

Green Bond

Impact Report

2023



Handelsbanken



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About this report

This report contains information on the Eligible Green assets and the environmental impact achieved by Handelsbanken's outstanding green bonds, including examples of the eligible green asset's adherence to the relevant criteria under Handelsbanken's Green Bond Framework.

Furthermore, this report provides information on the Bank's green portfolio's alignment with the technical screening criteria for substantial contribution within the environmental objective of climate change mitigation under the EU Taxonomy (Climate Delegated Act, December 2021).

Eligible green assets

89

SEK bn



Impact achieved

90,211

Tonnes
CO₂e emissions reduced



Green bonds outstanding

34

SEK bn



Handelsbanken's and Stadshypotek's Green Bonds

Type	Rating	Nominal amount	Issue date	Maturity date	Extended Maturity Date	ISIN
Senior Non-Preferred Green Bond	A3 (Moody's); A (S&P); AA (Fitch)	EUR 500,000,000	2 December 2020	2 December 2027	-	XS2265968284
Senior Preferred Green Bond	Aa2 (Moody's); AA- (S&P); AA+ (Fitch)	EUR 750,000,000	5 September 2022	5 September 2029	-	XS2527451905
Green Covered Bond	Aaa (Moody's)	EUR 1,000,000,000	4 April 2023	4 April 2028	4 April 2029	XS2607344079
Green Covered Bond	Aaa (Moody's)	SEK 7,500,000,000	20 June 2023	20 June 2028	20 June 2029	SE0013884251
Green Covered Bond	Aaa (Moody's)	SEK 1,500,000,000	20 June 2023	20 June 2028	20 June 2029	SE0013884269

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.

Our Sustainability goals

Handelsbanken has since 2021 five overarching goals for sustainability, including:

- To be, and to be recognised as, the most sustainable bank among peer competitors.
- To achieve net zero emissions of greenhouse gases as soon as possible, and by 2040 at the latest. This applies to our business operations, for example lending, leasing and investments, but also the emissions deriving from our own operations such as energy consumption, business travel and the purchases of goods and services.

Read more about Handelsbanken's Sustainability Goals in [Handelsbanken's Annual and Sustainability Report 2023](#).

In order to ensure that Handelsbanken's climate goals are based on a solid scientific foundation, we applied for validation of our goals within own operations, lending and investments by the Science Based Targets initiative (SBTi) in 2023. The validation is expected to take place during 2024.

Handelsbanken continuously develops and improves its capacity to identify, measure, manage and report risks associated with both physical climate-related risks and transition risks in the credit process. This involves developing existing procedures and processes in relevant areas, with the aim of being able to more effectively identify, value and also stress test assets exposed to climate-related risks. Handelsbanken has conducted forward looking physical climate risk analysis on parts of its real estate portfolio, for more information please see the [Bank's Climate change progress report 2023](#).

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 inclusion, 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 the framework of financing and how we structure our lending products, in discussions regarding savings and fund management and by building close relationships with customers.

"Being Handelsbanken, we believe that having a long-term perspective is a necessity in creating value for all our stakeholders. I hope this impact report will offer insight into how Handelsbanken promotes sustainable development by directing financing towards projects with a positive impact on the environment and society."



Carl Cederschiöld
CFO Handelsbanken

Methodology

Reporting principles

- This report is based on the guidelines for impact reporting provided by Green Bond Principles (GBP)¹ and the Nordic Public Sector Issuers Position Paper on Green Bonds Impact Reporting, March 2024.²
- Handelsbanken reports on the basis of the share of the project's total investment cost that has been financed with proceeds from the green bond.
- Handelsbanken uses a pro-rata allocation to each outstanding bond based on eligible green assets.
- Direct environmental impacts such as renewable energy production, energy savings, reduced emissions are reported. Where applicable avoided emissions are reported.
- The reported distribution and impact are based on the status of the Green Registry as of 31 December 2023. The full year impact is accounted for regardless of when an asset is included in the Green Registry.
- The report includes both expected impact (ex-ante) and actual impact (ex-post).
- The reporting is in Swedish kronor (SEK), and currency rates are per 30 December 2023.

