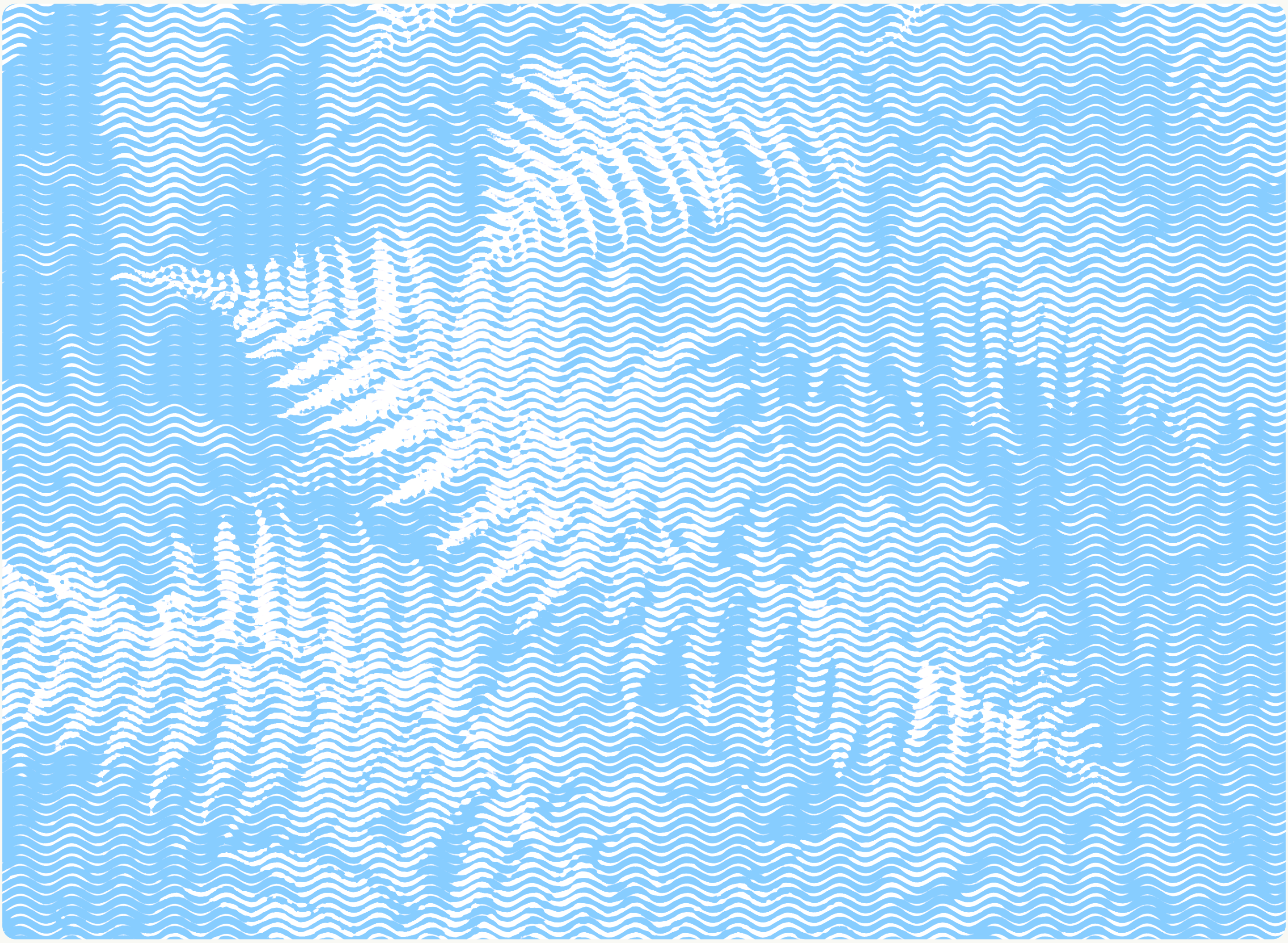
Handelsbanken

Handelsbanken Fonder
Our climate work

JULY 2026



Contents

About the report

The purpose of Handelsbanken Fonder's Climate report 2025 is to inform stakeholders about our work related to climate change. We also hope to contribute to increased transparency and the continued development of forward-looking climate-related information within the financial sector, as well as in the broader economy. This report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The focus is on how climate change affects us as an asset manager, but it also includes commentary on the impact we, as an asset manager, have on the climate.

For definitions of key terms and frameworks, see the glossary in the appendix on page 18.

Om TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board (FSB) to address the lack of consistent and reliable information on companies' climate-related risks and opportunities. The TCFD's primary goal is to develop a reporting framework that enables companies to provide decision-useful information to investors, lenders, and insurers, allowing them to better assess and price climate-related risks and opportunities.

The Financial Stability Board (FSB) has officially transferred oversight of corporate climate-related reporting from the Task Force on Climate-related Financial Disclosures (TCFD) to the International Financial Reporting Standards (IFRS) Foundation, following the publication of the TCFD's 2023 status report. The TCFD's recommendations have been integrated into the IFRS S1 and S2 standards.

Our climate work

Climate change is one of the most significant factors for long-term value creation. As a manager of our clients' capital, Handelsbanken Fonder has a responsibility to manage climate-related risks and opportunities to ensure a good long-term return and contribute to an orderly transition to a low-carbon economy.

The significance of climate change for us as investors

Handelsbanken Fonder's overarching mission is to create good long-term returns for our clients. Climate change is a central factor in this effort, as climate-related risks and opportunities can affect the performance of our investments. Integrating climate aspects into asset management is both a sustainability issue and a way to create the right conditions to achieve our goal of delivering good long-term returns. By offering our clients funds and asset management that support their transition journey, we have the greatest opportunity to influence capital allocation in a more sustainable direction, promote emission reductions in portfolio companies, and thereby contribute to long-term sustainable performance.

This report presents our overall climate efforts, with a focus on the year 2025 and the strategy to achieve our long-term climate goal: to invest aligned with net-zero emissions by 2040.
As one of our interim targets on the path to net zero, we aim to reduce the carbon footprint of our total investment portfolio by 50 per cent by 2030. At the end of 2025, the carbon footprint had decreased by approximately 26 per cent compared to the base year 2020, demonstrating clear progress toward our long-term goal.

The report also highlights how we use scenario analysis to assess climate risks and opportunities, and the methodology we apply to prioritize companies for engagement. We are fully aware of the complexity and challenges that the transition entails, but we are committed to continuing our work through concrete actions and transparent reporting.

Policy and governance

Handelsbanken Fonder supports the Net Zero Asset Managers (NZAM) initiative and its global goal of net-zero greenhouse gas ("GHG") emissions by 2050, in line with global efforts to limit warming to 1.5°C ("net-zero emissions by 2050 or earlier"). Handelsbanken Fonder is committed to investing aligned with net-zero emissions by 2040.

Read more about policies, guidelines, and governance:

- The Handelsbanken Group's transition plan here.
- The Handelsbanken Group's guidelines for environmental and climate change here.
- The Handelsbanken Group's policy for sustainability here.
- Handelsbanken Fonder's Policy for Shareholder Engagement and Responsible Investment here.

Read more about how we work overall with policies, guidelines, and governance here.

Net zero: Net zero refers to achieving a balance between the greenhouse gas emissions associated with an investment portfolio and the removal or offsetting of those emissions. This concept is central to aligning investment strategies with global climate goals, particularly the Paris Agreement's objective of limiting global warming.

About risk
Past performance does not predict future returns. The value of the money invested in the fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Note that a fund with risk level 5-7 as stated in the fund's key information investment document (KIID) can vary greatly in value due to the fund's composition and management methodology. A summary of investors' rights as well as a prospectus, fund rules and KIID are available for each fund at handelsbanken.se/fonder.

The year in review

Below is a selection of key figures that illustrate our climate work and its effects during 2025.

In 2025

We conducted a total of 63 direct dialogues with companies about their climate efforts.

17 of these were strategically prioritised climate dialogues with companies that represent the largest share of our financed emissions.

Climate has been a topic on the agenda in 110 of all the general meetings we have voted at.

