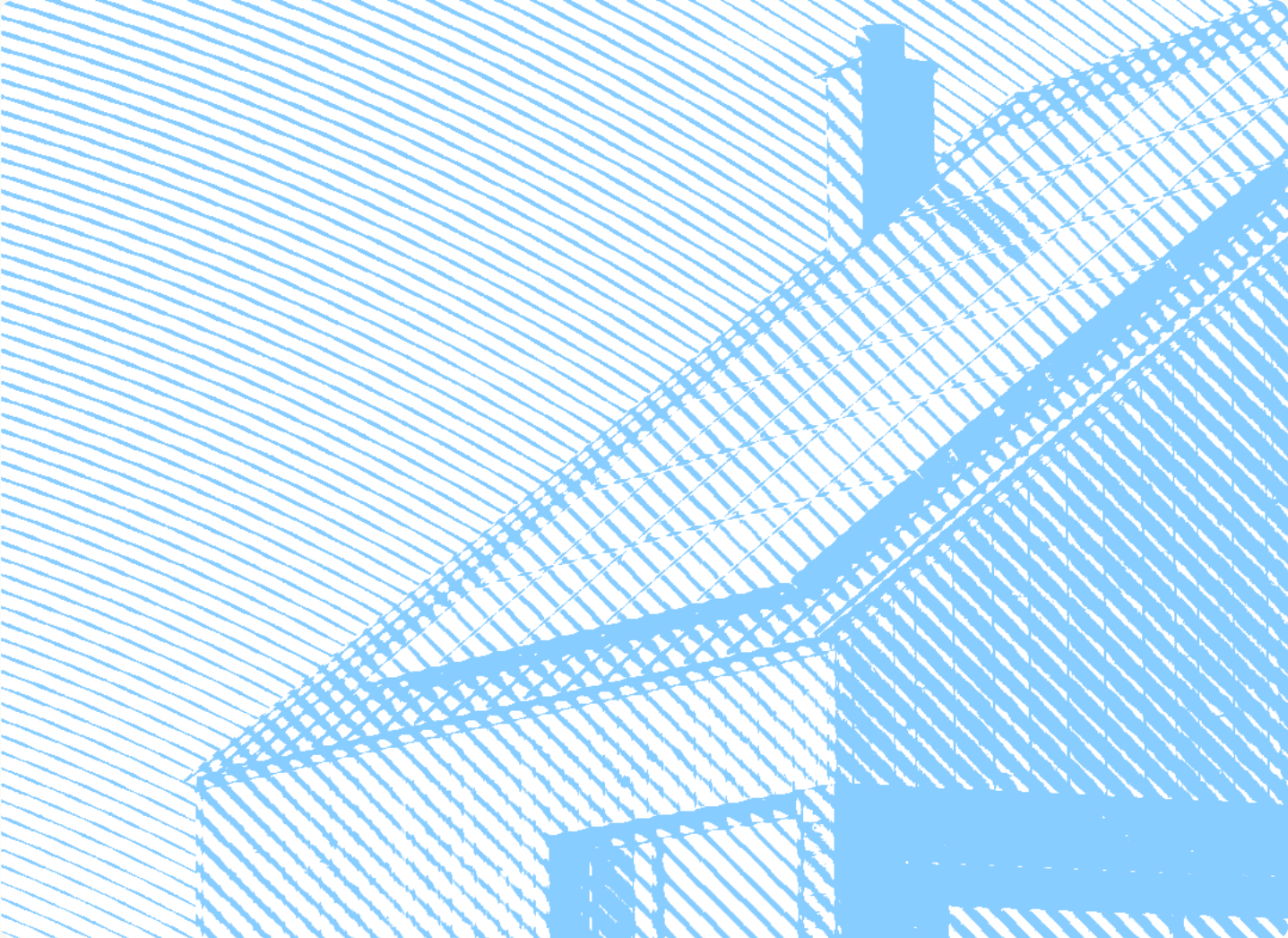