Impact methodology

- Energy production and energy savings are converted into greenhouse gas emissions savings using an emission factor for electricity production in mainland EU, UK and Norway of 191 g CO₂e /kWh.³
- The baseline emission factor for electricity is calculated as a Combined Margin based on IFI Harmonised Framework methodology for projects, (i.e., based on a consequential assessment), combining a grid Operating Margin (OM) and a Build Margin (BM) from potential new generation capacity that is affected by the project.
- Unlike the IFI, we use the same default combination of OM and BM (1/3 OM and 2/3 BM) for all electricity-related projects, as a reflection of an open Nordic electricity system interconnected to neighbouring northern European systems, which gives more potential to replace existing OM, and less competition with other potential BM.⁴
- For Green Buildings national building standards are used as baseline for calculating impact and energy savings. Impact is calculated as the net value of a specific building's energy consumption per m² and year, and a reference building.
- For further details regarding impact methodology, see Appendix – Collected data and avoided emissions calculation at page 17.

Sustainable Development Goals

The proceeds from our green bonds mainly targets the following Sustainable Development Goals

Goal 6 ► Clean water and sanitation

Goal 7 ► Affordable and clean energy

Goal 11 ► Sustainable cities and communities

Goal 12 ► Responsible consumption and production

Goal 13 ► Climate action

Goal 14 ► Life below water

Goal 15 ► Life on land



¹ icmagroup.org/green-social-and-sustainability-bonds/

² https://kommuninvest.se/wp-content/uploads/2024/03/NPSI_Position_paper_2024_final.pdf

³ New emission factor for electricity production, previous factor amounted to 315 g CO₂e/kWh

⁴ For further details, see [Nordic Position Paper on Green Bond Impact Reporting](#)

Green Bond Framework

Handelsbanken established its first Green Bond Framework in 2018 and issued two green bonds under it - one in 2018 and one in 2020. To further advance our Green Bond offering, the Green Bond Framework was updated in 2022 and has been developed to also include green mortgages and to more broadly, comply with the technical screening criteria assuring substantial contribution to at least one of the first two environmental objectives “climate change mitigation” and “climate change adaptation” under the EU Taxonomy (the Climate Delegated Act, December 2021).

The framework is aligned with the 2021 ICMA Green Bond Principles. An independent evaluation of the Framework has been carried out by CICERO Shades of Green and was graded Medium Green. Included in the overall shading an assessment of the governance structure was made with the outcome “Excellent”.

For the complete updated Framework please see handelsbanken.com/handelsbankens-green-bonds.

Green Bond Principles Category	Sustainable Development Goals
Clean transportation	 
Climate change adaptation	   
Energy efficiency	 
Environmentally sustainable management of living natural resources and land use <i>Sustainable forestry</i> <i>Biodiversity</i>	  
Green buildings <i>Commercial buildings</i> <i>Residential buildings</i> <i>Renovation of existing buildings</i>	 
Pollution prevention and control <i>Waste to energy</i> <i>Waste management</i>	 
Renewable energy <i>Wind energy</i> <i>Solar energy</i> <i>Hydro energy</i> <i>Geothermal energy</i> <i>Hydrogen</i>	 
Sustainable water and wastewater management	 

Process for Project Evaluation and Selection

All customers of Handelsbanken are managed and approved in the standard credit process, which includes a Know-Your-Customer procedure, an environmental and sustainability risk assessment, credit risk analysis and a credit decision. Further procedures to identify, analyse and approve Eligible Green Assets are in place, whereby Eligible Green Assets are defined in the Framework, proposed by the local branches, approved by the Bank's Green Finance Committee and documented and monitored in the Green Registry. Additional information about this process is provided below.

The local branches nominate new and existing loans within the eligible green use of proceeds categories to the Green Finance Committee (GFC) for review and potential approval. Assessment and analysis are performed on both the asset and the customer. The standardised application and assessment include the following:

- A local branch nominates loans or a financing department nominates green criteria related to a certain green loan product to the GFC and acknowledges that the financed asset complies with the legal requirements in the local jurisdiction, as well as with Handelsbanken's policies and guidelines.

- Review and ESG assessment of the financed asset(s) and the customer or the green loan criteria, using both public and non-public information, including a screening for ESG incidents or controversies.
- Assessing and confirming the type of Green Asset or the green loan criteria, its compliance with the Use of Proceeds categories in the Framework, validating the purpose of the financing and a review of compliance with the Exclusion criteria (see 'Methodology and Scope' in Green Bond Framework).
- Assessing the benefit of the asset(s) or the green loan criteria in relation to the Sustainable Development Goals.