SEK 1,161 billion

Handelsbanken Fonder manages just over SEK 1,161 billion, which makes up approximately 90 per cent of the total assets under management.

SEK 72,8 billion

At the end of 2025, our holdings in green, social and sustainability bonds totalled SEK 72.8 billion for active fixed income management, an increase of SEK 9.1 billion compared to the previous year. Of these, SEK 71.7 billion were holdings in bonds classified as contributing to environmental and climate solutions.

73.4 per cent SBTi

Based on the latest available data at the time of reporting, 73.4 per cent of the fund company's financed emissions (Scope 1-3) come from companies with science-based emission reduction targets validated by the Science Based Targets initiative. A further 10 per cent are covered by other ambitious targets or commitments to set such targets.

164 companies

In 2025, Handelsbanken Fonder supported Climate Action 100+ in its work with 164 companies. That same year, we took on the role of co-lead in the dialogue with SSAB, an engagement that continues. The fund company has participated in the initiative since 2017.

SEK 341 billion

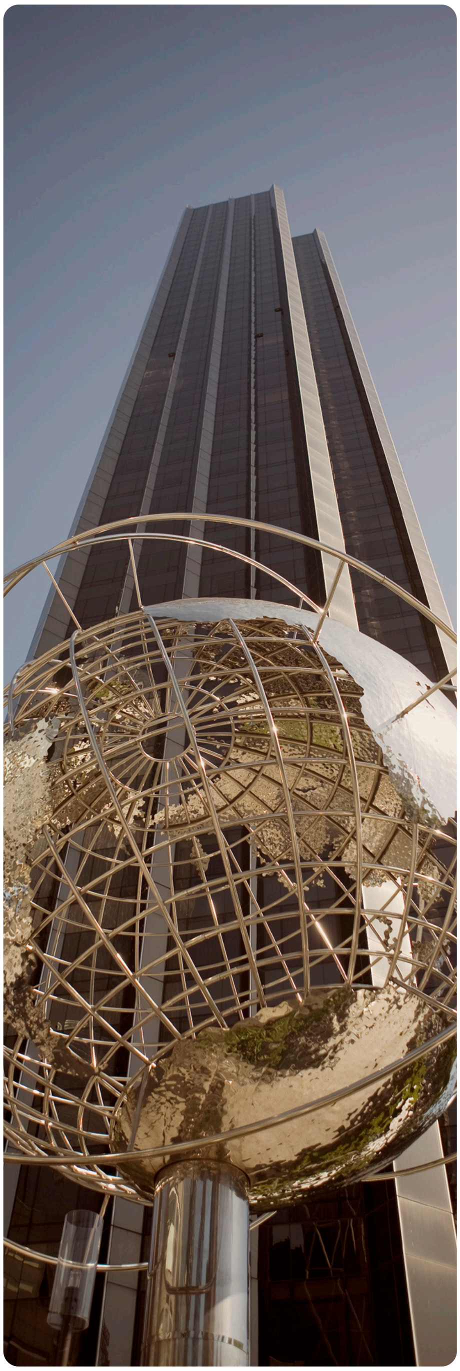
Handelsbanken Fonder manages SEK 341 billion in our Paris Aligned Benchmark funds, which are reported as Article 9 funds under the SFDR.

39.3 procent

At the end of 2025, 39.3 per cent of the companies in Handelsbanken Fonder's investment portfolio were aligned or in the process of aligning to a pathway towards net zero.

Strategy

Handelsbanken Fonder's climate strategy is based on the overarching goal of achieving net-zero emissions by 2040 for the total investment portfolio. The strategy rests on three pillars: reducing carbon emissions in the investment portfolio, investing in the transition, and actively influencing companies in the transition. The fund company's climate strategy is an integrated part of the Handelsbanken Group's climate transition plan and contributes to reducing emissions in the value chain.



Climate strategy for long-term value creation

Handelsbanken Fonder's climate strategy takes its starting point in our mission to create good long-term returns for our clients, while managing climate risks and capturing climate-related opportunities in a responsible manner. Our portfolio management shall contribute to stable value growth over time and at the same time support the transition towards net-zero emissions by 2040.

In our investments, we integrate climate aspects into our analysis and decision-making processes and develop funds adapted to an economy in transition. This includes, among other things, investments in funds that follow Paris Aligned Benchmarks (PAB), investments in climate and environmental solutions, and in companies that carry out a credible transition of their operations. We offer funds with different levels of fossil fuel exclusion - a Basic level and an Enhanced level respectively, designed to make it easier for our clients to choose products that correspond to their preferences, values, and risk profile. Read more about the different exclusion levels here. As an active owner, we use dialogue, voting at general meetings, and various investor collaborations to influence companies in the direction of reduced emissions and improved climate reporting. We focus particularly on issues that are central to the companies' long-term value creation, such as emission reductions in line with the 1.5-degree target, robust transition plans, investments in climate transition, and transparency around climate-related risks and opportunities. By driving these issues, we strive to both reduce climate risks in our portfolios and strengthen the conditions for good returns over time.

- As a fund manager, we have a responsibility to our clients to manage their capital with consideration for climate risks and opportunities.
- As part of our commitment to the Net Zero Asset Managers (NZAM) initiative, our goal is to achieve net-zero emissions from our investment portfolios by 2040, with interim targets guiding our path.
- We have developed methods and tools to reduce the impact of our investment portfolios on the climate and our risks. We offer different levels of exclusion of fossil companies, we choose to include companies in transition, and we conduct climate-related engagement efforts.
- We follow up on our climate efforts regularly and report transparently on the outcomes in relation to our set goals.

Our climate strategy

Our climate strategy rests on three central pillars, reflecting our view that we, as asset managers, have a responsibility and an opportunity to drive change towards the goals of the Paris Agreement. At the end of 2025, the fund company updated its interim targets for sustainability, and it is these targets that we aim for, starting in 2026.

1 Reduce carbon emissions

Why

As asset managers, we want to take our responsibility and reduce the carbon emissions of our total investment portfolio in a way that considers climate risks and opportunities and aligns with achieving global net-zero greenhouse gas emissions by 2040.

Target

Net-zero emissions (Scope 1, 2, 3) in our total investment portfolio by 2040 at the latest.

Interim target 1 (alignment target): By 2030 at the latest, at least 50 per cent of the companies in our investment portfolio shall be in the process of aligning, aligned to a pathway towards net zero, or have achieved net-zero greenhouse gas emissions.

Interim target 2 (reference target): We work to reduce the carbon footprint of our investment portfolio by 50 per cent by 2030 compared to the base year 2020.

Our methods and tools

- We integrate consideration of companies' climate impact into our investment process.
- We develop and offer products aligned with our goal, such as index funds that follow Paris Aligned Benchmarks. Read more on page 8.
- We conduct dialogues with portfolio companies regarding their climate targets and plans. Read more on page 7.
- We exclude fossil fuels from our investments. Our carbon footprin has been relatively low due to the exclusion of coal companies since 2015 and the broadening of our exclusion strategy in 2018.

2 Invest in the transition

Why

Transitioning the economy requires major investments in solutions that either directly reduce or remove emissions, as well as in companies that indirectly enable emission reductions. This is why we invest in companies that produce and expand climate and environmental solutions.

Target

That our investments contribute to the goals of Agenda 2030 through all our funds reported in accordance with Article 8 or 9 of the SFDR, having individually determined minimum commitments for the proportion of sustainable investments.

Our methods and tools

- We invest in companies that develop products and services that directly contribute to, or enable the climate transition.
- We develop and offer products that support our goal.
- We invest in companies in transition. Read more on page 9.
- We invest in sustainable bonds and sustainability-linked bonds.
- About 99.7 per cent of our fund capital integrates sustainability in the portfolio management and applies individually determined minimum levels of sustainable investments, which include environmental and climate solutions as well as socially sustainable investments.

3 Influence the transition

Why

Active influence is a central part of our climate strategy and our goal of net-zero emissions by 2040. We have therefore developed an asset stewardship and engagement strategy, which includes a clear escalation and voting policy.

