas for women it is medium/low risk. The results of the follow-up also show that men own a larger percentage of the assets under management in active equity funds at the Bank's Swedish fund company. Men own 55 per cent, compared with the 45 cent owned by women. Women, on the other hand, own a greater percentage of the assets under management in our mixed funds – 58 per cent compared with 42 per cent.

### Dialogue with customers 2023

This year's Swedish Quality Index survey (SKI Savings 2023) showed that just over six out ten (62 per cent) of surveyed Handelsbanken

customers have extra savings to increase their pension, while almost one-third of savings customers (29 per cent) did not. One in four customers (25 per cent) said that they share their finances with their partner but that they had not looked over their pensions in terms of the effects of working part-time, parental leave or staying home from work to care for a sick child. 14 per cent also said that they had tried to look at the effects of different life events on their finances together with their partner so that they could have more equal finances. However, only 7 per cent of survey respondents said that they had compensated each other, for example, by transferring premium pension rights or starting savings for the person in the household who has stayed home the most, such as for parent leave. The survey also indicated that there is widespread demand for information and support, with 23 per cent wanting to resolve this issue or to receive tips on having more equal finances. One in five customers also said that they would like to review the risk level in their savings. In order to help customers predict the long-term effects of all the choices – big or small – that they make with regard to their finances, Handelsbanken continued its educational initiatives and business development activities during the year.

Handelsbanken Wealth & Asset Management's first Wealth Survey was published in 2023. This nationwide survey was conducted across the UK, with 4,000 respondents weighted evenly by gender, age, region and value of financial assets.

An independent agency was used to ensure impartiality, and the results were presented in the Wealth Survey Report 2023. The aim was to put the survey results into a historical context, while providing practical suggestions for closing the gender wealth gap. The final report highlighted the results and potential solutions in areas such as:

- women's financial literacy and confidence
- the pension gap between women and men
- how the gendered division of labour extends to money matters
- the impact of women's and men's financial worries.

To improve women's financial literacy and confidence, Handelsbanken Wealth & Asset Management also organised two Building Financial Resilience events in the north and south of England. Attracting customers from Handelsbanken's local branches, these events created a positive and informative environment for women to listen, discuss and ask questions to wealth management and investment experts.

#### **Gender equality in advisory meeting**

An employee survey was conducted among a selection of advisors in Sweden during the year to evaluate the outcome of the business development and training initiatives that were

launched in 2020-2023. The results showed that more than half of the advisors had tried the new tools that were launched and that the "Gender-equal pension" initiative was the most commonly used tool. 56 per cent of respondents also said that they had become more confident in raising the issue of gender equality when meeting with customers compared with the period before the initiative was launched, although they said that they have more to learn. To provide further support for Handelsbanken's advisors, the Bank launched three tailored training courses: "Gender-equal savings" aims to highlight savings behaviour and risk appetite in savings, "Gender-equal advisory services" highlights gender equality aspects in day-to-day financial decisions and "Gender-equal pension" highlights how working-life choices affect pensions. These courses have now been completed by just over 65 per cent of the Bank's 1,701 active advisors in Sweden with both a SwedSec licence and Handelsbanken's basic certification for advisors.

#### **Initiatives and business development 2020-2023**

Several business development initiatives were launched during the year to create better conditions for women's savings by making facts and support for informed financial decisions available. These initiatives involve information on the website, customer events and support in advisory tools to be used when meeting customers at branches:

- Gender-equal pension 2021 – aims to raise awareness about choices in life that may affect pensions by providing information and tools such as part-time work calculations.
- Gender-equal savings 2022 – provides information to highlight how risk levels and financial literacy affect savings, such as "The savings gap – what can we do about it?" report.
- Gender-equal finances 2023 – valuable tips for a more even balance in day-to-day finances, savings and pension, such as on the website and a section of the Gender-equal finances tool.

#### **New goals for gender-equal advisory services**

Handelsbanken has made substantial progress in strengthening the basis for women's savings, although there is more for us to do. For this reason, Handelsbanken decided at the end of 2023 to continue its efforts to promote more equal finances through our advisory services and customer meetings. A sustainability goal was adopted for gender-equal advisory services and applies from 2024 to 2026.

#### **Raising financial literacy**

Handelsbanken will continue to create the conditions to improve the financial situation for women and thereby promote a gender-equal

economy. By 2026, the percentage of women among Handelsbanken's customers who consider themselves to have a high level of financial literacy shall increase from 62 per cent in 2023 to 75 per cent in 2026. This goal will be achieved through education and providing advisory services that will lead to:

- the percentage of the relevant group of advisors with a high level of expertise in equal finances and financial literacy increasing from 28 per cent in 2023 to 95 per cent in 2026
- the percentage of women in the customer group of the initiative and who consider themselves to have a high level of expertise in equal finances and financial literacy increasing 20 per cent from 62 per cent in 2023 to 75 per cent in 2026.

#### **Impact analysis**

Both academic research and internal operations have been analysed to identify impact areas in equal finances and financial literacy. The research of this year's Nobel Laureate in Economics, Professor Claudia Goldin, shows that parenthood leads to less favourable women's labour market outcomes. The current gender pay gap is between 10 and 20 per cent in high-income countries. This is often despite the fact that there is legislation on equal pay and women generally have a higher education level than men in these countries. In high-income countries, parenthood can now almost entirely explain the earnings difference between women and men.

The earnings gap that arises in the labour market also affects the savings and pension savings capacity of our customers. Handelsbanken arranged workshops during the year with representatives of the Bank's home markets to identify areas in which, based on activities in prior periods, the Bank sees opportunities to contribute to and help bring about more gender-equal finances and savings in the future. The areas we identified in the impact analysis are:

- education
- raise awareness
- advisory services
- products and services.

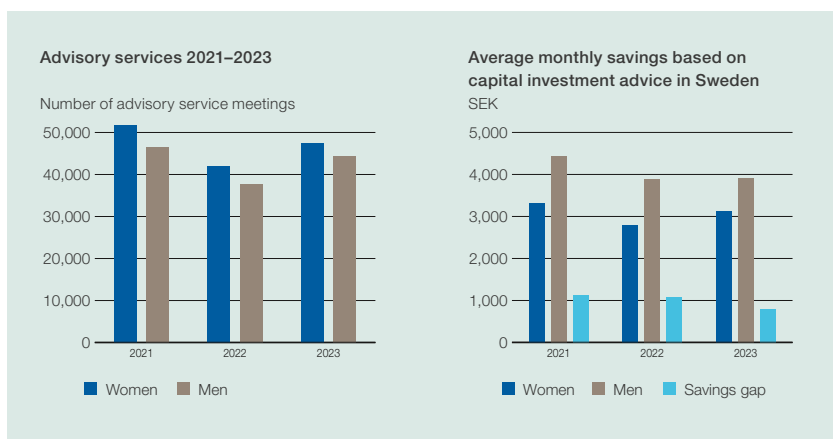
Through education, Handelsbanken is able to raise the level of expertise of its advisors and help customers to seek guidance to improve their financial literacy. Surveys, such as the Swedish Financial Supervisory Authority's "More equal savings" report, have shown that better perceived expertise actually impacts savings behaviour and thus is a prerequisite for making more conscious choices in one's finances and savings. To raise awareness of how working-life choices and private finances could have long-term financial consequences on the economy, Handelsbanken can provide information to customers to encourage more people to acquire the tools for having more equal finances. As part of the Bank's advisory

services, its employees meet customers every day whom they help to visualise the various economic consequences of saving more for their pension, for example, or choosing a suitable risk level for their savings. The Bank's products and services can help reduce or increase financial equality in different ways, which is why business development is another area in which we can have an impact.

Analyses were carried out, such as an opinion poll (carried out by Novus and Handelsbanken in December 2023, "The public's opinion of economic turmoil and financial literacy for major life events") on the Swedish public's view of economic equality, financial literacy and financial health. The results showed that just under six out of ten believe that they have sound knowledge of the financial consequences of major life events, such as parental leave. Three out of four said that they have sufficient financial literacy to make well-founded financial decisions. Several highly paid men said that they have sufficient financial literacy to make well-founded financial decisions, while low-paid women more often said that they were not as financially literate or were unsure.

#### Targets and motivation

The goal for 2024–2026 is to have a positive effect on the areas in which Handelsbanken can make an impact for more equal finances. By addressing the areas identified in the impact analysis and making efforts to meet the needs expressed by our customers and stakeholders, the goal for 2024–2026 is to improve people's knowledge by providing information and advisory services.



## Corporate responsibility

Responsible banking	2023	2022	2021	2020	2019
Percentage of suppliers (purchased volume as %) that have signed the Bank's Code of Conduct, or whose code the Bank has approved <sup>1</sup>	85	82	81	77	76
Percentage of employees who have completed training in anti-corruption, anti-money laundering and combating the financing of terrorism, %					
Sweden	91	89	84	92	97
UK	99	98	99	98	98
Norway	81	86	79	91	94
Finland	92	92	85	92	95
The Netherlands	92	90	88	97	98
Other countries	92	90	75	92	98
Total	91	92	90	-	-
Percentage of employees who have completed the training "Sustainability in the financial industry" or the equivalent, %					
Sweden	82	73	83	-	-
UK	99	92	89	-	-
Norway	51	68	77	-	-
Finland	69	85	84	-	-
The Netherlands	79	67	87	-	-
Other countries	82	44	69	-	-
Total	77	80	84	-	-
Number of Board members who have completed the training in anti-corruption, anti-money laundering and combating the financing of terrorism <sup>2</sup>	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>2</sup>	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>2</sup>	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>2</sup>	89	100	100	100	-
Number of suspicious orders and transactions (MAR) reported <sup>3</sup>	21	19	25	33	-
Number of suspicious transactions involving money laundering/terrorist financing (SAR) <sup>4</sup>	5,245	6,194	5,039	4,730	-
Number of branches and meeting places	434	462	548	732	769
Number of local initiatives and activities	>500	>400	>500	>300	>800
Total taxes and government fees, SEK bn	16	12	11	10	12
Credit losses as a percentage of lending	0.01	0.00	0.00	0.03	0.04
Total GHG emissions, tonnes CO <sub>2</sub> e <sup>5</sup>	9,369	9,304	8,007	10,135	12,486
of which Scope 1 – direct emissions	154	299	339	24	40
of which Scope 2 – indirect emissions	2,295	2,616	2,718	4,382	4,629
of which Scope 3 – other indirect emissions	6,920	6,389	4,950	5,729	7,817
Total business travel, million km	19.0	13.1	4.0	7.5	28.2
Business travel per employee, km	1,649	1,218	364	642	2,437
Customer satisfaction private customers, SKI/EPsi index					
Sweden	67.7	68.5	70.3	70.4	71.5
UK	82.0	81.5	82.3	81.2	84.6
Norway	76.2	74.8	76.1	75.7	77.2
The Netherlands	78.0	77.3	78.4	78.4	77.7
Customer satisfaction corporate customers, SKI/EPsi index					
Sweden	70.1	67.2	69.4	68.7	66.5
UK	79.4	78.8	77.5	77.0	83.1
Norway	72.8	71.4	68.4	68.8	72.9
The Netherlands	77.4	76.5	77.1	75.3	75.3

<sup>1</sup> Purchased volumes over SEK 5 million.