Risk Assessment and Management

The assets must be compliant with applicable national laws and regulations, Handelsbanken's policies and guidelines as well as the Green Terms. This includes the Bank's sector guidelines, Credit policy, Sustainability policy, Guidelines for environmental impact and climate change, Ethics policy as well as specific environmental certification schemes (such as those outlined in the Framework for Green Buildings and Forestry) and the UN Global Compact, OECD Guidelines for Multinational Enterprises and the Equator Principles.

Selection Process for Eligible Green Assets at Handelsbanken



Green Asset Portfolio

Management of Proceeds

An amount equal to the net proceeds of any issue under the Green Bond Framework is credited to an earmarked portfolio (the 'Green Portfolio') in the Bank's internal information system managed by the Treasury Department. Deductions are made from the Green Portfolio by an amount corresponding to the financing or refinancing of Eligible Green Assets that have qualified according to the Process for Project Evaluation and Selection or to repay a Green Bond. If an Eligible Green Asset no longer qualifies according to the Green Terms or if the underlying eligible loan is repaid or divested, an amount equal to the funds is re-credited to the Green Portfolio pending reallocation to other Eligible Green Assets. Net proceeds may be reallocated to other Eligible Green Assets by the Treasury at any time during the term of a Green Bond. The Bank's Treasury Department will keep a record of the purpose of any change in the Green Portfolio.

Pending the allocation of an amount equal to the net proceeds and while the Green Portfolio has a positive balance, including the unlikely event of there being no Eligible Green Assets, the proceeds may be invested or utilised by Treasury in accordance with the Bank's internal Sustainability policy and the requirements of the liquidity reserve.

Approval by the Green Finance Committee

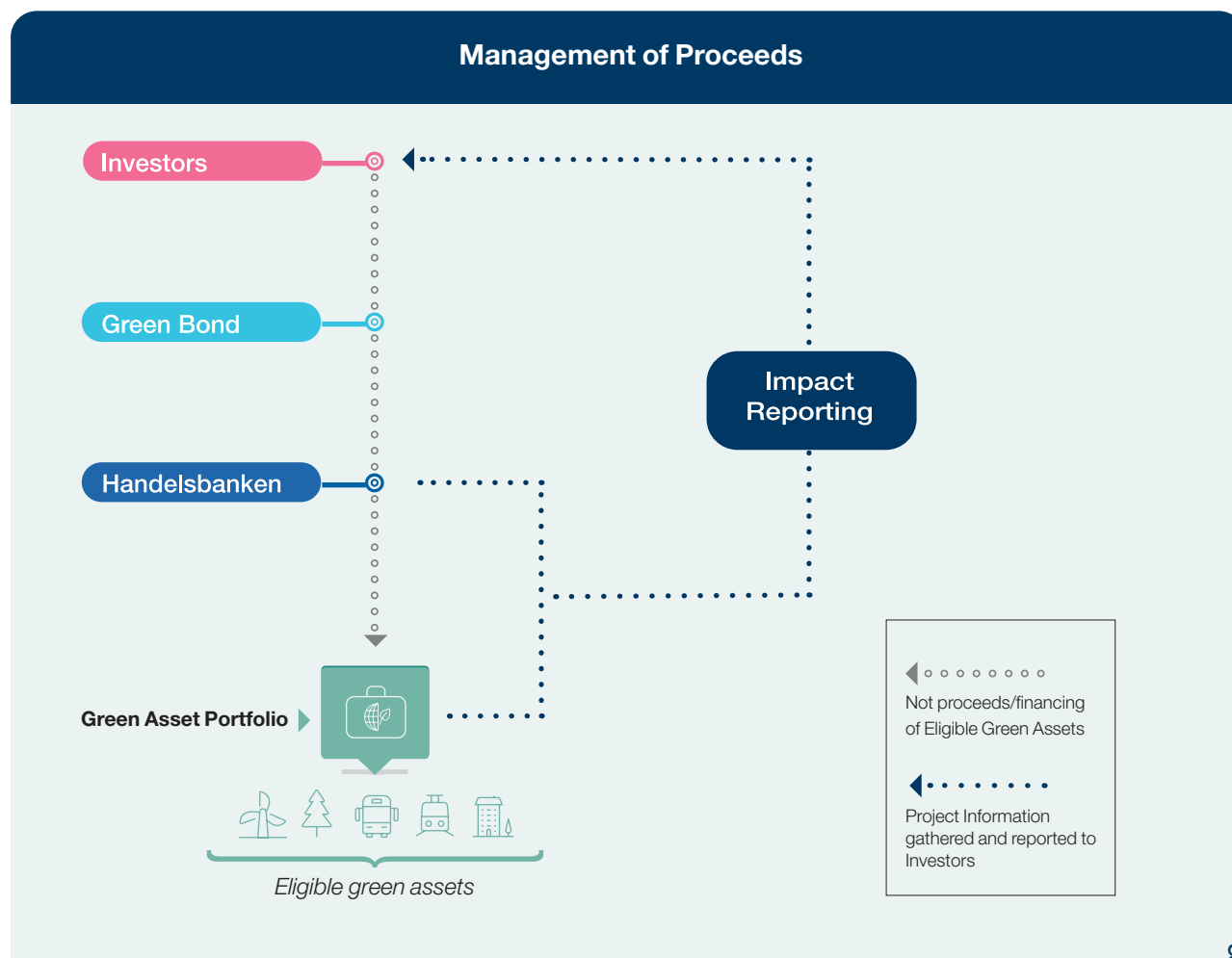
Handelsbanken's Green Finance Committee (GFC) has the mandate to approve (i) Green Assets, (ii) technical criteria for green loans and (iii) the Bank's Green Bond Framework.

