

Sustainability Factbook

Including GRI index & Principles for Responsible Banking
Reporting and Self-Assessment Template

2022

This is Handelsbanken

Handelsbanken was founded in 1871. Today, a little over 150 years later, we are one of the world's strongest banks.

Our idea of how to run our Bank is based on trust and respect for individuals, both customers and employees. At Handelsbanken, we strive to evolve and improve, so that we can be the best possible bank for our customers. We create value in each customer meeting.

Handelsbanken's ambition is to provide the best banking experience within financing, savings and advisory services. We see potential for continued strong business development and profitable growth at a low risk, facilitated by satisfied customers. The Bank's home markets are Sweden, Norway, the UK and the Netherlands, with business also conducted in Luxembourg and the USA.

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About this report

This is Handelsbanken's Sustainability Factbook 2022 including GRI index and PRB Reporting, published on 24 February, 2023. Together with the statutory sustainability report found on pages 36–73 in the Group's Annual and Sustainability Report 2022 this report constitutes Handelsbanken's 13th Sustainability Report in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Handelsbanken's Sustainability Report has been prepared in accordance with the GRI Standards and has been reviewed by the Bank's external main auditors. See the auditor's report on page 264 in the Annual and Sustainability Report. A comprehensive GRI index can be found on pages 16–18. The Sustainability Report also constitutes Handelsbanken's Communication on Progress for the UN Global Compact. Handelsbanken's Sustainability Report covers the complete Group. The statutory sustainability report focuses on descriptions of how Handelsbanken works on its most important sustainability topics and covers activities and results in 2022.

The Sustainability Factbook covers detailed performance disclosures, key figures as well as the complete GRI Content index and Handelsbanken's Principles for Responsible Banking (PRB) reporting. In 2021, the decision was made to initiate a process to divest the Bank's operations in Denmark and Finland. The Bank announced in June 2022 the sale of its Danish operations to Jyske Bank A/S. The transfer was finalised during the fourth quarter 2022, therefore disclosures and figures regarding operations in Denmark are not included. Where possible figures for previous years have been amended to no longer include the Danish operations.

Sustainability Year in brief

Taking responsibility and having a long-term view are core values that have guided Handelsbanken's work for a long time. Looking back at the past year, we can report the results of several initiatives that support the sustainability goals we launched two years ago.

Climate report and transition plan

Handelsbanken published an updated climate report on the bank's property-related lending. In the report, the analysis of physical climate risks has been extended to cover all of Sweden, and financed emissions have been calculated for the entirety of the Bank's property portfolio. In addition the bank, as a part of the NZBA commitment, has published a transition plan describing its climate related targets, including a reduction target for 2030, and how the bank plans to achieve them.

Environment and climate-related guidelines

Handelsbanken updated its guidelines for environmental and climate-related work, to clarify the bank's view of, approach to and work with issues concerning topics such as fossil fuels and the climate transition.

Green Bond Framework

Handelsbanken has updated and expanded its Green Bond Framework. The new financing framework is partly adapted to the EU Taxonomy and broadens the Bank's opportunities to fund projects that lead to climate change adaptations and improved energy efficiency.

Third green bond

Handelsbanken issued its third green bond in late August: a seven-year green senior bond of EUR 750 million - the Bank's largest green bond up to this point. Thanks to the Bank's high credit quality, the issue was oversubscribed by three times.

Green mortgages

As a further means to promote energy-efficient living, in addition to the Bank's loan offerings for solar panels and other energy efficiency measures, Handelsbanken's customers in Sweden with a mortgage for an energy-efficient single-family home or second home (energy class A or B according to the Swedish National Board of Housing, Building and Planning) had these converted to a green

mortgage in late September, incurring 0.10 percentage points less interest.

Digital Sustainability Analysis service

Handelsbanken customers in Sweden, who save in mutual funds and securities, can now keep track of the sustainability performance of their investments via the bank's new Sustainability Analysis service which is available both through on-line banking and in the app.

Gender equality

Handelsbanken has launched three initiatives where employees at Handelsbanken's branches are given concrete tools to raise the issue of gender equality related to financial decision-making in customer meetings. The aim is to spread knowledge and raising awareness of how choices that can strengthen personal finance can also increase gender equality. During the year Handelsbanken published a report highlighting the issue and the bank's contribution to finding solutions.

Sustainable Finance Disclosures Regulation (SFDR)

At the end of the year, 6.5 per cent of the total fund volume in the Group's mutual funds were invested in the category article 9, i.e. funds that have sustainable investments or a reduction in carbon dioxide emissions as goals, and 88.3 per cent in article 8, i.e. funds that promote environmental or social aspects.