<sup>2</sup> The majority of Board members reside in Sweden.

<sup>3</sup> Market Abuse Regulation (MAR). Banks are obligated to report suspicions of market abuse: insider trading, market manipulation and unlawful disclosure of inside information.

<sup>4</sup> 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.

<sup>5</sup> From 2021, the table is based on a partly new method adapted to a new base year in line with the Bank's SBTi application. The description of methodology is presented on page 271.



Direct economic value created and distributed according to GRI principles' SEK bn	2023	2022	2021	2020	2019
<b>Customers</b>					
Income after credit losses and before fees for the Swedish resolution fund, deposit insurance, etc.	62.4	50.7	44.5	44.9	45.7
<b>Added value created by serving customers</b>	<b>62.4</b>	<b>50.7</b>	<b>44.5</b>	<b>44.9</b>	<b>45.7</b>
Distributed economic value					
<b>Employees</b>					
Salaries	9.5	8.5	8.2	9.4	9.3
Provision to profit-sharing foundation (incl. social security costs)	0.3	0.2	0.1	0.2	-
Social security costs and other staff costs	3.8	4.3	4.2	5.7	5.1
<b>Cost of employees</b>	<b>13.7</b>	<b>13.0</b>	<b>12.5</b>	<b>15.3</b>	<b>14.4</b>
<b>Public authorities and society at large</b>					
Suppliers <sup>2</sup>	9.5	8.2	7.4	8.0	8.2
Corporate tax (current tax)	8.5	5.4	5.3	5.5	6.1
Deferred tax	-0.1	-0.1	-0.7	-1.0	-1.2
Fees to the Swedish resolution fund, deposit insurance, etc.	2.9	2.6	1.2	1.4	2.2
Government bank support received	-	-	-	-	-
Participation in government guarantee programmes	-	-	-	-	-
<b>Society</b>	<b>20.8</b>	<b>16.2</b>	<b>13.2</b>	<b>13.9</b>	<b>15.3</b>
<b>Shareholders</b>					
Dividends (refers to the year dividends were paid)	15.8	9.9	16.7	-	10.7
New share issue	-	-	-	-	-
<b>Transactions with shareholders</b>	<b>15.8</b>	<b>9.9</b>	<b>16.7</b>	<b>-</b>	<b>10.7</b>
<b>Reinvested economic value ("remaining in the Bank")</b>	<b>12.1</b>	<b>11.6</b>	<b>2.1</b>	<b>15.7</b>	<b>5.3</b>

<sup>1</sup> Figures for 2023, 2022 and 2021 refer to continuing operations (Denmark and Finland are excluded).

<sup>2</sup> Refers to Other administrative expenses and depreciation.

Sustainability ratings	2023	2022	2021	2020	2019
S&P Global CSA (Dow Jones Sustainability Index)	60	69	69	74	74
Sustainalytics – new rating scale	17.3	17.1	15.5	16.4	-
Sustainalytics – old rating scale	-	-	-	-	78
ISS ESG Corporate Rating	C (Prime)	C+	C (Prime)	C (Prime)	C (Prime)
MSCI ESG rating	AAA	AAA	AA	AA	AA
CDP	C	C	B	B	B-

### A sustainable investment

Research analysts who specialise in sustainability often draw attention to Handelsbanken as a sound investment. The share is included in the following sustainability indexes: Solactive Europe Corporate Social Responsibility Index PR, FTSE4Good, OMX Stockholm 30 ESG

Responsible Index, SIX Sweden ESG Selection Index and ECPI Global Developed ESG Best in Class Equity. Handelsbanken, ranked at number 82, is one of only three Swedish companies included among the top 100 most sustainable corporations in the world on the Global 100 list by Corporate Knights. More than 20 investment

banks have research analysts who regularly monitor Handelsbanken and its share. In 2023, Handelsbanken was also in contact with sustainability analysts from more than 15 independent research firms and NGOs.

The Bank as an employer	2023	2022	2021	2020	2019
Average number of employees	12,216	11,484	11,608	11,919	11,897
Gender breakdown, percentage women/men					
All employees	49/51	49/51	49/51	50/50	50/50
Branch managers	33/67	30/70	30/70	32/68	32/68
Managers	44/56	43/57	41/59	41/59	40/60
Executive management	43/57	40/60	30/70	13/87	14/86
Age breakdown, %					
All employees					
<30 yrs	14.6	13.6	12.4	11.9	12.5
30–50 yrs	47.1	48.3	49.6	46.3	47.5
>50 yrs	38.3	38.1	38.0	41.8	40.0
Branch managers					
<30 yrs	0.5	0.9	0.6	0.8	0.5
30–50 yrs	45.6	45.0	46.6	50.1	53.3
>50 yrs	53.9	54.1	52.8	49.1	46.2
Managers					
<30 yrs	1.8	2.0	1.7	1.4	1.2
30–50 yrs	53.6	54.6	56.5	56.7	58.5
>50 yrs	44.6	43.4	41.8	41.9	40.3
Executive management					
<30 yrs	0	0	0	0	0
30–50 yrs	28.6	40.0	40.0	37.5	14.3
>50 yrs	71.4	60.0	60.0	62.5	85.7
Total numbers of external consultants <sup>1</sup>	1,161	1,058	723	640	-
Staff turnover Group, %	4.8	7.3	7.7	5.1	4.7
Sickness absence rate, %					
Sweden	2.8	3.3	2.5	3.0	3.0
UK	1.7	1.7	0.9	1.0	1.5
Norway	4.3	4.0	4.3	3.5	4.2
Finland	2.3	2.2	1.5	1.4	2.0
The Netherlands	3.6	3.0	2.2	2.3	2.3
Number of cases reported to national equality ombudsman or a corresponding official body (against the Bank in its capacity as employer)	0	0	0	1	0
Staff covered by a work environment survey, %	100	100	100	100	100
Number of employees who carried out a work environment survey	10,242	9,048	9,607	9,994	10,364
Total outcome (scale 1–6) <sup>2</sup>	5.1	5.0	3.3	3.4	3.4
area Engagement	4.9	4.9	-	-	-
area Inclusion	5.3	5.3	-	-	-
area Trust	5.1	5.1	3.4	3.4	3.3
area Respect	5.4	5.4	3.6	3.5	3.5
area Balance	4.6	4.5	3.1	3.2	3.2
area Communication	5.2	5.2	3.4	3.4	3.4
area Competence	5.1	5.0	3.5	3.5	3.5
area Pride	5.1	5.1	3.5	3.5	3.4
area Security	5.1	5.0	3.1	3.7	3.7
area Physical work environment	4.9	4.9	3.2	3.2	3.1
Staff covered by a periodic performance evaluation, %	100	100	100	100	100
Average salary, women in relation to men, all employees, % <sup>3</sup>					
Sweden	83	82	82	81	82
UK	75	73	71	69	68
Norway	86	84	82	83	82
Finland	77	78	76	73	74
The Netherlands	79	78	76	75	73
Average salary, women in relation to men, managers, % <sup>3</sup>					
Sweden	78	78	79	79	82
UK	89	88	86	83	79
Norway	83	83	84	88	87
Finland	85	83	80	80	86
The Netherlands	97	100	94	96	92
Average salary, women in relation to men, branch managers, %					
Sweden	94	96	96	92	93
UK	86	85	82	80	81
Norway	90	90	91	90	89
Finland	100	96	96	94	107
The Netherlands	88	88	94	92	91
Annual total compensation ratio <sup>4</sup>					
Total compensation ratio (CEO vs employee average <sup>5</sup> )	25.3	24.9	-	-	-
Ratio of change in total compensation (CEO vs employee average)	1.7	1.4	-	-	-
Number of Board members	10	10	9	8	11
men	5	5	5	5	6
women	5	5	4	3	5
geographical origin other than Sweden	2	2	2	2	4
<30 yrs	0	0	0	0	0
30–50 yrs	0	1	1	0	2
>50 yrs	10	9	8	8	9

<sup>1</sup> In accordance with definition in GRI disclosure No 2–8 Workers who are not employees. A majority of external consultants work with IT-related activities.

<sup>2</sup> The method and scale were revised for the survey conducted in 2022. New questions and two new categories, Engagement and Inclusion, were added. The scale was previously 1–4.

<sup>3</sup> Factors such as content and level of difficulty of work that affect the salary have not been taken into account.

<sup>4</sup> In accordance with the definition in GRI disclosure No 2–21, the CEO is the highest paid individual.

<sup>5</sup> Employee salary plus average pension cost within the Group.

Number and percentage of new employees and staff turnover by age group, gender and market	2023				2022				2021			
	New employees by market, age group and gender		Staff turnover <sup>1</sup> by market, age group and gender		New employees by market, age group and gender		Staff turnover <sup>1</sup> by market, age group and gender		New employees by market, age group and gender		Staff turnover <sup>1</sup> by market, age group and gender	
	Number	% <sup>2</sup>	Number	% <sup>2</sup>	Number	% <sup>2</sup>	Number	% <sup>2</sup>	Number	% <sup>2</sup>	Number	% <sup>2</sup>
Sweden	866	11.1	320	4.1	682	9.1	488	6.3	332	4.6	400	5.6
UK	557	17.7	188	6.0	421	14.9	225	7.9	194	7.1	270	9.9
Norway	198	19.5	47	4.6	89	10.4	59	6.7	85	10.2	73	8.7
Finland	19	3.2	21	3.5	60	9.7	107	16.7	81	12.7	80	12.6
The Netherlands	79	16.6	50	10.5	86	19.4	44	9.9	46	11.4	38	9.4
<b>Total markets</b>	<b>1,719</b>	<b>13.2</b>	<b>626</b>	<b>4.8</b>	<b>1,338</b>	<b>10.9</b>	<b>923</b>	<b>7.3</b>	<b>738</b>	<b>6.3</b>	<b>861</b>	<b>7.3</b>
<b>Group total</b>	<b>1,726</b>	<b>13.1</b>	<b>632</b>	<b>4.8</b>	<b>1,347</b>	<b>10.9</b>	<b>929</b>	<b>7.3</b>	<b>744</b>	<b>6.2</b>	<b>919</b>	<b>7.7</b>
men <30 yrs	307		54		208		104		125		72	
30–50 yrs	502		211		396		298		236		238	
<50 yrs	132		77		95		85		66		134	
women <30 yrs	262		67		216		98		108		83	
30–50 yrs	414		163		345		256		160		221	
<50 yrs	102		54		78		82		43		113	

<sup>1</sup> Staff turnover refers to the proportion of employees who have left the Bank (excluding retirements and deaths) in relation to all employees.