The GFC is a sub-committee of the Group Sustainability Committee. Handelsbanken's Chief Sustainability Officer chairs the Group Sustainability Committee and the Green Finance Committee, and is responsible for sustainability strategy and implementation throughout the Bank.

The GFC currently consists of representatives from the following units:

- Group Sustainability
- Group Finance
- Group Credit Department
- Handelsbanken Capital Markets
- Handelsbanken Fonder
- Stadshypotek

The GFC reviews information about the assets and evaluates the overall environmental benefit according to a standardised process that includes life cycle considerations, potential rebound effects, resilience and scientific targets. If there is doubt about the environmental benefits or compliance with the Bank's Green Bond Framework, such assets will not be included. Eligible Green Assets are approved by majority vote by the GFC, where the Chief Sustainability Officer holds a veto. The decisions made by the GFC are documented.



Handelsbanken's eligible green assets

Handelsbanken's green bonds

Handelsbanken strives to be a responsible actor within the financial sector and lead the way towards a sustainable banking industry. By issuing green bonds, the Bank supports the long-term development of sustainable solutions through the financing of green projects.

Handelsbanken established its first Green Bond Framework in 2018 and issued two green bonds under it - one in 2018 and one in 2020.

To further advance our Green Bond offering, the Green Bond Framework was updated in 2022.

A third green bond was issued in September 2022 under the updated framework and in April as well as in June 2023 Handelsbanken issued, together with our wholly owned mortgage arm Stadshypotek, two green covered bonds amounting to EUR 1,000 million and SEK 9,000 million respectively.

Green Registry and Documentation

The information gathered in the approval process is recorded along with loan and ESG information in a database (the 'Green Registry'). The Green Registry allows the Green Assets to be monitored by the Bank and will be used as a tool to determine if there is a current or expected headroom to issue a Green Bond. If a loan ceases to meet the Green Terms, the green status of the loan will be removed from the Bank's Green Registry.

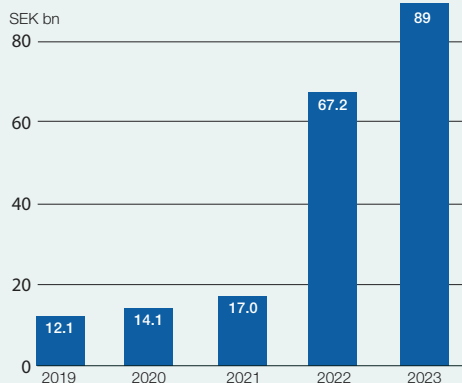
Handelsbanken's ambition is that the supply of eligible Green Assets shall continue to grow as the Bank's

technical criteria for green loans are further developed and the focus on green financing and sustainable investment increases among customers.

The Bank may need further clarity about the use of proceeds for both existing and future loans. In such cases the Bank will require the customer to sign a side letter confirming the purpose of the financing and/or that information may be provided to investors regarding the specific asset that has been financed.