Target

By 2030, we intend to engage in dialogue with companies that account for 70 per cent of the fund company's total financed emissions and are not yet aligned with a net-zero pathway.

Our methods and tools

- We conduct direct dialogues with priority companies.
- We participate in initiatives and collaborations with selected companies in high-emission sectors. Read more on page 17.
- We support appeals and engage in industry initiatives to encourage increased reporting and improved data quality.
- We vote at annual general meetings, read more on page 7.

About risk

Past performance does not predict future returns. The value of the money invested in the fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Note that a fund with risk level 5-7 as stated in the fund's key information investment document (KIID) can vary greatly in value due to the fund's composition and management methodology. A summary of investors' rights as well as a prospectus, fund rules and KIID are available for each fund at handelsbanken.se/fonder.

Methods and tools

Assessment of companies' alignment to net zero

Handelsbanken Fonder's alignment target implies that at least 50 per cent of the companies in our investment portfolios by the end of 2030 at the latest shall be in the process of aligning, aligned to a pathway towards net zero, or have achieved net-zero greenhouse gas emissions.

The table below shows the criteria that Handelsbanken Fonder uses to assess how well the companies in our investment portfolios are aligned to a pathway towards net-zero greenhouse gas emissions. The assessment is based both on the companies' current emission levels and on the quality of their plans to reduce emissions over time. We analyze, among other things, actual emissions, emission reduction rates, target and transition plans, how capital is allocated in line with these plans, as well as the scope and transparency of the companies' reporting. We also consider the overarching ambition, meaning whether the companies have long-term commitments to achieve net-zero greenhouse gas emissions. Based on these criteria, we classify companies as committed to alignment, in the process of aligning, aligned to a pathway towards net zero, or already achieved net zero. Due to a lack of data and standards, companies are not systematically evaluated against the capital allocation criterion. Instead, this is integrated into the enhanced analysis performed for prioritized companies. A company can be assessed as in the process of aligning or aligned without meeting the requirement for a long-term commitment, provided that the company meets the other criteria such as complete reporting, ambitious targets, and, where applicable, a transition plan and actual emission reductions.

Handelsbanken Fonder expects our portfolio companies to:

- Have targets to reach net-zero emissions.
- Adopt science-based emission reduction targets in the short and medium term.
- Report direct emissions (Scope 1 and 2) and significant indirect emissions (Scope 3).
- Demonstrate a clear transition plan that sets out the measures that are expected to drive emission reductions in line with the company's short and medium-term goals.
- Demonstrate investments or other measures that support the implementation of the transition plan.
- Decrease their emissions, in absolute terms and/or in intensity measures, in line with the expectations set by the company's targets.

The fund company continuously monitors its climate engagement work.

Criteria for assessing companies' alignment to net zero

Criteria	Commitment to alignment	In the process of aligning	Aligned to a pathway	Achieved net zero
Net-zero emissions Net-zero emissions, and a business model/strategy that will maintain that level..				X
Actual emissions Current emissions or reduction rate is in line with a pathway towards net zero.			X	X
Capital allocation Clear description of how capital expenditures are in line with the transition plan, for companies in high-impact sectors.				
Transition plan Description of measures to achieve short/medium-term targets, for companies in high-impact sectors.		X	X	X
Reporting Reporting of Scope 1, 2 and material Scope 3 emissions.		X	X	X
Targets Short-term/medium-term ambitious targets to reduce greenhouse gas emissions in line with a pathway towards net zero.		X	X	X
Ambition Long-term target/commitment to achieve net-zero greenhouse gas emissions.	X			

Climate engagement work

Engagement is an important tool in the work towards our long-term climate goal. The starting point for our climate engagement efforts is therefore prioritizing the use of our resources where we have a relatively large ownership share and influence, and where we assess that there is an opportunity to drive change with tangible effects on the climate. Our engagement efforts are conducted with a forward-looking perspective. This means that we focus on the companies demonstrating the will and ability to drive change that leads to emission reductions. Our climate-related engagement is based on IIGCC's Net Zero Framework 2.0, which guides our work with climate-related asset stewardship. Read more here.

Tools and escalation strategy in climate engagement

Engagement with prioritised companies is primarily conducted through direct dialogues. This is because many of the companies on the list are those where we have a relatively large ownership stake and thus good conditions for dialogue and influence. A number of the fund company's prioritised climate dialogues are conducted through collaborative dialogues in cooperation with other investors within Climate Action 100+. These are primarily large multinational companies with significant climate impact from a global perspective, where there are benefits to coordinating investor dialogues for greater impact and more efficient use of both investors' and companies' resources. In both direct and collaborative dialogues, escalation can occur by raising the issue to the next level of the company's leadership; that is, if dialogue with IR and sustainability functions does not yield results, the dialogue can be escalated to the CFO, CEO, and Chair of the Board. Read more here.

Method for prioritising dialogues

Each year, we conduct a portfolio analysis of all the fund company's holdings to assess which companies should be prioritised for climate dialogue. The first step involves identifying the companies whose emissions (Scope 1, 2 and 3) account for 70 per cent of the fund company's total financed greenhouse gas emissions. In the next step, an assessment of how aligned these companies are with a pathway towards net zero is made. The assessment is based on IIGCC's Net Zero Framework 2.0 and its recommended criteria, definitions, and related data points, resulting in a categorisation of the companies.

The highest priority is given to companies that do not yet have net-zero targets and/or companies that have not set short or medium-term emission reduction targets. An additional priority group consists of companies that do not yet fully report on their direct emissions and their significant indirect emissions, as obtaining an accurate picture of the operations' emissions is crucial for developing and implementing relevant transition and emission reduction plans, which is also the next step and priority in our dialogues. The analysis and grouping clarify why a company is prioritised, and make it possible for us to steer and focus our engagement efforts on the concrete steps that each company needs to take in order to move towards net zero

Voting on climate issues

Our Voting Policy expresses that the fund company, in general, is positive to shareholder motions aimed at increased transparency and reporting within the climate field. The fund company wants the companies to have a climate strategy and to aim to meet the Paris Agreement as well as to become carbon neutral by 2050 at the latest, which includes interim targets for reduced emissions and other measures. The fund company votes in favor of introducing an annual vote on the company's climate work—known as "Say on Climate"—if it is relevant for the company, i.e., if there are material climate risks in the business.

Read our voting policy here.

Index funds adapted to the Paris Agreement

Handelsbanken Fonder integrates its climate targets into the investment process. This includes offering funds that are in line with our emission targets, such as index funds that follow Paris Aligned Benchmarks. We also follow up on how we achieve the targets.

The regulatory framework on Paris Aligned Benchmarks adopted at the EU level provides an independent framework for what criteria a sustainable index must meet. By excluding or having a lower weight in companies with high emissions, and companies that lack strategies to transition to a more sustainable business, the climate-related risks in the funds can be reduced. The companies in these indices are selected and weighted so that the portfolio's emissions are in line with the Paris Agreement's goal of a maximum of 1.5 degrees of warming. This means that the carbon footprint of the fund shall be reduced by at least seven per cent each year.

Sustainable investments and solution investments

Handelsbanken Fonder reports in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), which among other things includes reporting on sustainable investments. A sustainable investment is defined under the regulatory framework as an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not cause significant harm to any other environmental or social objective and that the investee companies follow good governance practices.

In the fund company's application of the term sustainable investments, it refers to companies that derive at least 25 per cent of their revenue from activities that contribute to an environmental objective in Agenda 2030, or if at least 20 per cent of their revenue is aligned with an environmental objective within the EU Taxonomy. Alternatively, a sustainable investment can be an investment in a sustainable bond. For a complete description of the methodology, additional thresholds, and other criteria in accordance with SFDR, read more here.

All the fund company's products reported in accordance with SFDR Articles 8 and 9 have a commitment to a minimum proportion of sustainable investments, with a specifically determined level for each fund. Through these commitments, the fund company works to maintain a high level of sustainable investments, as these constitute the investments in the solutions necessary for, among other things, the climate transition.