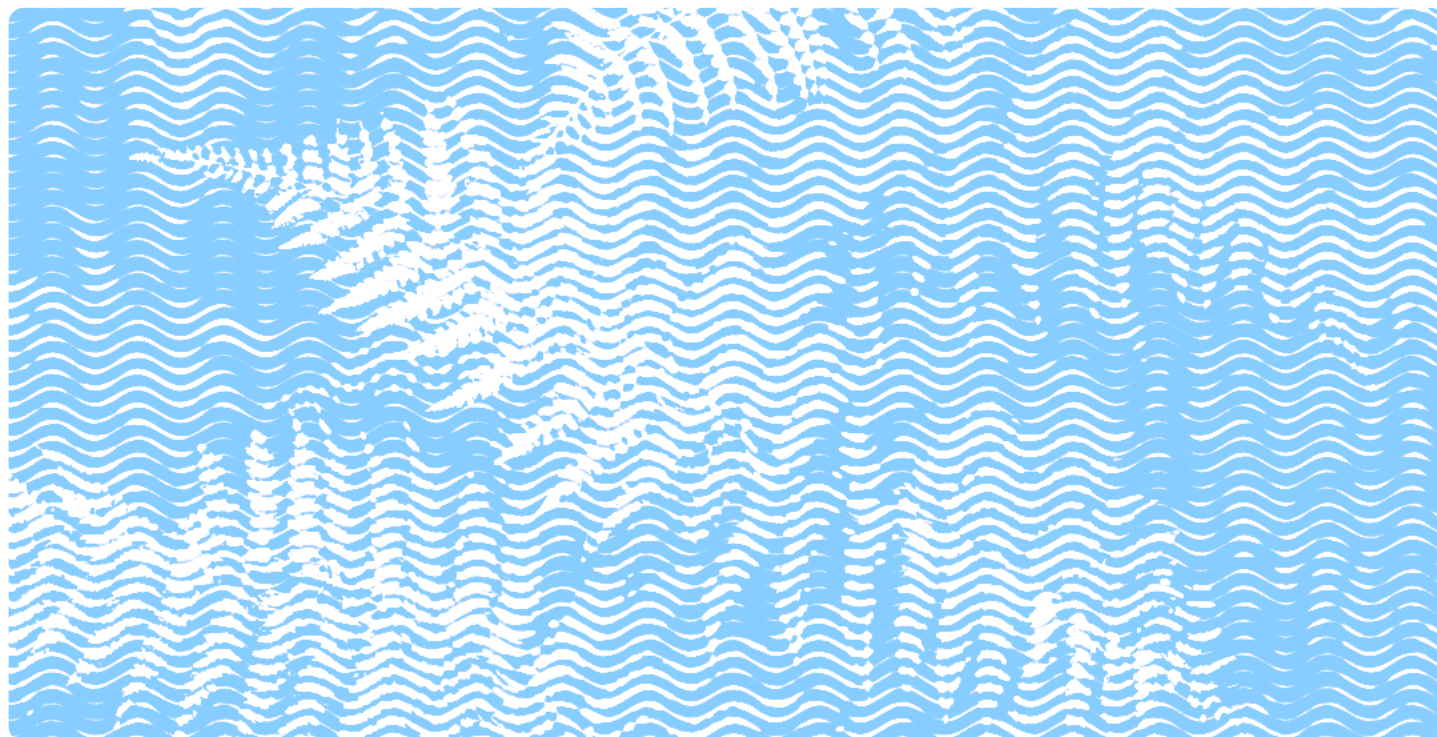