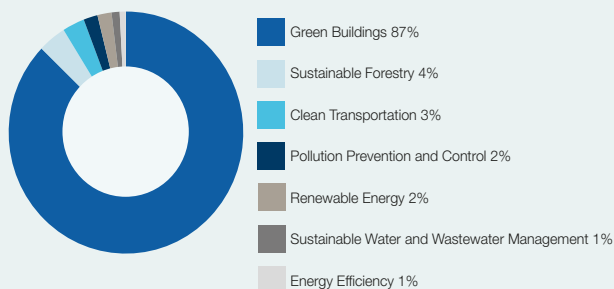
Eligible Green Assets

Eligible Green Assets per year-end

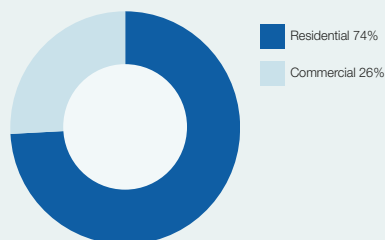


During 2023, Handelsbanken's green assets which comply with the requirements and criteria stipulated in Handelsbanken's Green Bond Framework, grew to SEK 89 billion,⁵ corresponding to an increase of more than 30 per cent compared to previous year. In 2023, the first asset within the category Energy Efficiency was approved and included as an eligible green asset.

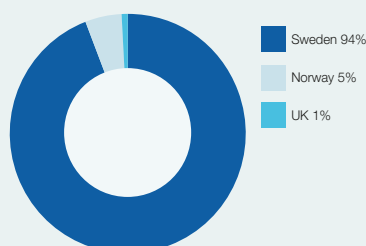
Eligible Green Assets per category



Eligible Green Assets per Building Type



Eligible Green Assets per geography



⁵ Share of green loans amounts to 95 per cent.

Example of eligible projects



Photographer: Morten Wanvik

Linja AS

Linja is the result of the merger between Mørenett and Sogn og Fjordane Energi's wholly-owned grid subsidiary Linja in early 2023, and the subsequent acquisition of Tindra.

Located in North-Western Norway, Linja is among the ten largest electric grid operators in Norway, serving more than 103,000 end users. During 2023, Linja's regional and local distribution networks transported 3.42 TWh of electricity. The grid companies play an important role in securing a safe and stable supply of electricity, and in facilitating for Norway's green shift through electrification.

In 2023, Linja signed a NOK 700 million green loan with Handelsbanken for financing and refinancing of Linja's regional and local electric grid investments. The loan is classified under the "Energy efficiency" category in Handelsbanken's green bond framework. Total book value of Linja's green assets (grid and smart metering systems) was NOK 5,315 million at year-end 2023, thus when measuring impact Handelsbanken's green loan financed 13.2 per cent of Linja's green asset pool, representing about 13,600 end users and 0.45 TWh.



Photographer: Bergslagsbild

Norrvatten

Handelsbanken has signed a SEK 125 million green loan with Kommunalförbundet Norrvatten in the "Sustainable water and wastewater management" category under Handelsbanken's Green Bond Framework and the EU taxonomy's economic activity "Construction, extension and operation of water collection, treatment and supply systems".

Kommunalförbundet Norrvatten, headquartered in Sundbyberg, is a local federation owned by 14 different urban municipalities in the northern part of the Stockholm region. Approximately 700,000 inhabitants, as well as several large hospitals as well as companies and industries are dependant on the delivery of healthy drinking water. Norrvatten owns and operates Görvålverket, situated in Järfälla kommun where 50 million cubic metres of drinking water is produced annually. Norrvatten continuously invests in maintenance and pipeline projects to ensure quality and capacity to meet the increased demand of drinking water.



Photographer: Jann Lipka

SR Energy

SR Energy designs, builds and manages efficient wind farms for long-term ownership, and is one of Sweden's largest wind power producers with 201 wind turbines in operation and a further 40 in the construction phase. The energy produced corresponds to the annual need for household electricity in Gothenburg and Malmö in total. The turbines under construction will provide an additional 0.7 TWh.

Per December 2023, Handelsbanken, through a syndicated facility, had outstanding green loans of SEK 595 million and undrawn facilities of SEK 368 million, representing our share of the 201 finalized projects and establishment of the 40 new wind turbines during 2024 and 2025. The 201 wind turbines produced almost 1.8 TWh during 2023. Loans extended to SR Energy are included in the "Renewable energy" category under Handelsbanken's Green Bond Framework and the EU taxonomy's economic activity "Electricity generation from wind power."