Growth in business

Business volumes linked to the Bank's sustainability activities continued to grow. Compared with the corresponding period of the previous year, the volume of green loans in remaining operations increased by 127 per cent to SEK 63.7 billion; as part of this total, green mortgages grew by 266 percent to SEK 31.8 billion. In addition, sustainability-linked loan facilities amounted to SEK 59.0 billion.

Our sustainability goals

With core values such as low risk tolerance, local engagement and long-term customer relationships, sustainability has been part of Handelsbanken's culture for many years. Sustainability is an area of strategic importance for us and we have therefore launched Group-wide sustainability goals. The goals address not only the bank's long-term climate ambition but also our determination to further and fully integrate sustainability in our core business, financing, asset management and advisory services. Setting these goals enables us to identify the specific objectives we want to accomplish and measure the results of our work.

Handelsbanken's goal is to be, and to be recognised as, the most sustainable player among peer competitors

Handelsbanken's goals for a sustainable future

Climate goal	Responsible financing	Responsible investments	Advisory services
2040 – Net-zero emissions of greenhouse gases.	By 2025, 20 per cent of the Bank's financing volume shall consist of green financing, social financing or financing that contributes to the borrower's measurable, sustainable transition.	The investment portfolios shall be in line with the goals and transition pathway of the Paris Agreement, achieve net-zero emissions of greenhouse gases by 2040 at the latest, and increase the funds' contributions to the 2030 Agenda.	By 2023 at the latest, through business development and training initiatives, in a measurable way create conditions for gender-equal savings and thus contribute to reducing the wealth gap between men and women.

Corporate responsibility

<p>Good business ethics</p>	<p>The bank's role in the community</p>	<p>Environment and climate</p>	<p>The Bank as an employer</p>
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PRINCIPLES FOR RESPONSIBLE BANKING

In September 2019, Handelsbanken signed the UN Principles for Responsible Banking, undertaking to comply with the six principles that comprise the framework for the initiative:

1. Alignment with the Paris Agreement, the UN Sustainable Development Goals, as well as national and regional frameworks.
2. Impact analysis and setting measurable targets.

3. Customer collaboration.
4. Stakeholder dialogue.
5. Governance and corporate culture.
6. Transparency and accountability.

A sustainable business model

Handelsbanken's business model creates the right conditions for being able to apply the principles. Long-term business relations, a local

presence, financial stability and low risk-taking lead to responsible banking operations. By developing and offering sustainable products within our core operations of financing, investment and advisory services, we can work to maximise our positive impact, minimise our negative impact and in so doing promote a more sustainable society.

Policy documents and guidelines

Banking operations are regulated and governed by extensive laws and regulations. Handelsbanken also has its own policies and guidelines that govern our way of working. These also apply to our service providers. For example, Handelsbanken's Board has adopted several Group-wide policies on ethical standards, anti-corruption and sustainability. The Bank's Group Chief Executive has also issued guidelines that further clarify the Bank's approach in various areas. These policies are revised every year, but can be adjusted more often when necessary, and spell out the basic guidelines for every employee.

POLICY FOR SUSTAINABILITY

Handelsbanken's policy for sustainability was adopted by the Bank's Board in 2016. The policy sets the direction for the Group's sustainability activities, in terms of Handelsbanken's approach to material topics relating to customers, the Group's actions as an employer and institution in society, and the relationship with owners and investors. The policy covers the environment, human rights and working conditions, anti-corruption, money laundering and taxes.

POLICY ON ETHICAL STANDARDS

Employees of Handelsbanken must conduct themselves in a manner that upholds confidence in Handelsbanken. All operations in the Group must be characterised by high ethical standards. Financial advice must be based on the customer's requirements. Conflicts of interest must be identified and handled in a manner that is fair to all parties involved. In case of doubt as to what is ethically acceptable, the matter must be discussed with the employee's immediate superior. There must be no discrimination on grounds such as gender, ethnic background, religion or any other grounds, either internally against or between employees, against customers, suppliers or other external parties. The policy on ethical standards also describes how employees who suspect internal fraud or other irregularities should act, for example with the aid of Handelsbanken's whistleblowing system.

POLICY ON MEASURES AGAINST FINANCIAL CRIME

This policy is partly based on Swedish laws and regulations concerning money laundering, terrorist financing, established international sanctions, including laws on breaches of such sanctions and applicable non-Swedish rules including UK regulations against tax evasion as well as Swedish laws and regulations regarding obligations to combat fraud, and it shall be applied throughout the Handelsbanken Group, to the extent that it does not contravene local laws. Money laundering, terrorist financing, breaches of international sanctions, fraud, tax

evasion and corruption are collectively referred to as financial crime. The Handelsbanken Group has a separate policy for anti-corruption.