Companies in transition

Companies that transition from fossil energy production to renewable energy production are vital for reducing overall carbon emissions. Therefore, we accept a certain amount of exposure to fossil fuels if a company meets the requirements listed below. This applies to companies in power generation, transmission, and distribution of electricity.

Our requirements for companies in transition in funds with enhanced exclusion criteria

Companies with more than 5 per cent revenue from gas distribution or power generation with emissions exceeding 100g CO2e/kWh must meet all of the following criteria:

Revenue limits

- Maximum 50% from gas distribution
- Maximum 50% from power generation with emissions exceeding 100g CO2e/kWh
- Maximum 50% from fossil fuels overall
- Maximum 5% from coal power

Climate targets

The company has ambitious climate targets, for example in line with the Science Based Targets initiative (SBTi) or equivalent, or alternatively has committed to setting a Science Based Target.

Our requirements for companies in transition in Paris Aligned Benchmark (PAB) index funds:

For index funds that follow Paris Aligned Benchmarks (PAB), the selection process is regulated under the Benchmark Regulation and governed by quantitative rules within the framework of the index methodology. According to the methodology, exemptions from the five per cent criterion regarding fossil fuels are made if all the following criteria are met:

Revenue limits

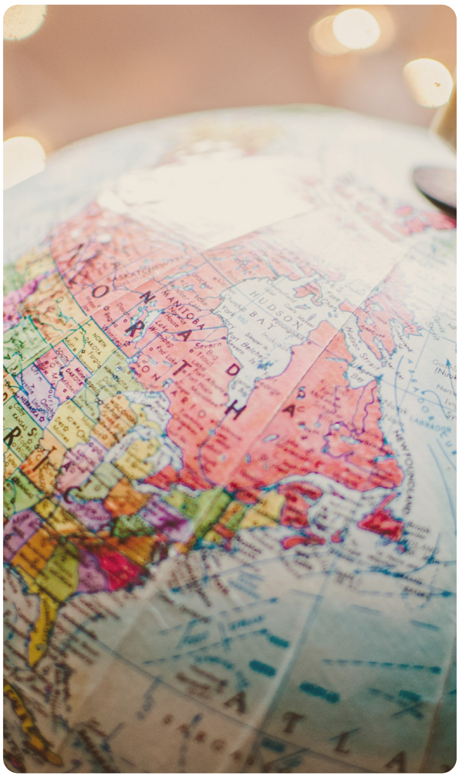
- Minimum 10% renewable power generation
- Maximum 50% from gas distribution
- Maximum 50% from power generation with emissions exceeding 100g CO2e/kWh
- Maximum 50% from fossil fuels overall
- Maximum 5% from coal power

Climate targets

The company has established and published targets in accordance with the requirements of the Science Based Targets initiative (SBTi) to transform its operations in line with the Paris Agreement.

Read more about our requirements as well as approved companies in transition here.

Handelsbanken Fonder uses scenario analyses to assess the potential impacts of different climate scenarios on our investments. This proactive approach enables us to mitigate risks, identify opportunities and align our investments with the transition to a low-carbon economy.



Scenario analysis

Climate impact, risks and opportunities

For Handelsbanken Fonder, it is important to understand how climate change can affect financial assets, markets, and investment strategies. Handelsbanken Fonder therefore conducts a climate scenario analysis to identify and assess potential climate-related risks and opportunities. The analysis has been conducted with the support of ISS ESG (a provider of climate and ESG data that among other things provides tools and models for climate scenario analyses), and covers both physical risk and transition risks. Physical climate risks can include, for example, coastal and river flooding as well as heat waves. In parallel with this, the transition to a low-carbon economy entails significant risks. Transition risks can consist of market-related, technological, or political risks. Handelsbanken Fonder takes these risks into account as well as the opportunities that the transition entails in its investment decisions.

Physical risks

Physical risks are analysed based on current and future exposure to six costly climate threats: coastal floods, droughts, heat waves, river floods, tropical cyclones, and forest fires. Risk exposure by 2050 is assessed according to two of the IPCC's scenarios for emissions development, known as RCP (Representative Concentration Pathways): RCP 4.5 (1.7-3.2°C temperature increase by 2100), which is assessed as a likely scenario, and RCP 8.5 (3.2-5.4°C temperature increase by 2100), which is assessed as a "worst-case" scenario. Effects within each scenario are simulated through scientific climate models. Risks are assessed based on companies' geographical exposure of revenues and assets, quantified as operational risks and market risks. This shows what part of the company's value can be affected by physical climate risks - expressed as Physical Value at Risk (PVaR), i.e., the estimated impact on the share price.

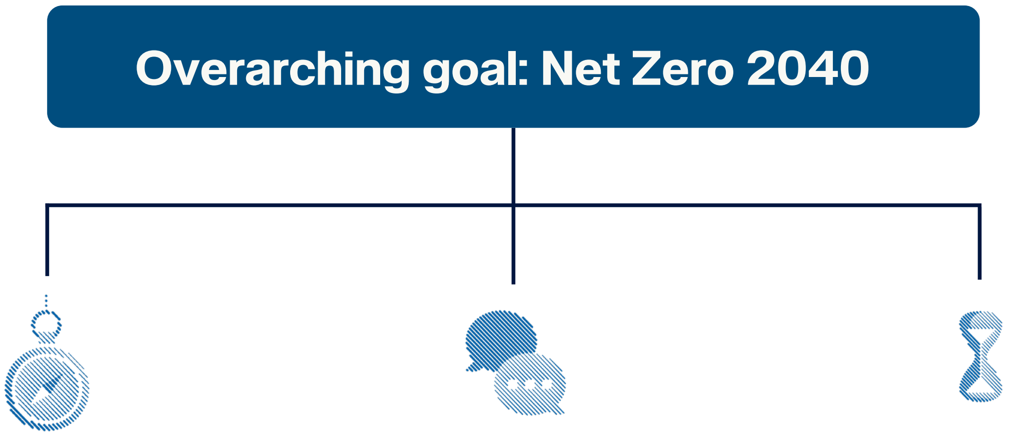
Transition risks and opportunities

Transition risks and opportunities are analysed according to the IEA's Net Zero 2050 scenario (1.5°C temperature increase). The scenario takes a long-term perspective to 2050, although the effects are expected to occur gradually in both the short and medium term. Risks and opportunities are quantified for companies based on estimated changes in demand and costs. This shows what part of the company's value is affected by transition risks (Transition Value at Risk - TVaR), and includes three types of risks and opportunities:

- Political: Cost and revenue changes from changed policy.
- Market-related: Effects of carbon prices in relevant sectors.
- Technological: Price changes and demand for fossil versus low-carbon technologies.

Goals and metrics

Handelsbanken Fonder's overarching sustainability goal is for the total investment portfolio to reach net-zero greenhouse gas emissions (Scope 1, 2 and 3) by 2040 at the latest. The target covers the entire value chain of all investments and is a central part of our climate ambition. To follow a clear pathway towards net-zero greenhouse gas emissions by 2040, we work with the following interim targets to 2030.



Alignment target

By 2030 at the latest, 50% of the companies in our investment portfolio shall be in the process of aligning, aligned to a pathway towards net zero, or have achieved net-zero greenhouse gas emissions.

Engagement target

We intend to continuously engage in dialogue with the companies that account for 70% of our investment portfolio's financed greenhouse gas emissions and that are not yet aligned with a pathway towards net zero.

Reference target

We work to reduce the carbon footprint of our investment portfolio by 50% by 2030 compared to the base year 2020.

About risk

Past performance does not predict future returns. The value of the money invested in the fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Note that a fund with risk level 5-7 as stated in the fund's key information investment document (KIID) can vary greatly in value due to the fund's composition and management methodology. A summary of investors' rights as well as a prospectus, fund rules and KIID are available for each fund at handelsbanken.se/fonder.