Photographer: Catena AB

Catena

Handelsbanken has signed a green loan of SEK 278 million with the logistics company Catena in the "Green buildings – Commercial buildings (Existing buildings)" category under Handelsbanken's Green Bond Framework. The building has a good energy performance with an EPC of class B and a Primary Energy Demand of 41 kWh/m² according to BBR29, placing it within the national top 15 per cent buildings.

Catena is a listed property company that sustainably and through collaboration develops and durably manages efficient logistics facilities. Its strategically located properties supply the Scandinavian metropolitan areas and are adapted for both current and future goods flows.


























The ability to offer smart space and optimise flows with minimum impact is crucial in the energy transition as climate change contributes to greater vulnerability and makes efficient commerce essential. Circular business models create entirely new logistics needs.

Sustainability is a strategic horizon from which Catena operates. Catena has signed the UN Global Compact and the company's climate goals for Scopes 1 and 2 have been approved by the Science Based Target initiative (SBTi). In addition, all of Catena's sustainability targets are aligned towards 2025 and 2030.

Senior Green Bonds

Green covered bonds are allocated solely to green buildings and green senior bonds are allocated to all Use of Proceeds categories (minus any green buildings already allocated to green covered bonds).

Quantitative environmental impact

Category	Sub categories	Disbursed amount (EUR)	Disbursed amount (SEK)	Share (%)	GHG emissions avoided (tCO ₂ e) ⁶	SDGs
Clean transportation	Public transport	24,128,086	268,473,262	2	3,280	 
	Zero direct (tailpipe) CO ₂ emissions vehicles	25,116,845	279,475,182	2	1,435	 
Climate change adaptation		-	-	-	-	   
Energy efficiency		12,602,724	140,230,535	1	-	 
Environmentally sustainable management of living natural resources	Sustainable forestry	69,511,537	773,455,016	6	50,689	 
	Biodiversity	-	-	-	-	
Green buildings		1,032,883,402	11,492,895,680	83	2,150	 
Pollution prevention and control	Waste to energy	21,354,506	237,611,628	2	18,195	 
	Waste management	11,612,007	129,206,831	1	-	 
Renewable energy	Wind energy	23,231,443	258,496,308	2	8,364	 
	Solar, Hydro and Geothermal energy	10,508,500	116,928,101	1	2,334	 
Sustainable water and wastewater management	Water management	19,050,950	211,979,957	2	-	 
Total		1,250,000,000	13,908,752,500	100	86,447	
New Loans⁷		440,911,608	4,906,024,342	27		
Impact, tonnes CO₂e per EUR m / SEK m		70	6			

⁶ See appendix on page 17 for collected data and climate impact calculation.

⁷ Loan disbursements that have been made since the last reporting period prorata eligible green assets.



Additional Key Performance Indicators

Category	Sub categories	Quantity of annually treated wastewater (m³)	Quantity of annually supplied freshwater (m³)	Amount of Certified Forest (hectares)	Annual energy saving (MWh)	Annual energy generation (MWh)	Annual energy transmitted (MWh)
Clean transportation	Public transport	-	-	-	-	-	
	Zero direct (tailpipe) CO ₂ emissions vehicles	-	-	-	-	-	
Climate change adaptation		-	-	-	-	-	
Energy efficiency		-	-	-	-	-	90,881
Environmentally sustainable management of living natural resources	Sustainable forestry	-	-	91,342	-	-	
	Biodiversity	-	-	-	-	-	
Green buildings		-	-	-	21,478	-	
Pollution prevention and control	Waste to energy	-	-	-	-	217,982	
	Waste management	-	-	-	-	-	
Renewable energy	Wind energy	-	-	-	-	43,791	
	Solar, Hydro and Geothermal energy	-	-	-	-	12,222	
Sustainable water and wastewater management	Water management	660,810	7,470,841	-	-	-	
Total		660,810	7,470,841	91,342	21,478	273,995	90,881

Green Covered Bonds

Green covered bonds are allocated solely to green buildings and green senior bonds are allocated to all Use of Proceeds categories (minus any green buildings already allocated to green covered bonds).

