





## About Handelsbanken Fonder

Handelsbanken Fonder AB (the fund company) conducts management of UCITS funds and alternative investment funds. The fund company provides portfolio management and, to a limited extent, investment advisory services to other companies within the Handelsbanken Group. It is a wholly owned subsidiary of Svenska Handelsbanken AB (publ).

Our conduct as a responsible investor and owner is central to our asset management. The fund company considers responsible conduct a fundamental prerequisite for long-term value creation in a company. Responsible investments are therefore an important condition for achieving our goal of generating good long-term returns, and the consideration of sustainability risks forms an integral part of both fund and portfolio management, as well as the fund company's investment advisory services.

The fund company's long-term investment horizon, our sustainability goals, and the understanding that sustainability is fundamental to sound risk and return management form the basis of the fund company's methods for exclusions.

## What we exclude

The Policy for Shareholder Engagement and Responsible Investment sets the direction for the fund company's responsible investment efforts and its conduct as an investor and owner. This policy is approved by the fund company's Board of Directors at least annually.

The policy defines business activities in which the fund company does not invest. The fund company's position is based on the following reasoning:

- Certain products and services carry a high risk of adverse impacts on society, the environment, and various stakeholders.

- These business activities are incompatible with the role of a responsible investor, a long-term investment perspective, and investing for sustainable development and the future.
- Certain products and services involve increased sustainability risks across companies' value chains, where the risks are assessed as unmanageable.

## The fund company excludes investments in:

- Companies involved in the production or distribution of weapons prohibited under international law, such as cluster munitions, antipersonnel mines, biological and chemical weapons.
- Companies involved in the production or distribution of nuclear weapons.
- Companies with more than 5% of their revenue from thermal coal extraction or more than 30% from coal power generation.
- Companies involved in the production of cigarettes.

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## 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](https://handelsbanken.se/fonder).

## Exclusion levels in our fund offering

The fund company offers two main exclusion levels: Basic and Enhanced. Details are as follows:

### Basic exclusions

#### Exclusion – norms and conventions

Controversial weapons	Companies involved in the manufacturing or distribution of cluster munitions, anti-personnel mines, biological, or chemical weapons.
Nuclear weapons	Companies involved in the manufacturing or distribution of nuclear weapons.
International norms and conventions	Companies that operate in violation of international norms and conventions.

#### Product- and activity-based exclusion when revenue exceeds threshold values

Area	Production	Distribution	Services
Cannabis (not classified as a medicinal product)	5%	5%	50%
Commercial gambling	5%	5%	50%
Pornography	0%	5%	-
Tobacco	0%	5%	50%
Weapons and military equipment in companies domiciled outside NATO/EU	5%	5%	50%
Depleted uranium in companies domiciled outside NATO/EU	0%	0%	0%
<b>Fossil fuels</b>			
Coal	5%*	5%	50%
Oil	5%*	5%	50%
Gas	5%*	50%	50%
Tar sands	0%	-	50%
Fossil fuels total	-	50%	50%
<b>Power from fossil fuels</b>			
Coal power	5%	5%	50%
Fossil power generation	50%	50%	50%

\*Production of fossil fuels refers to exploration, extraction, and refining.



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## Enhanced exclusions

### Exclusion – norms and conventions

Controversial weapons	Companies involved in the manufacturing or distribution of cluster munitions, anti-personnel mines, biological, or chemical weapons.
Nuclear weapons	Companies involved in the manufacturing or distribution of nuclear weapons.
International norms and conventions	Companies that operate in violation of international norms and conventions.

### Product- and activity-based exclusion when revenue exceeds threshold values

Area	Production	Distribution	Services
Alcohol	5%	5%	50%
Cannabis (not classified as a medicinal product)	5%	5%	50%
Commercial gambling	5%	5%	50%
Pornography	0%	5%	-
Tobacco	0%	5%	50%
Weapons and military equipment	5%	5%	50%
Depleted uranium	0%	0%	0%
Fossil fuels*	5%	5%	50%
Energy from fossil fuels*	5%	5%	50%
Tar sands	0%	-	50%

\*Exceptions are made for companies qualifying as transition companies according to the fund company's criteria.

### Exclusion in accordance with EU Paris Agreement Benchmark

For funds applying exclusion in accordance with the EU Paris-aligned Benchmark (so-called Paris Aligned Benchmark) pursuant to Article 12.1 points (a) to (g) of Commission Delegated Regulation (EU) 2020/1818, the following product- and activity-based exclusions apply in addition to the exclusion criteria stated under the Basic or Enhanced levels above.

Area	Production	Distribution
Coal – exploration, extraction, distribution, refining	1%	1%
Electricity generation with emissions exceeding 100 g CO <sub>2</sub> e/kWh	50%	50%

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