Metrics

Carbon footprint

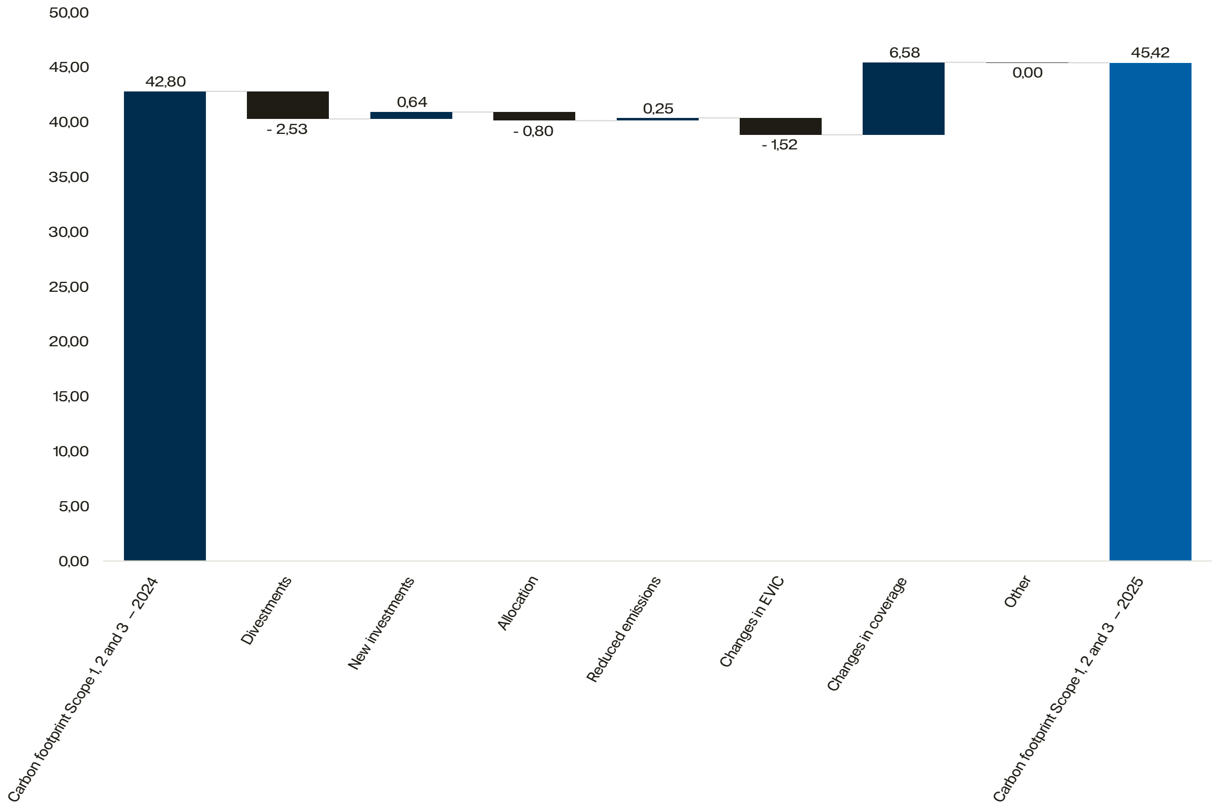
Handelsbanken Fonder calculates emissions using data for the investment objects' Scope 1, 2 and 3 emissions. The calculation of financed emissions is based on the ownership share in each investment, calculated by comparing the size of the investment with the company's value including cash (EVIC). Carbon footprint and greenhouse gas intensity are calculated as weighted averages of each metric for the investment objects.

These methodologies are in line with the definitions of Principal Adverse Impact Indicators 1, 2 and 3 in Table 1 of the EU Sustainable Finance Disclosure Regulation (SFDR). The greenhouse gases (GHG) that Handelsbanken Fonder uses in its calculations are those defined in the Kyoto Protocol. Learn more about which these are in our glossary at the end of the report.

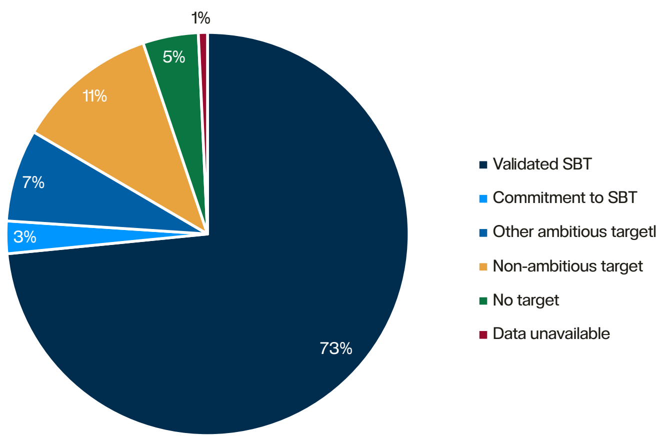
Shares and corporate bonds		**2025**	**2024**	**2023**	**2022**	**2021**	**2020***
Portion of total portfolio		92,90%	94,20%	89,20%	88,10%	92,30%	91,80%
Coverage		97,60%	91,40%	96,30%	92,30%	95,00%	93,70%
Reported/Estimated	Scope 1 + 2	92,1%/7,9%	87,7%/12,3%	93,0%/7,0%	88,4%/11,6%	83,6%/16,4%	76,5%/23,5%
	Scope 3	73,4%/26,6%	51,2%/48,8%	57,9%/42,1%	40,4%/59,6%	-	-
	Scope 1 + 2 + 3	73,0%/27,0%	51,2% / 48,8%	57,5%/42,5%	40,1%/59,9%	-	-
Carbon footprint (tCO2e/mSEK EVIC)	Scope 1 + 2	1,62	1,95	2,62	3,01	2,75	3,53
	Scope 3	43,80	40,85	48,59	47,18	46,4	57,64
	Scope 1 + 2 + 3	45,42	42,80	51,21	50,19	49,15	61,17
GHG intensity (tCO2e/mSEK Revenue)	Scope 1 + 2	3,89	3,72	4,15	6,97	7,92	8,39
	Scope 3	131,20	111,58	128,7	116,98	130,41	144,63
	Scope 1 + 2 + 3	135,08	115,3	132,84	123,95	138,33	153,02
Financed emissions (tCO2e)	Scope 1 + 2	1 703 520	1 755 209	2 032 724	1 960 693	2 172 659	2 140 867
	Scope 3	45 960 018	36 777 115	37 698 494	30 732 719	36 658 690	34 957 388
	Scope 1+ 2+ 3	47 663 538	38 532 324	39 731 218	32 693 412	38 831 349	37 098 255

* The base year has been chosen based on data availability, where 2020 is the earliest possible year with updated Scope 3 data available from the fund company's data provider.

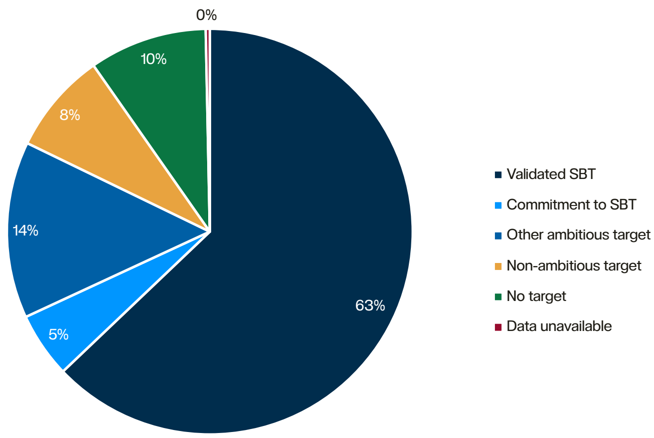
Change in carbon Footprint Scope 1+2+3 between 2024-2025. Refers to shares and corporate bonds which make up 92.9% of the fund company's total investment portfolio.



Carbon footprint Scope 1+2+3 as of 31 December 2025*



Carbon footprint Scope 1+2 as of 31 December 2025*



*Refers to shares and corporate bonds which together represent 92.9 per cent of the fund management company's total investment portfolio. Coverage is 97.6 per cent.

About risk

Past performance does not predict future returns. The value of the money invested in the fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Note that a fund with risk level 5-7 as stated in the fund's key information investment document (KIID) can vary greatly in value due to the fund's composition and management methodology. A summary of investors' rights as well as a prospectus, fund rules and KIID are available for each fund at handelsbanken.se/fonder.