Quantitative environmental impact

Category	Disbursed amount (EUR)	Disbursed amount (SEK)	Building area m ²	GHG emissions avoided (tCO ₂ e) ⁸	Annual energy saving (MWh)	SDGs
Green Buildings	1,808,843,209	20,127,002,000	1,280,106	3,764	27,789	 

⁸See appendix on page 17 for collected data and climate impact calculation.



Alignment with the EU Taxonomy

The Taxonomy Regulation (June, 2020) and associated legal frameworks contain six environmental objectives. In December 2021, the Climate Delegated Act, covering the first two environmental objectives, Climate Change Mitigation and Climate Change Adaptation, was formally adopted by the European Council and entered into force on 1 January 2022. During 2023, the Taxonomy Regulation was further developed with delegated acts for economic activities substantially contributing to the four remaining environmental objectives. Any eligible activity must substantially contribute towards one or more of these six environmental objectives, while at the same time not significantly harming any other environmental objective. Furthermore, the EU Taxonomy defines sustainable economic activities through categorisation, Technical Screening Criteria ("TSC"), including Do-No-Significant-Harm criteria ("DNSH") and Minimum Safeguards.

Handelsbanken's Green Bond Framework aspires to be aligned with the technical screening criteria for substantial contribution to one of the first two environmental objectives under the EU Taxonomy as the further implementations of the EU Taxonomy was not developed at the time of publication of the Framework. For this reporting the assessment of the total amount of eligible green assets which comply with the requirements and criteria stipulated in Handelsbanken's Green Bond Framework has been made against the criteria for substantial contribution within the environmental objective of climate change mitigation. No assessment has been made with regards to the Do-No-Significant-Harm criteria ("DNSH") and Minimum Safeguards.

Category	Sub categories	Green Assets SEK m	Aligned	Most likely aligned	Insufficient data for assessment
Clean transportation	Public transport	1,330	1,330	-	-
	Zero direct (tailpipe) CO ₂ emissions vehicles	1,385	1,385	-	-
Climate change adaptation		-	-	-	-
Energy efficiency		695	695	-	-
Environmentally sustainable management of living natural resources	Sustainable forestry	3,831	-	-	3,831
	Biodiversity	-	-	-	-
Green buildings		42,090	16,800	18,000	7,200
Green mortgages		34,970	18,361	13,179	3,428 ⁹
Pollution prevention and control	Waste to energy	1,180	481	-	695
	Waste management	640	640	-	-
Renewable energy	Wind energy	1,280	1,280	-	-
	Solar, Hydro and Geothermal energy	570	570	-	-
Sustainable water and wastewater management	Water management	850	850	-	-
	Waste water	200	200	-	-
Total SEK m		89,021	42,600	31,179	15,154
Share %		100	48	35	17

⁹ Includes primarily buildings with environmental certification in accordance with the Green bond framework that not yet have a valid EPC.

Auditor's Limited Assurance Report

To Svenska Handelsbanken AB (publ), Corporate identification number 502007-7862

Introduction

We have been engaged by the Executive Management of Svenska Handelsbanken AB (publ) (Handelsbanken) to undertake a limited assurance of the information in Handelsbanken Green Bond Impact Report 2023 ("the Report") including allocation of net proceeds to eligible green assets and impact calculations on page 3-14 and 17-18.

Responsibilities of the Executive Management

The Executive Management is responsible for preparing the Report in accordance with the applicable criteria. The reporting criteria is stated in Handelsbanken's Green Bond Framework dated August 2022, available on Handelsbanken's website. This responsibility includes the internal control relevant to the preparation of a Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a limited assurance conclusion on the selected information specified above based on the procedures we have performed and the evidence we have obtained. Our assurance does not extend to any other information in the Report.

We have conducted our 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 selected information in the Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement have 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 other generally accepted auditing standards in Sweden.

The 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 Executive Management as described above. We consider these criteria suitable for the preparation of the 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 selected information disclosed in the Report has not been prepared, in all material respects, in accordance with the reporting criteria.