<sup>2</sup> Percentage of the number of employees in each market.

Permanent employees	2023			2022			2021		
	Number	Men, %	Women, %	Number	Men, %	Women, %	Number	Men, %	Women, %
Sweden	6,942	49	51	6,596	49	51	6,696	48	52
UK	2,863	56	44	2,571	56	44	2,562	57	43
Norway	869	52	48	797	52	48	779	52	48
Finland	492	46	54	532	45	55	566	45	55
The Netherlands	415	46	54	382	64	36	361	64	36
Other countries	161	49	51	127	49	51	168	49	51
<b>Group total</b>	<b>11,741</b>	<b>51</b>	<b>49</b>	<b>11,005</b>	<b>51</b>	<b>49</b>	<b>11,131</b>	<b>51</b>	<b>49</b>

Temporary employees	2023			2022			2021		
	Number	Men, %	Women, %	Number	Men, %	Women, %	Number	Men, %	Women, %
Sweden	343	46	54	314	46	54	288	47	53
UK	60	55	45	87	63	37	104	59	41
Norway	19	38	62	21	32	68	22	30	70
Finland	41	58	42	56	51	49	62	45	55
The Netherlands	0	0	0	0	0	0	0	0	0
Other countries	12	39	61	1	0	100	1	0	100
<b>Group total</b>	<b>475</b>	<b>51</b>	<b>49</b>	<b>479</b>	<b>49</b>	<b>51</b>	<b>477</b>	<b>49</b>	<b>51</b>

Full-time employees	2023			2022			2021		
	Number	Men, %	Women, %	Number	Men, %	Women, %	Number	Men, %	Women, %
Sweden	6,571	50	50	6,204	51	49	6,206	51	49
UK	2,634	59	41	2,367	60	40	2,354	60	40
Norway	854	53	47	780	53	47	762	53	47
Finland	521	46	54	525	45	55	558	45	55
The Netherlands	209	83	17	182	83	17	176	85	15
Other countries	114	51	49	114	53	47	158	52	48
<b>Group total</b>	<b>10,902</b>	<b>53</b>	<b>47</b>	<b>10,172</b>	<b>53</b>	<b>47</b>	<b>10,214</b>	<b>54</b>	<b>46</b>

Part-time employees	2023			2022			2021		
	Number	Men, %	Women, %	Number	Men, %	Women, %	Number	Men, %	Women, %
Sweden	371	17	83	392	16	84	490	17	83
UK	230	14	86	204	12	88	208	13	87
Norway	15	19	81	17	19	81	17	12	88
Finland	10	18	82	7	34	66	8	37	63
The Netherlands	206	45	55	200	46	54	185	44	56
Other countries	7	0	100	13	0	100	10	4	96
<b>Group total</b>	<b>839</b>	<b>23</b>	<b>77</b>	<b>833</b>	<b>22</b>	<b>78</b>	<b>918</b>	<b>22</b>	<b>78</b>

Average number of employees	2023				2022				2021			
	Number	%	Men, %	Women, %	Number	%	Men, %	Women, %	Number	%	Men, %	Women, %
Sweden	7,285	60	48	52	6,911	60	48	52	6,984	60	48	52
UK	2,923	24	56	44	2,658	23	56	44	2,667	23	57	43
Norway	888	7	52	48	819	7	52	48	801	7	52	48
Finland	533	4	47	53	530	5	46	54	627	5	45	55
The Netherlands	415	4	64	36	382	3	64	36	361	3	64	36
Other countries	172	1	49	51	184	2	48	52	168	2	49	51
<b>Group total</b>	<b>12,216</b>		<b>51</b>	<b>49</b>	<b>11,484</b>		<b>51</b>	<b>49</b>	<b>11,608</b>		<b>51</b>	<b>49</b>

Sickness absence rate	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
%									
Sweden	1.8	3.7	2.8	2.1	4.4	3.3	1.6	3.3	2.5
UK	1.4	2.1	1.7	1.3	2.3	1.7	0.7	1.2	0.9
Norway	3.3	5.4	4.3	2.6	5.4	4.0	2.4	6.3	4.3
Finland	1.7	2.8	2.3	1.6	2.7	2.2	1.5	1.5	1.5
The Netherlands <sup>1</sup>			3.6			3.0			2.2
<b>Total sickness absence</b>	<b>1.8</b>	<b>3.4</b>	<b>2.6</b>	<b>1.9</b>	<b>3.9</b>	<b>2.9</b>	<b>1.4</b>	<b>3.0</b>	<b>2.2</b>
of which long-term absence, Sweden <sup>2</sup>	0.6	1.9	1.3	0.7	2.9	1.8	0.5	1.7	1.1
of which long-term absence excl. the Netherlands <sup>2</sup>	0.8	1.8	1.3	0.7	2.4	1.5	0.6	1.5	1.1

<sup>1</sup> National legislation does not permit the reporting of sickness absence broken down by gender.

<sup>2</sup> Changed calculation method due to new HR system that was introduced 2022.

Sickness absence is stated as a percentage of total normal working hours. Long-term absence is a consecutive period of absence of 60 days or more.

## Taxes and distributed economic value

Geographical information 2023								
SEK m	Income	Operating profit	Profit for the year from discontinued operations, after tax	Corporate tax (current tax) <sup>1</sup>	Social security costs	Fees to resolution fund, deposit insurance and risk tax	Assets	Average number of employees
Sweden	39,928	24,034		-5,127	-1,762	-2,561	3,126,419	7,287 <sup>2</sup>
UK	13,260	7,577		-2,064	-322	-	413,841	2,923
Norway	5,360	2,898		-807	-180	-230	361,665	888
Denmark	9	-4		78	0	-	857	-
Finland	3,233		1,209	-695	-24	-107	181,448	581
The Netherlands	2,368	1,321		-341	-59	-78	230,497	415
USA	673	540		-144	-8	-	374,734	53
Luxembourg	320	179		-38	-9	-	14,924	51
France	2	-5		2	-	-	0	2
Poland	-75	-172		-	-2	-	315	16
Eliminations	-	-47		15	-	-	-1,166,908	-
<b>Group</b>	<b>65,078</b>	<b>36,322</b>	<b>1,209</b>	<b>-9,122</b>	<b>-2,366</b>	<b>-2,977</b>	<b>3,537,792</b>	<b>12,216</b>

<sup>1</sup> Corresponds to tax recognised in the income statement.

<sup>2</sup> Includes two employees of the Bank's representative offices.

The Bank pays and reports taxes based on international and local laws and regulations in the countries where it operates. The table above provides a country-by-country report showing the Group's earnings and tax in the countries where operations are conducted.

## Environmental data\*

General information	Unit	2023	2022	Base year <sup>1</sup> (2021)
Total reported office space	m <sup>2</sup>	344,104	368,953	386,989
Number of employees covered by environmental data <sup>2</sup>		11,511	10,770	10,910
Proportion of total number of employees	%	94	94	94
<b>GHG emissions (CO<sub>2</sub>e)</b>				
Total emissions	tonnes	9,369	9,304	8,007
Scope 1 <sup>3</sup> emissions	tonnes	154	299	339
Scope 2 <sup>4</sup> market-based emissions	tonnes	2,295	2,616	2,718
Scope 2 location-based emissions	tonnes	4,641	5,052	5,567
Scope 3 <sup>5</sup> emissions	tonnes	6,920	6,389	4,950
Total emissions per employee	tonnes/employee	0.81	0.86	0.73
<b>GHG emissions by source (CO<sub>2</sub>e)</b>				
Emissions from energy use (in buildings)	tonnes	3,108	3,458	3,708
Emissions from IT equipment	tonnes	2,666	3,473	3,099
Emissions from business travel	tonnes	3,024	1,625	419
Emissions from other sources	tonnes	571	748	781
<b>Emissions by country (CO<sub>2</sub>e)</b>				
Sweden	tonnes	6,275	6,169	5,383
UK	tonnes	2,031	2,063	1,915
Norway	tonnes	604	533	233
The Netherlands	tonnes	459	539	476
<b>Energy consumption</b>				
Total energy consumption (in buildings)	MWh	70,760	75,320	83,241
Electricity consumption	MWh	27,533	29,172	34,212
Change in electricity consumption from previous year	%	-5.6	-14.7	-
Proportion renewable electricity <sup>6</sup>	%	100	100	100
Total electricity consumption per employee	MWh/employee	2.4	2.71	3.14
Use of heating and cooling	MWh	43,227	46,148	49,029
<b>Business travel</b>				
Total business travel	km	18,986,462	13,122,337	3,933,311
Business travel per employee	km/employee	1,649	1,218	364
Travel by air	km	8,712,762	5,424,513	961,685
Travel by car	km	3,816,524	3,141,452	1,697,435
Travel by train	km	6,457,176	4,556,372	1,274,191
<b>Resource efficiency</b>				
Paper use	tonnes	516	645	712
Paper use per employee	kg/employee	45	60	67
Water consumption	m <sup>3</sup>	77,857	72,284	60,249

\* Emissions from divested operations in Finland are excluded from the base year and reference year. A new review of energy data in the UK and the Netherlands resulted in an increase in Scope 1 emissions and a decrease in Scope 2 emissions compared with earlier publications.

<sup>1</sup> 2021 is used as the base year in line with the Bank's work related to the Science Based Targets initiative.

<sup>2</sup> Average number of employees in Sweden, the UK, Norway and the Netherlands.