Handelsbanken

**Handelsbanken Fonder
Companies in transition
2026**





Companies in transition

Phasing out fossil fuels and replacing them with renewable energy sources is essential to counteract climate change. Companies operating in fossil energy therefore face both significant risks and new opportunities.

To manage these factors, Handelsbanken Funds applies specific exclusion criteria. Most of our funds exclude companies where more than five percent of revenue comes from fossil fuels. For funds applying baseline exclusion criteria, some exposure is allowed – up to 50 percent from gas distribution and electricity generation with emissions above 100 g CO₂e/kWh. Funds applying enhanced exclusion criteria have a stricter limit of a maximum of five percent.

Companies with higher exposure than five percent can still be included if they are actively transitioning and meet our requirements for transition plans. These companies play a crucial role in the global reduction of greenhouse gas emissions, and Handelsbanken Funds wants to contribute to this transition through responsible ownership.

Our requirements

To ensure that investments truly contribute to the transition, we apply quantitative criteria for companies in transition. All companies approved as companies in transition must meet the following basic requirements:

- The company must have ambitious climate targets, for example in line with the Science Based Targets initiative (SBTi)* or equivalent, or have committed to setting a Science Based Target
- The company's current operations must not primarily consist of fossil energy
- The company has a maximum of 5% revenue from coal power

These basic requirements, with additional conditions, are applied differently depending on the type of fund, both for our funds that follow enhanced exclusion criteria and for index funds that follow Paris Aligned Benchmarks. We continuously evaluate these requirements to ensure they remain relevant as sustainability reporting, transition technologies, and target-setting methods evolve over time.

* The Science Based Targets initiative is a collaboration between CDP, WRI, WWF, We Mean Business and the UN Global Compact. The initiative supports companies in setting climate targets in line with what climate science deems necessary for each sector and business for the world to meet the goal of limiting global warming to 1.5°C.

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.

Companies in transition in funds with Enhanced exclusion criteria

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

Revenue thresholds

- Maximum 50% from gas distribution
- Maximum 50% from power generation with emissions above 100 g CO₂e/kWh
- Maximum 50% from fossil fuels in total
- 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 has committed to setting a Science Based Target.

Companies in transition in Paris Aligned Benchmarks Index funds

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

Revenue thresholds

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

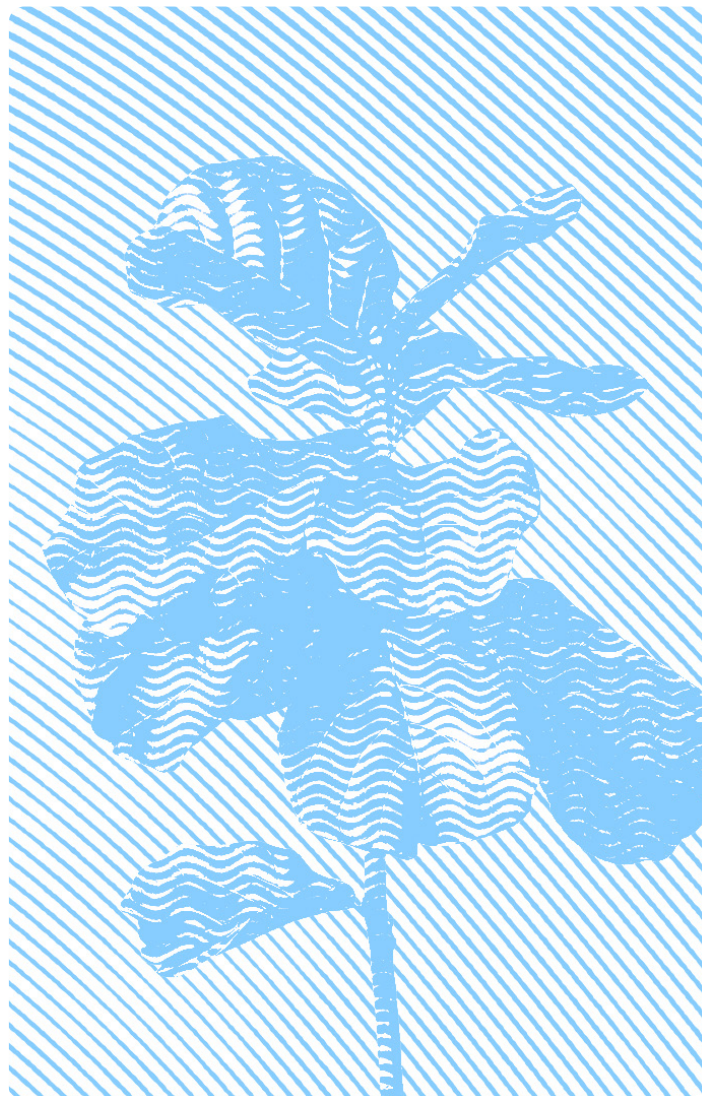
Climate targets

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.