Outcome 2025 - interim targets applicable up to and including 2025

On this page, we report the results for the interim targets that applied to the fund company up to and including the year 2025. At the end of 2025, the fund company updated its interim targets for sustainability, but the overarching sustainability goals remain. The new interim targets described on the following page guide our continued work.

Results interim target 1: Reduce the carbon footprint of our total investment portfolio by 50 per cent by 2030 compared to 2020

In 2025, the fund company's carbon footprint was 45.4 tCO2 per MSEK, measured as Scope 1, 2 and 3. This is an increase of 6 per cent compared to the previous year. Compared to the base year 2020, the footprint has decreased by 26 per cent. At the same time, 83 per cent of the portfolio's emissions are linked to companies with ambitious climate targets or plans to set such targets. Of these, 73.4 percentage points are covered by science-based climate targets validated by the Science Based Targets initiative (SBTi), while the remaining share is comprised of companies with commitments to set such targets or other ambitious climate strategies. We expect these companies to work continuously to reduce their emissions and to monitor and report on developments regularly.

Results interim target 2: Double our investments in environmental and climate solutions by 2030 compared to the base year 2020

An investment in environmental and climate solutions is an investment that is assessed to contribute to an environmental objective, in terms of the goals within Agenda 2030 and the EU Taxonomy. This includes companies whose revenue contributes to an environmental and climate objective (to the extent that the company's revenue is assessed to contribute, for example 50 percent), as well as sustainable bonds such as green bonds – where the entire borrowed amount is used to finance environmental investments or projects.

Metric	2025	2024	2023
Proportion of investments in environmental and climate solutions	17,7%	18,1%	20,7%
Change from previous year	-0,3%	-2,6%	-2,0%
Proportion of sustainable investments	42,5%	42,1%	43,2%

The proportion of investments in environmental and climate solutions decreased from 18.1 percent at the end of 2024 to 17.7 percent at the end of 2025. When the target was established in 2020, the proportion amounted to 12.4 percent, limited to only the proportion of investments in climate solutions (excluding environmental) and calculated according to the methodology and criteria applied at that time. Since then, the identification and definition of environmental and climate solutions have changed, partly as a result of regulations and updated criteria. The outcome for the base year and the final year is therefore based on partly different methodological prerequisites, which affects comparability. At the end of 2025, the fund company decided to update its interim targets, partly because a review of the targets is to take place every five years, but also to ensure that the set interim targets remain reasonable and follow developments in, for example, climate-related targets. In this review, it was decided that interim target 2 no longer served the purpose that was intended when the target was set in 2020.

Results interim target 3: Increase the proportion of sustainable investments by 30 percent by 2025 compared to the base year 2020

In 2025, 42.5 percent of the fund company's investment portfolio consisted of sustainable investments, compared to 42.1 percent in 2024. When the target was established in 2020, the proportion of sustainable investments amounted to 33.9 percent, based on the definition of sustainable investments applied at that time. This corresponds to an increase of 25.4 percent from the base year, which means that the target of a 30 percent increase was not fully achieved, but that the fund company came a significant way and demonstrated clear progress towards the target. Since the base year 2020 when the target was established, the definition of what is considered a sustainable investment has developed and been clarified, primarily as a result of various regulations, such as the introduction and further development of SFDR and the EU Taxonomy. In addition to this, the outcome over time has also been affected by improved access to and more detailed data. Work continues to contribute in the long term to investments that support the sustainability goals within Agenda 2030.

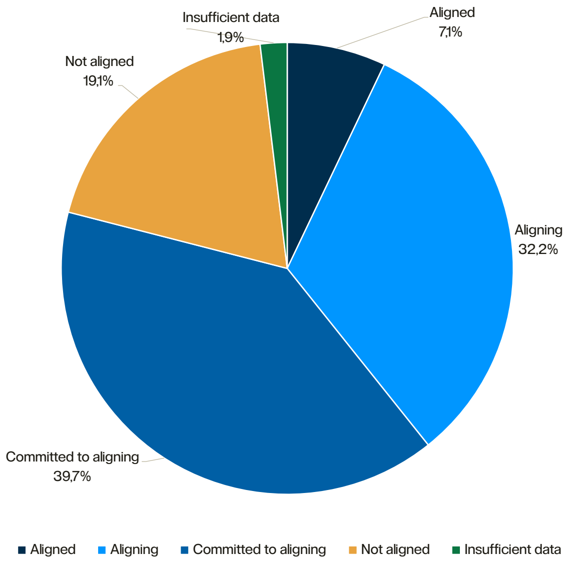
*SFDR (Sustainable Finance Disclosure Regulation), regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.
**EU Taxonomy, the EU's Taxonomy Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

Outcomes 2025 – Interim Targets Established at the End of 2025

The interim targets below, established at the end of 2025, guide the fund management company's work going forward and support our overarching objective of achieving net-zero greenhouse gas emissions by 2040.

Interim Target 1: Alignment target

By 2030, 50 per cent of the companies in Handelsbanken Fonder's investment portfolio shall be aligning, aligned with a net-zero pathway, or have achieved net-zero greenhouse gas emissions.
At the end of 2025, 39.3 per cent of the companies in Handelsbanken Fonder's investment portfolio were either aligned or aligning with a pathway to net zero.



Interim Target 2: Engagement target

We prioritise ongoing engagement with the companies that account for 70 per cent of our investment portfolio's financed greenhouse gas emissions and that are not yet aligned with a pathway to net zero.
During 2025, we conducted a total of 17 priority climate dialogues focused on climate transition. Of these, 15 were direct dialogues and two were conducted together with other investors.

Interim Target 3: Reference target

We aim to reduce the carbon footprint of our investment portfolio by 50 per cent by 2030 compared with the 2020 base year.
In 2025, the fund management company's carbon footprint amounted to 45.4 tCO_2 per MSEK, measured as Scope 1, 2 and 3 emissions. For additional commentary on the outcome, see the previous page.

Starting next year, we intend to report the share of our financed emissions that are either aligning or aligned with a pathway to net zero, or that are covered by active climate engagement.

Climate scenario analysis results

Physical Climate Risks

The analysis shows that Handelsbanken Fonder's overall portfolio continued to have lower physical climate risk exposure (PVaR) than the global benchmark index in 2025. The portfolio's current PVaR amounts to 0.09 per cent, compared with 0.17 per cent for the global index. Under a likely scenario, PVaR is expected to increase by 0.31 percentage points to 0.40 per cent, while the benchmark index increases by 0.50 percentage points to 0.67 per cent.

Under a worst-case scenario, the portfolio's PVaR rises to 0.61 per cent, which remains lower than the benchmark index value of 1.00 per cent.
It should be noted that the analysis does not capture all potential climate-related physical risks, and actual consequences under an extreme scenario may be greater than the estimates.

Transition risks and opportunities

In 2025, Handelsbanken Fonder's portfolio had a Transition Value at Risk (TVaR) of 0.67 per cent, significantly lower than the 1.90 per cent of the unscreened global benchmark index. This indicates continued lower exposure to risks associated with the transition to a low-carbon economy compared with the broader global market.
The largest transition risk exposure at sector level is found within the manufacturing sector. On an aggregated basis, the manufacturing sector's transition risk value amounts to 0.31 per cent of the total investment portfolio, representing the net effect of manufacturing companies expected to lose value under the scenario (1.22 per cent) and those expected to gain value (0.91 per cent).
The manufacturing sector therefore contains both the largest risks and the greatest opportunities associated with the climate transition.

Examples from our operations

The U.S. energy market is undergoing rapid change, with growing electricity demand driving the need for new generation capacity. In this transition, companies that enable the expansion of energy infrastructure are playing an increasingly important role.

SOLV Energy – Enabling the Transformation of U.S. Energy Infrastructure

The U.S. electricity market is facing a structural shift, where a long period of largely unchanged electricity consumption is being replaced by a period of clearly increasing demand. This development is partly driven by the rapid expansion of data centres, particularly those supporting AI applications, but also by the reshoring of industrial production to the United States and the ongoing electrification of the transport sector. Against this backdrop, the need for new power generation capacity is substantial. At the same time, solar power, often combined with large-scale battery energy storage systems, has emerged as one of the most cost-effective and rapidly scalable solutions for meeting rising electricity demand.