<sup>3</sup> Scope 1 – Direct emissions from coolants leaks, stationary and mobile combustion of diesel, city gas, biogas and Eo1 fuel oil. Biogenic emissions from biogas, outside the scope, amounted to 55 tCO<sub>2</sub>e.

<sup>4</sup> Scope 2 – Indirect emissions from purchased electricity, heating and cooling.

<sup>5</sup> Scope 3 – Indirect emissions from business travel, transportation, paper consumption, water consumption, upstream emissions from electricity use, and purchased IT equipment, excluding network equipment.

<sup>6</sup> Origin-labelled wind and hydropower.

## DESCRIPTION OF METHODOLOGY FOR ENVIRONMENT AND CLIMATE DATA

Climate impact calculations are carried out in accordance with the GHG protocol. Emissions from sources owned or operated by the Bank are divided into three categories, known as Scopes.

Scope 1 encompasses direct emissions from leakage of coolants, stationary combustion of fuels consumed by back-up generators and heat production in company-owned buildings, and mobile emissions from company vehicles.

Scope 2 encompasses indirect emissions from purchased electricity, heating and cooling in both company-owned and leased facilities.

Scope 3 encompasses indirect emissions that occur in the supply chain and includes business travel, transportation, paper use, water consumption, IT hardware and upstream emissions from electricity consumption.

2021 has been set as the Bank's new base year due to its work related to the SBTi. Historical figures have been recalculated due to the divestment of operations in Finland, and new data on gas consumption has affected the breakdown of Scope 1 and 2 emissions.

Emissions in all Scopes are calculated by multiplying activity data by emission factors. When specific figures are not available, consumption is calculated using a similar activity or

local statistics. Emissions can also be reported directly by the supplier.

For 2023, Handelsbanken measured its material environmental impact in Sweden, Norway, the Netherlands and the UK. These markets represent 94 per cent of the Bank's total number of employees. The calculations include relevant greenhouse gases, mainly CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. Certain emissions are not included in the calculations, such as employee commuting, cars leased by customers and employees, and office supplies. The Bank aims to expand its Scope 3 reporting as more supplier data becomes available. The Bank's investments are analysed in separate climate reports that are pub-



lished at handelsbanken.com/en/sustainability. The Bank's CPD reporting provides a more detailed description of the emission calculations.

Activity	Source emission factor
Stationary combustion	National governments
Other combustion	Activity data
Energy use	National governments, trade associations and external consultants
Transportation	Supplier data
Business travel	Activity data, supplier data and national governments
Resource use	Supplier data and national governments
Greenhouse gases	Global warming potential (GWP) factors: CO <sub>2</sub> : 1, CH <sub>4</sub> : 25 & N <sub>2</sub> O: 298. Source: IPCC Fourth Assessment Report

### COLLABORATIONS AND INITIATIVES CDP

CDP is an independent not-for-profit organisation that strives for openness and dialogue on companies' environmental impacts and to make information available to investors. More than 23,000 organisations worldwide measure and disclose their environmental impacts through CDP. Just over 750 institutional investors request that companies disclose through CDP. Handelsbanken is one of the companies that has reported to CDP every year since 2015. The Bank's result in 2023 was C.

### Net-Zero Banking Alliance (NZBA)

The Net-Zero Banking Alliance (NZBA) is an international industry-led alliance convened by the UN, representing more than 40 per cent of global banking assets. Members of the Alliance are committed to aligning their lending and investment portfolios with net-zero emissions by 2050. Handelsbanken joined NZBA as one of the founding signatories in April 2021, and by doing so committed to publicly disclose both long-term and interim targets to support meeting the temperature goals of the Paris Agreement.

As part of the Bank's commitment to NZBA and the first round of target setting, Handelsbanken has set an interim target for the Bank's real estate lending portfolio, representing about 84 per cent of the Bank's loans to the public. The Bank has initially opted to focus on its real estate lending portfolio, due to its predominant exposure towards this sector. Over time, the scope of our targets will increase to cover more sectors in accordance with the NZBA guidelines.

### Partnership for Carbon Accounting Financials (PCAF)

Partnership for Carbon Accounting Financials (PCAF) is a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with their loans and investments. The harmonised accounting approach provides financial institutions with the starting point required to set science-based targets and align their portfolio with the Paris Agreement. PCAF enables transpar-

ency and accountability and has developed an open-source global GHG accounting standard for financial institutions.

Handelsbanken signed up to PCAF in October 2021 and published its first disclosures of financed emissions from its lending portfolio using the PCAF methodology in December 2021. In December 2023, the Bank reported on the financed emissions that derive from our real estate lending portfolio, representing about 84 per cent of the Bank's total loans to the public. In the coming year, Handelsbanken will work to further increase the scope of the financed emissions calculations to cover more sectors and asset classes.

In order to aid collaboration, transparency and comparison between banks, PCAF, together with Handelsbanken and other Nordic banks, has set up a Nordic working group. This group consisted of about 30 financial institutions across the Nordic region. Its purpose is to find common ground on Nordic market methodologies and to serve as a common channel and voice for data improvements. Handelsbanken served as chair of the Nordic working group in 2023.

### TCFD – Task Force on Climate-related Financial Disclosures

The recommendations are based on four core elements:

Governance	Description of how climate-related matters are managed by the company's board and management.
Strategy	Description of the company's strategy for climate change and the transition to a low-carbon society, as well as the risks and opportunities identified, including scenario analyses.
Risk management	Description of processes used to identify, assess and manage climate-related risks and business opportunities.
Metrics and targets	Reporting of relevant metrics and targets.

Handelsbanken endorses the TCFD's recommendations. Since 2018, Handelsbanken Fonder and Handelsbanken Liv have published annual climate reports in line with the recommendations. In the area of credits, the Bank published its first climate report in line with the recommendations in 2021, and this was followed up with extended reporting in 2022. The work on climate reporting is cross-functional and includes, among others, Group Risk Control, Group Credits, Group Finance and Group Sustainability. The work is supported by external experts on climate change and scenario analysis and focuses on the Bank's real estate exposures in Sweden.

All reports are available on the Bank's website, handelsbanken.com/en/sustainability.

### Principles for Responsible Banking (PRB)

Handelsbanken was among the first banks to sign up to the UN's Principles for Responsible Banking (PRB) in September 2019. The Bank committed to comply with the six principles that comprise the framework for the initiative within four years.

1. Alignment with the Paris Agreement, the SDGs, as well as national and regional frameworks
2. Impact analysis and setting measurable targets
3. Customer collaboration
4. Stakeholder dialogue
5. Governance and corporate culture
6. Transparency and accountability

In February 2021, Handelsbanken published three sustainability goals within the framework of the PRB. The goals were set following an impact analysis which aimed to clarify the Bank's opportunities for increased positive impact and decreased negative impact from its operations. The areas where the Bank was determined to have the greatest impact were financing, investment and advisory services.

In the same year, the Bank also joined a UN initiative closely linked to PRB – NZBA – whose guidelines for emissions targets correspond to the PRB's climate change objectives. As part of NZBA, signatory banks are to transition their lending and investment portfolios to net-zero emissions by 2050. Handelsbanken's climate goal is to achieve net-zero GHG emissions as soon as possible and by 2040 at the latest.

Along with a renewed goal in the area of economic equality, the climate goal will remain one of the Bank's two goals under the PRB. Accordingly, the Bank's financing and investment goals form part of the action plan to achieve its climate goal.

Key metrics demonstrating the Bank's journey towards its sustainability goals are presented on pages 259–260 and 263.

# GRI Content Index 2023

Handelsbanken reports on its sustainability work in accordance with the Global Reporting Initiative (GRI) Standards. The Sustainability Report comprised the statutory Sustainability Report on pages 36–65 and 276–305 of the Group's Annual and Sustainability Report, the Sustainability information on pages 257–272 and the GRI Content Index on pages 273–275. Handelsbanken reports on its sustainability activities annually. This year's Sustainability Report is Handelsbanken's fourteenth report

prepared in accordance with GRI and pertains to the 2023 calendar year. The last report was published in February 2023 and pertained to the 2022 calendar year. Unless otherwise stated, the information in the Sustainability Report pertains to the Group. The information presented in the report covers the most extensive and significant aspects of Handelsbanken's operations, with a focus on the banking operations. Boundaries are presented in the report where relevant.

No significant corrections or changes have been made in this report to the information presented in the sustainability reports for the preceding year.

The table below contains the disclosures deemed relevant to Handelsbanken's operations, including disclosures from GRI Financial Services Sector Supplement (FSSS). For material topics where no GRI disclosures are presented, internal disclosures have been used.

GRI Standard	Disclosure	Location	Omission		
		Page in Annual and Sustainability Report¹	Requirement(s) omitted	Reason	Explanation
The organisation and its reporting practices					
GRI 2: General Disclosures 2021	2-1	Organisational details	1–2, 89		
	2-2	Entities included in the organisation’s sustainability reporting	227, 273		
	2-3	Reporting period, frequency and contact point	36, 273, 306		
	2-4	Restatements of information	273		
	2-5	External assurance	68, 306		
Activities and workers					
	2-6	Activities, value chain and other business relationships	1–2, 7–11, 18, 20–31, 38, 40, 45–47, 53, 59–61, 89, 147		
	2-7	Employees	268–270	Total number of non-guaranteed hours employees	N/A The Bank does not have any non-guaranteed hours employees
	2-8	Workers who are not employees	268		
Governance					
	2-9	Governance structure and composition	41–42, 66–81, 268		
	2-10	Nomination and selection of the highest governance body	66–72		
	2-11	Chair of the highest governance body	71–72, 78		
	2-12	Role of the highest governance body in overseeing the management of impacts	42, 71–72		
	2-13	Delegation of responsibility for managing impacts	39, 42, 71–72		
	2-14	Role of the highest governance body in sustainability reporting	41–42		
	2-15	Conflicts of interest	58–59, 78–80		
	2-16	Communication of critical concerns	42		
	2-17	Collective knowledge of the highest governance body	42, 71		
	2-18	Evaluation of the performance of the highest governance body	71–72		
	2-19	Remuneration policies	62–63, 74–76		
	2-20	Process to determine remuneration	74–76		
	2-21	Annual total compensation ratio	268		
Strategy, policies and practices					
	2-22	Statement on sustainable development strategy	4–5		
	2-23	Policy commitments	38–40, 43–48, 54–55, 59, 61, 64		
	2-24	Embedding policy commitments	41–43, 44–50, 55, 60–61		
	2-25	Process to remediate negative impacts	38–40, 58, 258–259		
	2-26	Mechanisms for seeking advice and raising concerns	54–55, 58–59, 63		
	2-27	Compliance with laws and regulations	54		
	2-28	Membership associations	36, 43, 64		
Stakeholder engagement					
	2-29	Approach to stakeholder engagement	39–42		
	2-30	Collective bargaining agreements	63		

<sup>1</sup> Refers to Annual and Sustainability Report 2023.