Stockholm, 29 May 2024

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson

Authorized Public Accountant

Appendix – Collected data and avoided emissions calculation

Sub category	Collected data	Avoided emission calculation (tCO ₂ e)
Wind & Hydro Energy	<ul style="list-style-type: none"> - Capacity of energy generation of plant (MW) - Annual renewable energy generation in MWh or GWh 	Annual production of renewable energy in MWh x (baseline emissions factor – project emissions factor).
Green buildings in Sweden	<ul style="list-style-type: none"> - Heated surface area in square metres (Atemp). - Permitted maximum energy consumption of the building, measured in kWh/Atemp. - Estimated / actual annual electricity consumption of the building, measured in kWh/Atemp. - Estimated / actual annual heating consumption of the building, measured in kWh/Atemp in accordance with applicable regulations. - Estimated / actual annual cooling consumption of the building, measured in kWh/Atemp in accordance with applicable regulations. - Year of construction 	<p>Avoided emissions are calculated using the difference in terms of energy efficiency between the financed building (The building) and the energy efficiency of a reference building (reference value).</p> <p>The energy efficiency of the building is the value expressed in accordance with an EPC. The reference value depends on year of construction and is either energy efficiency requirements according to applicable building code or average energy efficiency based on data from Boverket.</p> <p>To avoid double counting between tenant-owner association and the tenant-owned apartments, please see methodology in Handelsbanken's climate change progress report 2023, p.20.</p> <p>Avoided emissions per building is calculated as (reference value - kWh/m² of the building) x m² of The building x (share of The buildings energy consumption per energy carrier x emission factor of energy carrier).</p> <p>The reference value used is:</p> <ul style="list-style-type: none"> • Buildings built before 2021 <ul style="list-style-type: none"> - Single-family houses: 115 kwh/m² - Multi-family houses & apartments: 127 kwh/m² - Premises: 146 kwh/m² • Buildings built after 2020 <ul style="list-style-type: none"> - Single-family houses: >130 m²: 90 kwh/m²; >90–130 m²: 95 kwh/m² ;<90: 100 kwh/m²) - Multi-family houses & apartments: 75 kwh/m²) - Premises: 70 kwh/m² - Building specific requirements
Green buildings outside Sweden	<ul style="list-style-type: none"> - Heated surface area in square metres (Atemp). - Permitted maximum energy consumption of the building, measured in kWh/Atemp. - Estimated / actual annual electricity consumption of the building, measured in kWh/Atemp. - Estimated / actual annual heating consumption of the building, measured in kWh/Atemp in accordance with applicable regulations. - Estimated / actual annual cooling consumption of the building, measured in kWh/Atemp in accordance with applicable regulations. 	<p>Energy savings is calculated as the difference between energy use per square meter and applicable national building requirements.</p> <p>Annual climate impact (CO₂e) = ((Heat consumption of reference building in × baseline emission factor for heat consumption + electricity consumption of reference building in × baseline emission factor for electricity consumption) – (Heat consumption of project building × baseline emission factor for heat consumption + electricity consumption of the project building in × baseline emission factor for electricity consumption)).</p>

Sub category	Collected data	Avoided emission calculation (tCO ₂ e)
Public transport	<ul style="list-style-type: none"> - Passenger capacity - Travel distance in km 	Annual reduction of GHG emission in ton CO ₂ is based on travelled distance and passenger capacity with electric trains and the assumption of avoided travel by fossil driven cars x average emission of GHG from existing cars.
Zero direct (tailpipe) CO ₂ emissions vehicles	<ul style="list-style-type: none"> - Number of financed electrical cars - CO₂ emission from financed electrical cars (tailpipe emission) - Average CO₂ emission from new registered fossil fuels driven in the previous three years - Average yearly car mileage according to national statistics 	Number of cars in the fleet x average yearly car mileage x (average emission of GHG from new registered fossil fuel driven cars – tailpipe emission of GHG from financed electrical cars).
Sustainable Forestry	<ul style="list-style-type: none"> - Hectares (size of land) of Sustainable forest holdings 	Hectare sustainable forest x (average net change standing volume x average Biomass Expansion Factor x average Carbon Fraction x (weight CO ₂ molecule / weight C molecule) + (average felling per hectare x estimated substitution effect)), i.e. Hectare x (1.38+1.93). Model for impact calculation has been developed together with Swedish University of Agricultural Sciences.
Waste to Energy	<ul style="list-style-type: none"> - Annual energy production (MWh) - Annual electricity production (MWh) - Annual heat production (MWh) 	Project, annual production electricity x (Baseline emission factor for electricity - project emission factor) + Project, annual production heat x (Baseline emission factor for heat consumption - project emission factor) according to average heating production.
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> - Quantity of treated wastewater (cubic meters per year) - Quantity of supplied freshwater (cubic meters per year) 	