SOLV Energy is one of the companies helping to enable this transition in practice. The company is a North American Engineering, Procurement and Construction (EPC) contractor focused on utility-scale solar energy projects and energy storage solutions. Battery-based energy storage systems are a particularly fast-growing part of the business. Its operations cover the entire project lifecycle, from engineering and procurement through construction and commissioning, as well as ongoing operations and maintenance. Within the renewable energy sector, the company is one of the most established and well-regarded EPC providers in the U.S. market.

Handelsbanken Hållbar Energi invests in SOLV Energy as part of the fund's strategy to invest in companies that contribute to the expansion of energy infrastructure associated with the climate and energy transition. Through this investment, the fund gains exposure to companies that provide the infrastructure, expertise and execution capacity required to meet growing electricity demand.

In a market where solar power combined with energy storage represents a competitive solution for new electricity generation capacity, and where access to EPC capacity is often a limiting factor, companies such as SOLV Energy are considered to play a key role in the expansion of power generation capacity and related infrastructure.

About risk

Examples of engagement work

Some of the climate-related initiatives and collaborations we support

CDP

CDP is an independent, international non-profit organisation that works to promote greater transparency and dialogue regarding companies' environmental impacts and to make information about those impacts available to investors.

Handelsbanken Fonder participates in CDP's annual Non-Disclosure Campaign, which aims to encourage greater corporate transparency regarding climate change, deforestation and water security. We also participate in CDP's campaign encouraging companies to adopt and disclose Science Based Targets for emissions reductions in order to achieve net-zero emissions before 2050.
Read more here.

Climate Action 100+

Climate Action 100+ is a global collaborative initiative aimed at ensuring that the companies responsible for the largest greenhouse gas emissions take responsibility and implement the actions necessary to address climate change. Handelsbanken Fonder joined the initiative in 2017.
Read more here.

IIGCC

The Institutional Investors Group on Climate Change (IIGCC) is a leading European membership organisation for investor collaboration on climate change and a founding partner of the Net Zero Asset Managers (NZAM) initiative. IIGCC supports investors in driving progress towards net zero by providing a platform for collaboration, developing tools such as the Net Zero Investment Framework, and engaging with stakeholders to promote effective climate action.
As a member of IIGCC, Handelsbanken Fonder has, among other things, participated in working groups aimed at improving guidelines and methodologies related to the integration of Scope 3 data for asset managers.
Read more here.

Examples of how we voted on climate-related issues in 2025

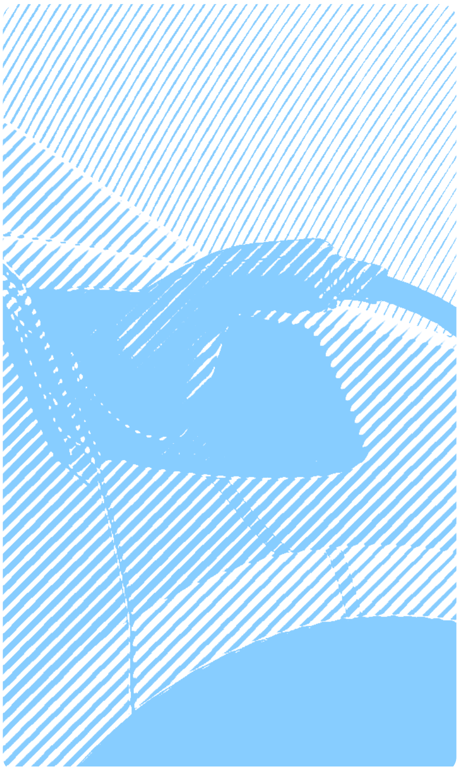
Ford Motor Co.

The company has established targets to reduce emissions from its operations and from the use of its products. However, these targets do not cover emissions from the company's supply chain.
The shareholder proposal requested that the company publish a report describing whether and how it plans to align its supply chain greenhouse gas emissions reduction strategies with its net-zero targets.
Supply chain emissions account for more than 10 per cent of the company's total contribution to climate change, and emissions from activities such as steel production may represent as much as a quarter of the embedded emissions in a typical vehicle.

The fund management company therefore voted in favour of this proposal.

Mondelez International

Flexible packaging creates several environmental and recycling-related challenges, including difficulties associated with recycling and reuse. Although the majority of the company's



packaging consists of flexible materials, there was a lack of sufficiently clear measures to reduce the proportion of flexible packaging, for example through investments in reusable packaging solutions.

The fund management company therefore voted in favour of a proposal requesting that the company disclose how it intends to reduce its use of flexible packaging and strengthen its efforts regarding reusable and recyclable alternatives.

About risk
Past performance does not predict future returns. The value of the money invested in the fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Note that a fund with risk level 5-7 as stated in the fund's key information investment document (KIID) can vary greatly in value due to the fund's composition and management methodology. A summary of investors' rights as well as a prospectus, fund rules and KIID are available for each fund at handelsbanken.se/fonder.

Appendix

Glossary

Greenhouse gas emissions
Greenhouse gas emissions typically include the following gases, as defined under the Kyoto protocol:

Carbon dioxide (CO2): The most significant anthropogenic greenhouse gas, primarily resulting from the combustion of fossil fuels, deforestation and industrial processes.

Methane (CH4): Emitted during the production and transportation of fossil fuels, as well as from livestock, agricultural activities and waste management.

Nitrous oxide (N2O): Released from agricultural and industrial activities, as well as during the combustion of fossil fuels and solid waste.

Hydrofluorocarbons (HFCs): Synthetic gases used as substitutes for ozone-depleting substances in applications such as refrigeration and air conditioning.

Perfluorocarbons (PFCs): By-products from aluminium production and semiconductor manufacturing.

Svavelhexafluorid (SF6): Used in a variety of industrial applications, including electrical insulation and semiconductor manufacturing.

Nitrogen trifluoride (NF3): Used in the production of semiconductors and liquid crystal displays.

Scope 1 emissions: Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by an organisation. These emissions arise directly from the company's activities.

Scope 2 emissions: Scope 2 emissions are indirect greenhouse gas emissions associated with the purchase of electricity, steam, heating or cooling consumed by an organisation. These emissions occur at the facility where the energy is generated but are attributed to the organisation that uses the energy.

Scope 3 emissions: Scope 3 emissions comprise all other indirect emissions that occur throughout an organisation's value chain. These emissions are a consequence of the company's activities but arise from sources that are neither owned nor controlled by the organisation.

Avoided emissions: Avoided emissions, sometimes referred to informally as "Scope 4" emissions, represent reductions in greenhouse gas emissions achieved when a low-carbon product, service or project is implemented instead of a business-as-usual alternative. Although not an official category under the GHG Protocol, the concept is increasingly used in sustainable investing to assess positive climate impacts beyond direct emissions reductions.

Net zero: Net zero refers to achieving a balance between the greenhouse gas emissions associated with an investment portfolio and the removal or offsetting of those emissions. This concept is central to aligning investment strategies with global climate goals, particularly the objectives of the Paris Agreement.

Enterprise Value Including Cash (EVIC): EVIC is calculated as the sum of a company's market capitalisation and debt, without deducting cash and cash equivalents.
It is used in the methodology for calculating carbon footprints proposed by the EU Technical Expert Group on Sustainable Finance (TEG). As a result, carbon footprints may increase or decrease even when absolute emissions remain unchanged, depending on how the market values a company.

Financed emissions: Financed emissions refer to the total greenhouse gas emissions associated with the companies in which investments are made. These emissions are attributed to the asset manager based on its ownership share, calculated by comparing the size of the investment with the company's EVIC.

Carbon footprint: Carbon footprint is a normalised measure of financed emissions and is generally expressed as tonnes of carbon dioxide equivalent (tCO_2e) per million units of currency invested, based on EVIC. It can therefore be interpreted as financed emissions per amount invested.