## TOPIC-SPECIFIC DISCLOSURES

			Location	Omission	
GRI Standard	Disclosure		Page in Annual and Sustainability Report¹	Requirement(s) omitted	Reason Explanation
Material topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	39		
	3-2	List of material topics	40		
Economic					
Salaries and remuneration					
GRI 3: Material Topics 2021	3-3	Management of material topics	18, 38–41		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	59–60, 267		
Counteract financial crime					
GRI 3: Material Topics 2021	3-3	Management of material topics	40, 43–44, 57–58		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	58		
	205-2	Communication and training about anti-corruption policies and procedures	40, 43–44, 58, 266		
	205-3	Confirmed incidents of corruption and actions taken	58		
Environmental					
Minimise impact on the environment and climate					
GRI 3: Material Topics 2021	3-3	Management of material topics	38–41, 45, 55–57, 258–259, 261–262		
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	271		
GRI 3: Material Topics 2021	3-3	Management of material topics	55–57, 271		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	271		
	305-2	Indirect (Scope 2) GHG emissions	271		
	305-3	Other indirect (Scope 3) GHG emissions	271		
Social					
Sustainable working life					
GRI 3: Material Topics 2021	3-3	Management of material topics	39–40, 61–63, 269		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	269		
	Own indicator	Outcome work environment survey	61, 268		
Leadership and development					
GRI 3: Material Topics 2021	3-3	Management of material topics	39–40, 61–63		
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	61, 268		
Gender equality and diversity					
GRI 3: Material Topics 2021	3-3	Management of material topics	39–41, 62–63, 263–264		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	71, 78–80, 268		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	268		
Responsible advisory services					
Helping customers make sustainable decisions					
GRI 3: Material Topics 2021	3-3	Management of material topics	39–41, 46, 50–51, 53, 55, 263		
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	46–47		
	417-2	Incidents of non-compliance concerning product and service information and labelling	54		
Gender-equal advisory services					
GRI 3: Material Topics 2021	3-3	Management of material topics	39–40, 264		
	Own indicator	Number of employees who completed the course "Financial equality in pension savings" (in Sweden)	263		

<sup>1</sup> Refers to Annual and Sustainability Report 2023.

GRI Standard	Disclosure		Location	Omission			
			Page in Annual and Sustainability Report <sup>1</sup>	Requirement(s) omitted	Reason	Explanation	
<b>Privacy and confidentiality</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	40, 44, 59				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	59				
<b>Responsible financing</b>							
<b>Responsible lending</b>							
<b>Responsible investments</b>							
<b>Sustainable lending and financing products</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	39–40, 45–53				
GRI G4 Financial Services Sector Disclosures (FS)	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	47				
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	261–262				
<b>Responsible investments</b>							
<b>Active stewardship</b>							
<b>Sustainable savings and investment products</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	39–40, 47–53				
GRI G4 Financial Services Sector Disclosures (FS)	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	49, 260				
	FS11	Percentage of assets subject to positive and negative environmental or social screening	49, 260				

<sup>1</sup> Refers to Annual and Sustainability Report 2023.

# Sustainability Report – EU Taxonomy

Starting from 2021, under the Non-Financial Reporting Directive (NFRD), public interest entities with more than 500 employees must report in accordance with the EU Taxonomy Regulation 2020/852. In their statutory sustainability reporting, financial institutions must disclose the proportion of their assets exposed to Taxonomy-aligned economic activities. Handelsbanken's Taxonomy reporting for 2023 is provided on pages 276–305. The definition of assets in the Taxonomy reporting are based on the delegated act (EU) 2021/4987 and the regulation for financial disclosure (EU) 2021/451.

## Methodology for assets in the balance sheet and financial guarantees

With the introduction of the EU Taxonomy (EU 2020/852) in 2020, common definitions and criteria for sustainable economic activities was set and disclosure requirements linked to taxonomy eligibility and alignment were introduced for non-financial and financial undertakings, as a means to increase transparency, through the Non-Financial Reporting Directive (NFRD). The NFRD requires undertakings of public interest with more than 500 employees to disclose taxonomy eligibility and alignment information in their statutory sustainability reporting. Taxonomy eligible assets as a proportion of total and covered assets have been disclosed the past two years in line with the exemption rules applicable for financial institutions. This year financial institutions are required to calculate and disclose their green asset ratio (GAR), the proportion of covered assets (denominator) financing economic activities aligned with criteria in the EU taxonomy (numerator). Therefore, the proportion of assets meeting the technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) is reported for the first time in the set templates.

The calculation of the green asset ratio for exposures in the corporate portfolio is based on reported figures of our counterparties for the previous financial year (2022). At that time, non-financial undertakings were not required to disclose eligibility by environmental objective, only alignment by environmental objective. Due to the timeline of the disclosure requirements, exposures towards financial undertakings can only be assessed based on total eligibility, not broken down by environmental objective and not for alignment with taxonomy criteria. Financial institutions can only disclose eligibility and alignment for all environmental objectives starting next year (2024), as information from non-financial undertakings has become publicly available.

Non-financial undertakings subject to NFRD disclosure obligations published taxonomy

eligibility and alignment both as a proportion of turnover and as a proportion capital expenditure (CapEx). In accordance with requirements for financial institutions both ratios are to be used in the calculation. Hence the green asset ratio of the bank is calculated twice, once for each KPI. The exposure amount for general purpose lending, equities and debt securities are multiplied by counterparty reported KPIs. For bonds and financing where use of proceeds known, specific KPIs for the underlying financed assets are to be used and obtained directly from the counterparty. The disclosure of alignment to taxonomy technical specification criteria for green bonds is under development. In the calculation of taxonomy alignment for green bonds, the general counterparty KPIs are used, 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 included consist of 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, the exposure is included only in the denominator of the green asset ratio.

General purpose lending to local governments is not to be included in the calculation of the green asset ratio and is therefore reported with exposures to central governments and supranational issuers. Exposures to households and to local governments where use of proceeds is known are assessed for eligibility and alignment based on the underlying collateral of the exposure, as counterparties are not subject to taxonomy reporting requirements. Household exposures with real estate collateral and motor vehicle exposures are assessed using applicable criteria in the taxonomy for the economic activity, including the do no significant harm (DNSH) criteria such as exposure to climate risk. Other types of household exposures are not considered to be taxonomy eligible nor aligned, and are reported under other assets, together with financial corporations within the EU not required to report according to the

NFRD. Household exposures with real estate collateral are deemed to be taxonomy aligned if the energy performance of the building is equal to energy class A or in the top 15 per cent of the national building stock, unless exposed to physical risk due to climate change. The assessment of physical risk is based on the same thresholds and external climate data as used for the Pillar 3 physical risk disclosure. Collateral located in high-risk areas are not considered aligned with the taxonomy. The assessment is conservative and does not incorporate adaptation plans or other mitigating actions, as high-quality information is not generally available. In Sweden, the taxonomy criteria are met by buildings 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. The Swedish National Board of Housing, Building and Planning has the required data for assessing buildings constructed prior to 2021 that do not have an energy declaration under construction regulation BBR 29 in Sweden, but this data is not available to credit institutions. For household exposures with real estate collateral built before 2021 in other countries no data or studies meeting the regulatory criteria for calculating best energy performance are available. Household exposures with real estate collateral built after 2021 can only be assessed in Sweden. In other countries information to assess taxonomy alignment is lacking. In conclusion, a considerable share of the credit portfolio may not be assessed according to the taxonomy. This means that the disclosed taxonomy alignment of the bank is highly conservative and the green asset ratio is lower than warranted by actual circumstances. The Bank is working 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 and thus exposures to undertakings not required to report may not be included in the calculation of eligible and aligned assets in the balance sheet of the Bank. 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 and are thus 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. The means that 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 taxonomy.

The reporting of the bank is based on prudential consolidation determined in accordance with CRR, see note G53. The life insurance undertaking of the Bank is not included in consolidation but included in disclosure according to the equity method, see note G1. The insurance undertaking of the bank is not required to report according to NFRD and its economic activities are not included in the EU taxonomy. The assets representing the life insurance undertaking are thus reported under corporations not required to report NFRD, in the denominator only.

Taxonomy reporting for assets in the balance sheet and financial guarantees are reported using data from internal systems of the bank also used for capital adequacy reporting and several tables in the annual report. The information used is of good quality, has no known flaws

and is also used in other reporting. Information on undertakings required to report according to NFRD and their reported KPIs is collected from an external provider. Information on the NFRD requirement is compared to information in internal systems of the Bank. Taxonomy reporting for financial institutions and companies required to disclose gas and nuclear activities is collected manually from published annual reports. The process for the collection of taxonomy criteria for financing where use of proceeds known is under development, therefore such assets are not included as eligible nor aligned in the calculation of the green asset ratio at this time.

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 counterparties subject to the regulation, which is disclosed in the set templates.

#### Description of methodology for assets under management

The reporting and calculations of assets under management encompass the volumes in asset management's mutual funds and discretionary portfolio management. Reporting is presented using data from the Bank's internal portfolio systems, which is used for other supporting data in the 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.

Taxonomy-aligned assets under management are aggregated in two stages. Firstly, the portfolios are analysed at the securities level. Taxonomy-aligned activities are then aggregated. The calculations of Taxonomy-aligned activities take place at the aggregated portfolio level for turnover and CapEx. The corporate data available to the market on the portfolio date is used to calculate the aggregate amounts.

#### European Commission's Draft Commission Notice regarding taxonomy reporting for financial institutions

At the end of December 2023, the European Commission published clarifications regarding taxonomy reporting for financial institutions. Changes as a result of what was presented at that time will be introduced in next year's reporting as the Commission's announcement is deemed to be too extensive to be implemented in a short period of time.

## Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets, SEK m	KPI <sup>1</sup>	KPI <sup>2</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	55,703	2.2%	2.2%	76.9%	37.3%	23.1%
		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)	11,110	1.7%	1.8%	99.6%	61.8%	0.4%
	Trading book <sup>4</sup>						
	Financial guarantees	49	0.6%	0.4%			
	Assets under management	18,556	2.0%	2.5%			
	Fees and commissions income <sup>5</sup>						

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> % of assets covered by the KPI over banks' total assets.