Decision-making process and follow-up

Handelsbanken Fonder's Sustainability Committee prepares the decision basis for the Fund company's CEO on whether a company meets the requirements to be classified as a company in transition.

Currently, 74 companies are approved as companies in transition for funds with enhanced exclusion criteria, which means that the fund company's actively managed equity and fixed-income funds, actively managed allocation funds, and certain passively managed funds can invest in these companies. In addition, 12 companies are approved for the Paris Aligned Benchmark (PAB) index funds.



We regularly follow up on the approved companies to ensure that our requirements for qualifying as a company in transition continue to be met.

Learn more:

[Environment and Climate Change – Handelsbanken's Guidelines Policy for Shareholder Engagement and Responsible Investment](#)

* On January 1, 2018, new rules for benchmarks came into effect in the EU through the EU Benchmark Regulation (BMR). These rules apply to all companies that provide indices used as benchmarks and to companies that report to such indices.

About risk

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Approved companies in transition for funds with enhanced exclusion criteria, as of 18 March 2026

A2A SpA	ENCE Energia y Celulosa, SA	MVV Energie AG
ACWA Power Co.	ENGIE Brasil Energia SA	National Grid North America, Inc.
ACWA Power Management & Investments One Ltd.	ENGIE SA	National Grid Plc
ATCO Ltd.	EVN AG	NextEra Energy Capital Holdings, Inc.
Acea SpA	EWE AG	NextEra Energy, Inc.
Air Water, Inc.	Electricity Supply Board Ltd.	Northland Power Inc.
Algonquin Power & Utilities Corp.	En+ Group International PJSC	Northland Power Solar Finance One LP
Atlantica Sustainable Infrastructure Ltd.	Endesa SA	Orsted A/S
Avangrid, Inc.	Enel Americas SA	PECO Energy Co.
BKW AG	Enel Chile SA	PG&E Corporation
Baltimore Gas & Electric Co.	Enel Generacion Chile SA	Pacific Gas and Electric Company
Brookfield Infrastructure Partners LP	Enel Investment Holding BV	REN Finance BV
CK Infrastructure Holdings Limited	Enel SpA	Redes Energeticas Nacionais SGPS SA
Canadian Utilities Limited	Enexis Holding NV	SSE Plc
Carrefour Banque SA	Essential Utilities, Inc.	Stedin Holding NV
Carrefour SA	Fortis Inc.	TOKAI Holdings Corp.
Centrica Plc	Fortum Oyj	The Kansai Electric Power Co., Inc.
Companhia Energetica de Minas Gerais SA	Hera SpA	The Navigator Co. SA
Constellation Energy Corporation	INEOS AG	Vattenfall AB
Constellation Energy Generation LLC	Iberdrola Finance Ireland DAC	Veolia Environnement SA
Contact Energy Ltd	Iberdrola Finanzas SAU	Wm Morrison Supermarkets Ltd.
Delmarva Power & Light Co.	Iberdrola International BV	YTL Corporation Berhad
E.ON SE	Iberdrola SA	
EDP Finance BV	Ignitis grupe AB	
EDP SA	Iren SpA	
EDP Servicios Financieros Espana SA	Latvenergo AS	

Approved companies in transition for Paris Aligned Benchmarks Index funds, as of 18 March 2026

Orsted A/S	Enel SpA	ENGIE Brasil Energia SA
Enel Chile SA	Endesa SA	Contact Energy Ltd
Companhia Energetica de Minas Gerais SA	ENGIE SA	
Fortum Oyj	EDP SA	
Iberdrola SA	Enel Americas SA	

About risk

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MARCH 2026