Greenhouse gas intensity: Greenhouse gas intensity is a metric that expresses greenhouse gas emissions relative to a company's sales, typically measured as tonnes of carbon dioxide equivalent per million units of revenue.

Physical Value at Risk (PVaR): Physical Value at Risk (PVaR) quantifies potential financial losses arising from physical climate risks, such as extreme weather events, including floods, droughts and storms, as well as longer-term climate changes. PVaR helps assess potential damage to assets, operational disruptions and other financial impacts associated with physical climate risks.

Transition Value at Risk (TVaR): Transition Value at Risk (TVaR) measures potential financial losses associated with the transition to a low-carbon economy. This includes risks related to policy and regulatory changes, technological developments, market shifts and reputational factors. TVaR helps quantify the financial impact of transition risks, such as stranded assets, higher operating costs or declining demand for carbon-intensive products.

Representative Concentration Pathways
The IPCC's Fifth Assessment Report (AR5) uses a number of different scenarios to model future climate developments. These scenarios are referred to as Representative Concentration Pathways (RCPs).

RCP 8.5: This scenario assumes continued high greenhouse gas emissions, with carbon dioxide emissions significantly exceeding current levels and methane emissions continuing to increase.

RCP 6: In this scenario, carbon dioxide emissions continue to increase until around 2060. Energy intensity is lower than under RCP 8.5, while methane emissions stabilise. Carbon dioxide emissions subsequently decline but remain above current levels.

RCP 4.5: This scenario assumes more stringent climate policies, lower energy intensity and extensive afforestation programmes. Carbon dioxide emissions increase modestly before peaking around 2040.

RCP 2.6: This scenario assumes very stringent climate policies and low energy intensity. The use of fossil fuels declines significantly and methane emissions are reduced substantially. Carbon dioxide emissions peak early and become net negative towards the end of the century.

Science Based Targets Initiative (SBTi): ScienceThe Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The initiative helps companies establish ambitious greenhouse gas emissions reduction targets that are aligned with climate science and the goals of the Paris Agreement.
By setting science-based targets, companies demonstrate their commitment to reducing emissions and contributing to global efforts to limit temperature increases to well below 2°C and preferably to 1.5°C above pre-industrial levels. SBTi provides methodologies, validation processes and sector-specific guidance to support companies in setting targets for their operations (Scope 1 and 2) and value chains (Scope 3).

Sustainable Finance Disclosure Regulation (SFDR): FöroThe Sustainable Finance Disclosure Regulation (SFDR) is an EU regulation that became applicable in March 2021 to improve transparency and prevent greenwashing in sustainable investing. It requires financial market participants within the EU to disclose how they integrate sustainability risks and sustainability impacts into their processes and products. The SFDR prescribes specific disclosure requirements for different product categories, with a particular focus on climate-related metrics such as emissions and exposure to fossil fuels.

Article 9 - *The fund has sustainable investments or a reduction in carbon emissions as its objective.*
For funds that have sustainable investments as their objective, investments must not only contribute positively to an environmental or social objective, but must also not cause significant harm to any other environmental or social objective. In addition, the investee company must follow good governance practices. Funds that have a reduction in carbon emissions as their objective seek to achieve low carbon exposure in order to support the long-term global warming objectives of the Paris Agreement, namely limiting global warming to a maximum of 1.5°C. These funds follow so-called EU Paris Aligned Benchmarks.

Article 8 - *The fund promotes environmental and social characteristics through its investments but does not have sustainable investments as its objective.*
The promotion of environmental and social characteristics may, for example, involve consideration of environmental and climate issues as well as human rights, labour rights and equal treatment.

Article 6 - *Sustainability risks are integrated into investment decisions.*
Sustainability risks are integrated into investment decisions without the fund promoting environmental or social characteristics or having sustainable investments as its objective.

Article 6 - *Sustainability risks are not integrated due to the fund's investment strategy.*
Due to the fund's investment strategy, sustainability risks are not integrated into investment decisions. Examples may include funds that invest solely in derivative instruments and cash equivalents.

EU Taxonomy: The EU Taxonomy is a classification system that defines environmentally sustainable economic activities, with the objective of providing a common language, preventing greenwashing and directing investments towards sustainable projects.
As an important component of the EU's sustainable finance strategy and climate initiatives such as the European Green Deal and the Fit for 55 package, the Taxonomy establishes performance thresholds for activities that make a substantial contribution to one of six environmental objectives, including climate change mitigation and climate change adaptation, while avoiding significant harm to other objectives and complying with minimum social safeguards.
The framework covers revenue, capital expenditure (CapEx) and operating expenditure (OpEx) and is designed to evolve over time to reflect technological developments and changing environmental priorities.

Taskforce on Climate-related Financial Disclosures (TCFD): TaThe Task Force on Climate-related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board (FSB) to address the lack of consistent and reliable information concerning companies' climate-related risks and opportunities. The primary objective of the TCFD is to develop a reporting framework that enables companies to provide decision-useful information to investors, lenders and insurers, allowing them to better assess and price climate-related risks and opportunities. The TCFD framework is structured around four core elements: Governance, Strategy, Risk Management, and Metrics and Targets. These elements are designed to help companies disclose how they identify, assess and manage climate-related risks and opportunities, as well as the potential financial implications of these issues for their operations.

International Financial Reporting Standards (IFRS): The International Financial Reporting Standards (IFRS) Foundation, which is responsible for developing globally accepted accounting standards, established the International Sustainability Standards Board (ISSB) in 2021 to create a comprehensive global baseline for sustainability-related financial disclosures. The ISSB issued two reporting standards: IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures. These standards build on existing initiatives, including the Task Force on Climate-related Financial Disclosu-

res (TCFD) and the Sustainability Accounting Standards Board (SASB).
IFRS S2 incorporates the recommendations of the TCFD and provides a framework for reporting on governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities.

Kyoto Protocol: The Kyoto Protocol is an international agreement adopted in 1997 as an extension of the United Nations Framework Convention on Climate Change (UNFCCC).
It established legally binding greenhouse gas emission reduction targets for industrialised countries, requiring them to reduce emissions by an average of 5 per cent below 1990 levels during the period 2008–2012.
The Protocol introduced market-based mechanisms such as emissions trading, the Clean Development Mechanism (CDM) and Joint Implementation (JI) to help countries achieve their targets in a cost-effective manner.

The Paris agreement: The Paris Agreement is an international treaty on climate change adopted in 2015 at the United Nations Climate Change Conference (COP21) in Paris.
The central objective of the Agreement is to strengthen the global response to the threat of climate change by holding the increase in global average temperature during this century to well below 2 degrees Celsius above pre-industrial levels, while pursuing efforts to limit the temperature increase even further to 1.5 degrees Celsius.

Agenda 2030 och Globala målen: The UN Resolution ”Agenda 2030 – Transforming our World” was adopted by the United Nations General Assembly in 2015.
Agenda 2030 consists of 17 Sustainable Development Goals (SDGs) and 169 associated targets. Its purpose is to achieve long-term sustainable economic, social and environmental development by eradicating extreme poverty, reducing inequalities and injustices worldwide, and combating climate change.

Say on Climate: Say on Climate is an international initiative aimed at strengthening corporate climate accountability through increased transparency and shareholder influence.
Companies are encouraged to publish their climate strategies annually and allow shareholders to vote on these plans.
By integrating climate-related issues into corporate governance, the initiative aims to promote actions that are consistent with the objectives of the Paris Agreement.

Terms and levels of Net-Zero alignment
The categories below describe the levels within the net-zero alignment framework used to classify portfolio companies (see table on page 6), ranging from insufficient data to achieving net zero.
No data: Companies that lack sufficient data to be assessed.
No commitment: Companies that do not have a commitment to align with net zero.
Committed to aligning: Companies that have committed to aligning with net zero.
Aligning to a net zero pathway: Companies that are in the process of aligning to a pathway towards net zero.
Aligned to a net zero pathway: Companies that are aligned with a pathway towards net zero.
Achieving net zero: Companies that have achieved net zero.

Handelsbanken
handelsbanken.se
08-701 10 00
106 70 Stockholm