<sup>4</sup> Based on the Turnover KPI of the counterparty.

<sup>5</sup> Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

## Assets for the calculation of GAR – Turnover

SEK m		31 Dec 2023									
		Total gross carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			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
GAR – Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1,302,491	1,226,616	55,471	52,380	2	871	233	12		12
2	Financial undertakings	32,802	642	1		0	1	2			
3	Credit institutions	31,165						2			
4	Loans and advances	4,192						2			
5	Debt securities, including UoP	26,943									
6	Equity instruments	31									
7	Other financial corporations	1,637	642	1		0	1				
8	of which investment firms	834	372	0		0	0				
9	Loans and advances	834	372	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	240									
17	Loans and advances	240									
18	Debt securities, including UoP										
19	Equity instruments										
20	Non-financial undertakings	59,864	16,149	3,089		2	869	230	12		12
21	Loans and advances	59,864	16,149	3,089		2	869	230	12		12
22	Debt securities, including UoP										
23	Equity instruments	0									
24	Households	1,209,825	1,209,825	52,380	52,380						
25	of which loans collateralised by residential immovable property	1,209,620	1,209,620	52,380	52,380						
26	Of which building renovation loans										
27	Of which motor vehicle loans	205	205								
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)	1,225,857									
33	Financial and non-financial undertakings	1,022,376									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	611,303									
35	Loans and advances	611,254									
36	of which loans collateralised by commercial immovable property	138,351									
37	Of which building renovation loans										
38	Debt securities										
39	Equity instruments	48									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	375,146									
41	Loans and advances	370,531									
42	Debt securities	4,532									
43	Equity instruments	83									
44	Derivatives	16,492									
45	On demand interbank loans	1,228									
46	Cash and cash-related assets	10									
47	Other categories of assets (e.g. Goodwill, commodities, etc.)	185,752									
48	Total GAR assets	2,528,348	1,226,616	55,471	52,380	2	871	233	12		12
49	Assets not covered for GAR calculation	760,635									
50	Central governments and Supranational issuers	45,613									
51	Central banks exposure	677,325									
52	Trading book	37,697									
53	Total assets	3,288,983	1,226,616	55,471	52,380	2	871	233	12		12
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations											
54	Financial guarantees	7,928	142	49		0	49	0	0		0
55	Assets under management	914,797	84,408	18,402		1,070	9,047	83,889	153		87
56	of which debt securities	207,908	19,876	3,445		182	1,054	19,892	2		1
57	Of which equity instruments	695,965	63,485	14,466		888	7,971	62,939	150		85



## Assets for the calculation of GAR – Capital Expenditure (CapEx)

SEK m		31 Dec 2023									
		Total gross carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			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
GAR – Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,302,491	1,231,356	55,218	52,380	698	841	16	0		0
2	Financial undertakings	32,802	277	20		0	20				
3	Credit institutions	31,165									
4	Loans and advances	4,192									
5	Debt securities, including UoP	26,943									
6	Equity instruments	31									
7	Other financial corporations	1,637	277	20		0	20				
8	of which investment firms	834	45	0		0	0				
9	Loans and advances	834	45	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	240									
17	Loans and advances	240									
18	Debt securities, including UoP										
19	Equity instruments										
20	Non-financial undertakings	59,864	21,253	2,818		698	821	16	0		0
21	Loans and advances	59,864	21,253	2,818		698	821	16	0		0
22	Debt securities, including UoP										
23	Equity instruments	0									
24	Households	1,209,825	1,209,825	52,380	52,380						
25	of which loans collateralised by residential immovable property	1,209,620	1,209,620	52,380	52,380						
26	Of which building renovation loans										
27	Of which motor vehicle loans	205	205								
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)	1,225,857									
33	Financial and non-financial undertakings	1,022,376									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	611,303									
35	Loans and advances	611,254									
36	of which loans collateralised by commercial immovable property	138,351									
37	Of which building renovation loans										
38	Debt securities										
39	Equity instruments	48									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	375,146									
41	Loans and advances	370,531									
42	Debt securities	4,532									
43	Equity instruments	83									
44	Derivatives	16,492									
45	On demand interbank loans	1,228									
46	Cash and cash-related assets	10									
47	Other categories of assets (e.g. Goodwill, commodities, etc.)	185,752									
48	Total GAR assets	2,528,348	1,231,356	55,218	52,380	698	841	16	0		0
49	Assets not covered for GAR calculation	760,635									
50	Central governments and Supranational issuers	45,613									
51	Central banks exposure	677,325									
52	Trading book	37,697									
53	Total assets	3,288,983	1,231,356	55,218	52,380	698	841	16	0		0
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations											
54	Financial guarantees	7,928	179	30		1	28	0	0		0
55	Assets under management	914,797	100,373	23,288		1,476	13,229	99,604	33		12
56	of which debt securities	207,908	21,589	3,919		173	2,533	21,593	2		0
57	Of which equity instruments	695,965	77,692	19,141		1,303	10,678	76,912	31		12





## 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	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		SEK m	of which environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCA)	SEK m	of which environ- mentally sustainable (CCA)
Breakdown by sector – NACE 4 digits level (code and label)		SEK m		SEK m		SEK m		SEK m	
1	A0210 – Silviculture and other forestry activities	2	2						
2	B0910 – Support activities for petroleum and natural gas extraction	0	0						
3	C1623 – Manufacture of other builders' carpentry and joinery	0	0						
4	C2030 – Manufacture of paints, varnishes and similar coatings, printing ink and mastics	0	0						
5	C2221 – Manufacture of plastic plates, sheets, tubes and profiles	3	0						
6	C2229 – Manufacture of other plastic products	0	0						
7	C2351 – Manufacture of cement	13	1						
8	C2361 – Manufacture of concrete products for construction purposes	34	0						
9	C2410 – Manufacture of basic iron and steel and of ferro-alloys	0	0						
10	C2420 – Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	2	2						
11	C2433 – Cold forming or folding	0	0						
12	C2442 – Aluminium production	0	0						
13	C2445 – Other non-ferrous metal production	0	0						
14	C2511 – Manufacture of metal structures and parts of structures	0	0						
15	C2521 – Manufacture of central heating radiators and boilers	708	0						
16	C2530 – Manufacture of steam generators, except central heating hot water boilers	0	0						
17	C2562 – Machining	0							
18	C2593 – Manufacture of wire products, chain and springs	0	0						
19	C2599 – Manufacture of other fabricated metal products n.e.c.	0	0						
20	C2611 – Manufacture of electronic components	0	0						
21	C2620 – Manufacture of computers and peripheral equipment	0	0						
22	C2630 – Manufacture of communication equipment	0	0						
23	C2651 – Manufacture of instruments and appliances for measuring, testing and navigation	0	0			0	0		
24	C2712 – Manufacture of electricity distribution and control apparatus	0	0						
25	C2720 – Manufacture of batteries and accumulators	0	0						
26	C2740 – Manufacture of electric lighting equipment	1,281	75						
27	C2790 – Manufacture of other electrical equipment	0	0						
28	C2811 – Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	33	33						
29	C2812 – Manufacture of fluid power equipment	0	0						
30	C2814 – Manufacture of other taps and valves	0	0						
31	C2815 – Manufacture of bearings, gears, gearing and driving elements	0	0						
32	C2822 – Manufacture of lifting and handling equipment	0	0						
33	C2824 – Manufacture of power-driven hand tools	0	0						
34	C2825 – Manufacture of non-domestic cooling and ventilation equipment	1	0						
35	C2849 – Manufacture of other machine tools	0	0						
36	C2892 – Manufacture of machinery for mining, quarrying and construction	0	0						
37	C2899 – Manufacture of other special-purpose machinery n.e.c.	1	0						
38	C2932 – Manufacture of other parts and accessories for motor vehicles	0	0						
39	C3099 – Manufacture of other transport equipment n.e.c.	0	0						
40	C3250 – Manufacture of medical and dental equipment	0	0						
41	D3511 – Production of electricity	239	206						
42	E3700 – Sewerage	0	0						
43	F4110 – Development of building projects	382	10						
44	F4120 – Construction of residential and non-residential buildings	459	50						
45	F4212 – Construction of railways and underground railways	1	0						
46	F4221 – Construction of utility projects for fluids	0	0						
47	F4222 – Construction of utility projects for electricity and telecommunications	13	13						
48	F4312 – Site preparation	0	0						
49	F4321 – Electrical installation	0	0						
50	F4322 – Plumbing, heat and air-conditioning installation	0	0						
51	F4329 – Other construction installation	0	0						
52	F4334 – Painting and glazing	0	0						
53	F4391 – Roofing activities	0	0						
54	F4399 – Other specialised construction activities n.e.c.	0	0						
55	G4531 – Wholesale trade of motor vehicle parts and accessories	0	0						
56	G4611 – Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods	0	0				0		
57	G4614 – Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0	0						
58	G4619 – Agents involved in the sale of a variety of goods	0	0						
59	G4643 – Wholesale of electrical household appliances and equipment	0	0						
60	G4645 – Wholesale of perfume and cosmetics	0	0						
61	G4646 – Wholesale of pharmaceutical goods	0	0						
62	G4651 – Wholesale of computers, computer peripheral equipment and software	0	0						
63	G4652 – Wholesale of electronic and telecommunications equipment and parts	0	0						
64	G4662 – Wholesale of machine tools	0	0						
65	G4663 – Wholesale of mining, construction and civil engineering machinery	0	0						
66	G4669 – Wholesale of other machinery and equipment	1	0			0	0		
67	G4672 – Wholesale of metals and metal ores	0	0						
68	G4673 – Wholesale of wood, construction materials and sanitary equipment	0	0						
69	G4674 – Wholesale of hardware, plumbing and heating equipment and supplies	0	0						
70	G4675 – Wholesale of chemical products	0	0						
71	G4676 – Wholesale of other intermediate products	0	0						
72	G4690 – Non-specialised wholesale trade	9	2			22	0		
73	G4711 – Retail sale in non-specialised stores with food, beverages or tobacco predominating	0	0						
74	G4719 – Other retail sale in non-specialised stores	0	0						
75	G4752 – Retail sale of hardware, paints and glass in specialised stores	0	0						
76	G4754 – Retail sale of electrical household appliances in specialised stores	0	0						
77	G4791 – Retail sale via mail order houses or via Internet	0	0						
78	H5010 – Sea and coastal passenger water transport	0	0						
79	H5020 – Sea and coastal freight water transport	0	0						
80	H5223 – Service activities incidental to air transportation	0	0						



## 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 environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCA)	SEK m	of which environ- mentally sustainable (CCA)
81	I5510 – Hotels and similar accommodation	183	113				0		
82	J5821 – Publishing of computer games	0	0			0	0		
83	J5829 – Other software publishing	0	0			0	0		
84	J5911 – Motion picture, video and television programme production activities	0	0			0	0		
85	J6201 – Computer programming activities	0	0						
86	J6202 – Computer consultancy activities	0	0						
87	K6420 – Activities of holding companies	110	3						
88	K6492 – Other credit granting	425	48						
89	K6619 – Other activities auxiliary to financial services, except insurance and pension funding	37	37						
90	L6810 – Buying and selling of own real estate	57	0						
91	L6820 – Renting and operating of own or leased real estate	8,028	718						
92	L6831 – Real estate activities	2	1						
93	L6831 – Real estate agencies	0	0						
94	L6832 – Management of real estate on a fee or contract basis	0	0						
95	M7010 – Activities of head offices	3,438	1,749						
96	M7022 – Business and other management consultancy activities	0	0						
97	M7111 – Architectural activities	0	0			0	0		
98	M7112 – Engineering activities and related technical consultancy	497	23			208	12		
99	M7120 – Technical testing and analysis	0	0						
100	M7211 – Research and experimental development on biotechnology	101	1						
101	M7220 – Research and experimental development on social sciences and humanities	0	0						
102	M7311 – Advertising agencies	0	0			0	0		
103	M7410 – Specialised design activities	0	0						
104	M7490 – Other professional, scientific and technical activities n.e.c.	0	0						
105	N8211 – Combined office administrative service activities	83	0						
106	O8421 – Foreign affairs	0	0						
107	R9311 – Operation of sports facilities								

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)		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		Gross carrying amount		Gross carrying amount	
of which environ- mentally sustain- able		of which environ- mentally sustain- able		of which environ- mentally sustain- able		of which environ- mentally sustain- able		of which environ- mentally sustain- able		of which environ- mentally sustain- able	
SEK m	(WTR)	SEK m	(WTR)	SEK m	(CE)	SEK m	(PPC)	SEK m	(BIO)	SEK m	(TOTAL)
										1,663	113
										0	0
										0	0
										0	0
										0	0
										0	0
										110	3
										425	48
										44	43
										57	0
										8,031	719
										2	1
										0	0
										0	0
										3,438	1,749
										0	0
										0	0
										703	36
										0	0
										101	1
										0	0
										0	0
										0	0
										0	0
										83	0
										0	0
										0	

## 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	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		SEK m	of which environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCA)	SEK m	of which environ- mentally sustainable (CCA)
<b>Breakdown by sector – NACE 4 digits level (code and label)</b>									
1	A0210 – Silviculture and other forestry activities	2	2						
2	B0910 – Support activities for petroleum and natural gas extraction	0	0						
3	C1082 – Manufacture of cocoa, chocolate and sugar confectionery	166	0						
4	C1105 – Manufacture of beer	0	0						
5	C1623 – Manufacture of other builders' carpentry and joinery	0	0						
6	C2030 – Manufacture of paints, varnishes and similar coatings, printing ink and mastics	0	0						
7	C2120 – Manufacture of pharmaceutical preparations	0	0						
8	C2221 – Manufacture of plastic plates, sheets, tubes and profiles	1	0						
9	C2229 – Manufacture of other plastic products	0	0						
10	C2351 – Manufacture of cement	30	0						
11	C2361 – Manufacture of concrete products for construction purposes	115	0						
12	C2410 – Manufacture of basic iron and steel and of ferro-alloys	1	0						
13	C2420 – Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	6	6						
14	C2433 – Cold forming or folding	0	0						
15	C2442 – Aluminium production	0	0						
16	C2445 – Other non-ferrous metal production	0	0						
17	C2511 – Manufacture of metal structures and parts of structures	0	0						
18	C2512 – Manufacture of doors and windows of metal	0	0						
19	C2521 – Manufacture of central heating radiators and boilers	510	0						
20	C2529 – Manufacture of other tanks, reservoirs and containers of metal	0	0						
21	C2530 – Manufacture of steam generators, except central heating hot water boilers	0	0						
22	C2593 – Manufacture of wire products, chain and springs	0	0						
23	C2594 – Manufacture of fasteners and screw machine products	0	0						
24	C2599 – Manufacture of other fabricated metal products n.e.c.	0	0						
25	C2611 – Manufacture of electronic components	0	0						
26	C2620 – Manufacture of computers and peripheral equipment	0	0						
27	C2651 – Manufacture of instruments and appliances for measuring, testing and navigation	0	0			0	0		
28	C2712 – Manufacture of electricity distribution and control apparatus	0	0						
29	C2720 – Manufacture of batteries and accumulators	1	1						
30	C2733 – Manufacture of wiring devices	0	0						
31	C2740 – Manufacture of electric lighting equipment	558	118						
32	C2790 – Manufacture of other electrical equipment	0	0						
33	C2811 – Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	11	11						
34	C2812 – Manufacture of fluid power equipment	0	0						
35	C2813 – Manufacture of other pumps and compressors	0	0						
36	C2814 – Manufacture of other taps and valves	0	0						
37	C2815 – Manufacture of bearings, gears, gearing and driving elements	0	0						
38	C2822 – Manufacture of lifting and handling equipment	1	0						
39	C2824 – Manufacture of power-driven hand tools	0	0						
40	C2825 – Manufacture of non-domestic cooling and ventilation equipment	1	0						
41	C2841 – Manufacture of metal forming machinery	0	0						
42	C2849 – Manufacture of other machine tools	0	0						
43	C2892 – Manufacture of machinery for mining, quarrying and construction	0	0						
44	C2899 – Manufacture of other special-purpose machinery n.e.c.	0	0						
45	C2932 – Manufacture of other parts and accessories for motor vehicles	0	0						
46	C3099 – Manufacture of other transport equipment n.e.c.	0	0						
47	C3101 – Manufacture of office and shop furniture and fittings	1,853	0						
48	C3250 – Manufacture of medical and dental equipment	0	0						
49	C3291 – Manufacture of brooms and brushes	0	0						
50	C3312 – Repair of machinery	0	0						
51	D3511 – Production of electricity	284	193						
52	E3700 – Sewerage	0	0						
53	F4110 – Development of building projects	391	1						
54	F4120 – Construction of residential and non-residential buildings	472	115						
55	F4212 – Construction of railways and underground railways	3	0						
56	F4221 – Construction of utility projects for fluids	0	0						
57	F4222 – Construction of utility projects for electricity and telecommunications	13	10						
58	F4312 – Site preparation	0	0						
59	F4321 – Electrical installation	0	0						
60	F4322 – Plumbing, heat and air-conditioning installation	0	0						
61	F4329 – Other construction installation	0	0						
62	F4334 – Painting and glazing	0	0						
63	F4391 – Roofing activities	0	0						
64	F4399 – Other specialised construction activities n.e.c.	0	0						
65	G4531 – Wholesale trade of motor vehicle parts and accessories	0	0						
66	G4611 – Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods	197	0						
67	G4614 – Agents involved in the sale of machinery, industrial equipment, ships and aircraft	13	13						
68	G4619 – Agents involved in the sale of a variety of goods	0	0						
69	G4642 – Wholesale of clothing and footwear	0	0						
70	G4643 – Wholesale of electrical household appliances and equipment	0	0						
71	G4645 – Wholesale of perfume and cosmetics	0	0						
72	G4646 – Wholesale of pharmaceutical goods	71	34						
73	G4649 – Wholesale of other household goods	0	0						
74	G4651 – Wholesale of computers, computer peripheral equipment and software	0	0						
75	G4652 – Wholesale of electronic and telecommunications equipment and parts	0	0						
76	G4662 – Wholesale of machine tools	0	0						
77	G4663 – Wholesale of mining, construction and civil engineering machinery	0	0						
78	G4669 – Wholesale of other machinery and equipment	1	0			0	0		
79	G4672 – Wholesale of metals and metal ores	0	0						
80	G4673 – Wholesale of wood, construction materials and sanitary equipment	0	0						
81	G4674 – Wholesale of hardware, plumbing and heating equipment and supplies	0	0						



[illegible]

## GAR sector information – CapEx, cont.

		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 environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCM)	SEK m	of which environ- mentally sustainable (CCA)	SEK m	of which environ- mentally sustainable (CCA)
	<b>Breakdown by sector – NACE 4 digits level (code and label)</b>								
82	G4675 – Wholesale of chemical products	0	0						
83	G4676 – Wholesale of other intermediate products	0	0						
84	G4690 – Non-specialised wholesale trade	68	65			16	0		
85	G4711 – Retail sale in non-specialised stores with food, beverages or tobacco predominating	142	0						
86	G4719 – Other retail sale in non-specialised stores	0	0						
87	G4752 – Retail sale of hardware, paints and glass in specialised stores	0	0						
88	G4759 – Retail sale of furniture, lighting equipment and other household articles in specialised stores	0	0						
89	G4771 – Retail sale of clothing in specialised stores	0	0						
90	G4791 – Retail sale via mail order houses or via Internet	0	0						
91	H5010 – Sea and coastal passenger water transport	0	0						
92	H5020 – Sea and coastal freight water transport	0	0						
93	H5223 – Service activities incidental to air transportation	0	0						
94	I5510 – Hotels and similar accommodation	413	170				0		
95	J5821 – Publishing of computer games	0	0			0	0		
96	J5829 – Other software publishing	0	0			0	0		
97	J5911 – Motion picture, video and television programme production activities	0	0			0	0		
98	J6190 – Other telecommunications activities	28	0						
99	J6201 – Computer programming activities	139	0						
100	J6202 – Computer consultancy activities	0	0						
101	J6312 – Web portals	0	0						
102	K6420 – Activities of holding companies	293	0						
103	K6492 – Other credit granting	186	80						
104	K6619 – Other activities auxiliary to financial services, except insurance and pension funding	168	168						
105	L6810 – Buying and selling of own real estate	190	0						
106	L6820 – Renting and operating of own or leased real estate	9,198	1,191						
107	L6831 – Real estate activities	2	0						
108	L6831 – Real estate agencies	0	0						
109	L6832 – Management of real estate on a fee or contract basis	0	0						
110	M7010 – Activities of head offices	3,178	499						
111	M7022 – Business and other management consultancy activities	21	0						
112	M7111 – Architectural activities	0	0			0	0		
113	M7112 – Engineering activities and related technical consultancy	1,738	0			0	0		
114	M7120 – Technical testing and analysis	0	0						
115	M7211 – Research and experimental development on biotechnology	179	106						
116	M7219 – Other research and experimental development on natural sciences and engineering	0	0						
117	M7220 – Research and experimental development on social sciences and humanities	0	0						
118	M7311 – Advertising agencies	0	0			0	0		
119	M7410 – Specialised design activities	200	0						
120	M7490 – Other professional, scientific and technical activities n.e.c.	174	0						
121	N8211 – Combined office administrative service activities	234	34						
122	O8421 – Foreign affairs	0	0						
123	Q8810 – Social work activities without accommodation for the elderly and disabled	0	0						
124	R9311 – Operation of sports facilities								

[illegible]

## GAR KPI stock – Turnover

		31 Dec 2023										
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)	
		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)	
% (compared to total covered assets in the denominator)		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	
	GAR – Covered assets in both numerator and denominator											
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	Financial undertakings	2.0	0.0		0.0	0.0	0.0	0.0				
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	Non-financial undertakings	27.0	5.2		0.0	1.5	0.4	0.0	0.0			
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	Households	100.0	4.3	4.3								
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	Local government financing											
29	Housing financing											
30	Other local government financing											
31	Collateral obtained by taking possession: residential and commercial immovable properties											
32	Total GAR assets	48.5	2.2	2.1	0.0	0.0	0.0	0.0	0.0			

31 Dec 2023																		
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 enabling		Of which Use of Proceeds		Of which transitional		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

		31 Dec 2023										
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)	
		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
	% (compared to total covered assets in the denominator)											
	<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>		

31 Dec 2023																		
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 enabling		Of which Use of Proceeds		Of which transitional		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

		31 Dec 2023										
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)	
		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
	% (compared to flow of total eligible assets)											
	<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	72.4	4.4	3.9	0.0	0.3	0.1	0.0		0.0		
2	<b>Financial undertakings</b>	<b>0.6</b>	<b>0.0</b>			<b>0.0</b>						
3	Credit institutions											
4	Loans and advances											
5	Debt securities, including UoP											
6	Equity instruments											
7	Other financial corporations	0.6	0.0			0.0						
8	of which investment firms											
9	Loans and advances											
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>13.9</b>	<b>2.9</b>		<b>0.0</b>	<b>1.8</b>	<b>0.5</b>	<b>0.0</b>		<b>0.0</b>		
21	Loans and advances	13.9	2.9		0.0	1.8	0.5	0.0		0.0		
22	Debt securities, including UoP											
23	Equity instruments											
24	<b>Households</b>	<b>100.0</b>	<b>5.6</b>	<b>5.6</b>								
25	Of which loans collateralised by residential immovable property	100.0	5.6	5.6								
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>27.5</b>	<b>1.7</b>	<b>1.5</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>		



## GAR KPI flow – CapEx

	% (compared to flow of total eligible assets)	31 Dec 2023										
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			Water and marine resources (WTR)		
		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	73.7	4.7	3.9	0.2	0.3	0.0	0.0	0.0			
2	<b>Financial undertakings</b>	<b>0.4</b>	<b>0.0</b>			<b>0.0</b>						
3	Credit institutions											
4	Loans and advances											
5	Debt securities, including UoP											
6	Equity instruments											
7	Other financial corporations	0.4	0.0			0.0						
8	of which investment firms											
9	Loans and advances											
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>20.8</b>	<b>4.3</b>		<b>1.2</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
21	Loans and advances	20.9	4.3		1.2	1.6	0.0	0.0	0.0			
22	Debt securities, including UoP											
23	Equity instruments											
24	<b>Households</b>	<b>100.0</b>	<b>5.6</b>	<b>5.6</b>								
25	Of which loans collateralised by residential immovable property	100.0	5.6	5.6								
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>28.0</b>	<b>1.8</b>	<b>1.5</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			



31 Dec 2023															
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	Proportion of total assets covered
												80.3	4.8	3.9	37.9
												49.7	0.0	0.0	4.2
												49.7	0.0	0.0	4.2
												26.6	4.8	1.2	7.3
												26.7	4.8	1.2	7.2
												100.0	5.6	5.6	26.4
												100.0	5.6	5.6	26.3
												100.0			0.0
												30.5	1.8	1.5	99.6

## KPI off-balance-sheet exposures – Stock, Turnover

		31 Dec 2023									
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)	
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.8	0.6	0.0	0.6	0.0	0.0	0.0	0.0		
2	Assets under management (AuM KPI)	9.2	2.0	0.1	1.0	9.2	0.0	0.0	0.0		

## KPI off-balance-sheet exposures – Stock, CapEx

		31 Dec 2023									
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)	
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	2.3	0.4	0.0	0.4	0.0	0.0	0.0	0.0		
2	Assets under management (AuM KPI)	11.0	2.5	0.2	1.4	10.9	0.0	0.0	0.0		

## KPI off-balance-sheet exposures – Flow, Turnover

		31 Dec 2023									
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)	
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.1	0.6	0.0	0.6	0.0	0.0	0.0	0.0		
2	Assets under management (AuM KPI)	9.9	1.9	0.1	0.9	9.9	0.0	0.0	0.0		

## KPI off-balance-sheet exposures – Flow, CapEx

		31 Dec 2023									
		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)	
		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 transitional	Of which enabling		Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	2.0	0.5	0.0	0.4	0.0	0.0	0.0	0.0		
2	Assets under management (AuM KPI)	11.3	2.4	0.1	1.4	11.2	0.0	0.0	0.0		



## Nuclear and fossil gas related activities in accordance with (EU) 2022/1214

## On-balance sheet – credit portfolio

Row	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
<b>Fossil gas related activities</b>		
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

## Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios

Row	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
<b>Fossil gas related activities</b>		
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

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	18	2.9	18	2.9		
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	578	93.1	578	93.1		
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						
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						
8.	<b>Total applicable KPI</b>	<b>621</b>	<b>96.0</b>	<b>621</b>	<b>96.0</b>		

## On-balance sheet – credit portfolio, CapEx

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	421	78.0	421	78.0		
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	119	22.0	119	22.0		
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						
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						
8.	Total applicable KPI	540	100.0	540	100.0		

## Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	4	0.3	4	0.5		
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	145	12.5	145	22.2		
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						
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						
8.	Total applicable KPI	1,157	12.9	653	22.8	504	

## Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	0	0.1	0	0.1		
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	53	17.9	53	30.3		
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						
8.	Total applicable KPI	299	18.0	176	30.5	123	

## Taxonomy-aligned economic activities (numerator)

## On-balance sheet – credit portfolio, turnover

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	11	2.1	11	2.1		
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	523	97.9	523	97.9		
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						
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						
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	534	100.0	534	100.0		

## On-balance sheet – credit portfolio, CapEx

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	421	78.0	421	78.0		
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 numerator of the applicable KPI	119	22.0	119	22.0		
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 numerator of the applicable KPI						
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						
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	540	100.0	540	100.0		



## Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	4	2.4	4	2.4		
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	145	97.6	145	97.6		
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						
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						
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	149	100.0	149	100.0		

## Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	0	0.4	0	0.4		
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	53	99.4	53	99.4		
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	0.1	0	0.1		
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 numerator of the applicable KPI	0	0.1	0	0.1		
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						
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	54	100.0	54	100.0		

## Taxonomy-eligible but not taxonomy-aligned economic activities

## On-balance sheet – credit portfolio, turnover

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	4.0	1	4.0		
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	19	75.5	19	75.5		
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	3	11.9	3	11.9		
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	1	4.0	1	4.0		
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	0	0.6	0	0.6		
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	4.0	1	4.0		
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						
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	25	100.0	25	100.0		

## On-balance sheet – credit portfolio, CapEx

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	0	32.6	0	32.6		
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	0	60.5	0	60.5		
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	7.0	0	7.0		
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						
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	0	100.0	0	100.0		

## Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, turnover

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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						
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	741	73.5	370	73.5	370	73.5
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	253	25.0	126	25.0	126	25.0
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	15	1.5	7	1.5	7	1.5
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						
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	1,008	100.0	504	100.0	504	100.0

## Off-balance sheet – financial guarantees, capital in mutual funds and discretionary portfolios, CapEx

Row	Economic activities	Amount (SEK m) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		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	193	78.9	97	78.9	97	78.9
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	50	20.4	25	20.4	25	20.4
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	2	0.7	1	0.7	1	0.7
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						
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	245	100.0	123	100.0	123	100.0

## Taxonomy non-eligible economic activities

## On-balance sheet – credit portfolio

Under the regulations of the Taxonomy (Delegated Regulation (EU) 2022/1214 as regards economic activities in certain energy sectors), disclosures are to be provided for Taxonomy

non-eligible economic activities by stating the amount and proportion for nuclear and fossil gas related activities (activities 4.26–4.31). Nuclear energy related activities (4.26–4.28) and fossil gas related activities (4.29–4.31) are

Taxonomy-eligible. Accordingly, the Bank has made the assessment that the table is not applicable. For other Taxonomy non-eligible assets, refer elsewhere in this Taxonomy reporting.

# Auditor's Limited Assurance Report on Svenska Handelsbanken AB (publ)'s Sustainability Report

This is the translation of the auditor's report in Swedish  
To Svenska Handelsbanken AB (publ), corporate identity number 502007-7862

## INTRODUCTION

We have been engaged by the Board of Directors of Svenska Handelsbanken AB (publ) (Handelsbanken) to undertake a limited assurance of Svenska Handelsbanken's Sustainability Report for 2023. The company has defined the scope of its sustainability report on page 36–65 and 257–305 in this document.

## RESPONSIBILITIES OF THE BOARD AND GROUP MANAGEMENT

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 273 in the Sustainability Report, and consists of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

## RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the Sustainability Report based on the limited

assurance procedures we have performed. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted limited assurance procedures in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. A limited assurance engagement has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Svenska Handelsbanken AB according to generally accepted auditing standards in Sweden and

have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement do not allow us to obtain such assurance that we would become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

## CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

Stockholm, 22 February 2024

PricewaterhouseCoopers AB

Deloitte AB

Johan Rippe  
Authorised Public Accountant

Malin Lünig  
Authorised Public Accountant