Handelsbanken must appoint a specially appointed executive with the task of ensuring that the Handelsbanken Group takes the measures required by laws and regulations to prevent money laundering and terrorist financing.

The Bank shall also have an appointed officer for controlling and reporting obligations under the Swedish Act on Measures against Money Laundering and Terrorist Financing, whose task is to monitor and regularly verify that the Handelsbanken Group fulfils its obligations.

GUIDELINES

Environment and climate change

Handelsbanken has guidelines for business decisions related to the environment and climate change. These state that Handelsbanken must be aware of, and act upon, the risks linked to climate change and environmental damage in the companies we do business with. The guidelines also state that Handelsbanken must not directly finance new coal mining or new coal power plants. Nor will the bank directly finance new extraction of oil or gas, or expansion of existing extraction of oil or gas, or any infrastructure directly linked thereto. This applies to the extraction of both conventional and 'unconventional' oil and gas. Handelsbanken aims to encourage sustainable business models which factor in biodiversity and aim to minimise damage or contributions to negative development. Handelsbanken also aims to encourage responsible, efficient use of natural resources and developments towards more circular business models that contribute to sustainable production and consumption of products and services.

Human rights and working conditions

Handelsbanken's guidelines for human rights and working conditions state that Handelsbanken stands behind UN's Guiding Principles on Business and Human Rights. Handelsbanken aims to avoid causing or contributing to any negative impact on human rights in its own

operations, through business relationships and in the supply chain. This also include work to ensure no discrimination, child labour, slave labour or human trafficking occurs in the supply chain.

Business relations in forestry and farming

Handelsbanken's guidelines for business relationships in forestry and farming specify which aspects we must take into consideration when granting credits. For example, we expect customers, suppliers and business partners to minimise negative environmental impact, preserve biological diversity, prevent deforestation and protect forests of high conservation value. Handelsbanken must ensure that the company has processes for identifying and managing the relevant sustainability risks associated with its operations.

Armaments and defence industry

Handelsbanken's guidelines for business relationships with the armaments and defence industry state that the Bank must not have business relations with companies that manufacture or trade in weapons that are prohibited under international conventions. Nor can Handelsbanken have business relations with companies that manufacture, maintain or trade in nuclear weapons, or with companies that export weapons to countries under a UN or EU embargo.

Business relations in the tobacco industry

Handelsbanken's guidelines for business relationships with companies in the tobacco industry describe why it is important for these companies to have processes that address the relevant risks that exist throughout the product life cycle. The Bank must not have any business relations with companies involved in cigarette production.

All public policies and guidelines are available at handelsbanken.com/policy-documents.

Sustainability performance

This section presents key performance indicators related to our sustainability areas and our material topics.

FINANCING

As a bank, how and what we finance can have a substantial influence on society. To succeed, collaboration with other investors, companies, public authorities and special interest organisations is necessary. Together with our customers, we want to support the transition to a sus-

tainable society. This is why responsible financing and lending are material to Handelsbanken's sustainability work.

We have clear guidelines for our business relations with several areas and sectors such as human rights, working conditions, environmental and climate-related concerns,

armaments and the defence industry, to mention some.

Our goal for responsible financing is that by 2025, 20 per cent of the Bank's financing volume shall consist of green financing, social financing or financing that contributes to the borrower's measurable, sustainable transition.

Responsible financing	2022	2021	2020	2019	2018
Handelsbanken's green bonds, volume, EUR m	1,750	1,000	1,000	500	500
Green bonds – volume arranged, SEK bn	40.6	33.9	32.4	16.3	20.0
Green loans outstanding volume, SEK bn ¹	63.7	28.1	20.2	7.3	1.8
of which Green Mortgages	31.8	8.7	5.4	0.6	-
Distribution Energy labels – property lending in Sweden, SEK bn ²					
Energy label A	5.2	3.9	-	-	-
Energy label B	49.4	36.0	-	-	-
Energy label C	134.7	106.2	-	-	-
Energy label D	204.3	171.7	-	-	-
Energy label E	275.0	247.6	-	-	-
Energy label F	134.3	122.0	-	-	-
Energy label G	39.4	34.4	-	-	-
Not classified	602.5	646.4	-	-	-
Sustainability Linked Loans, SEK bn ¹	59.0	23.9	-	-	-
drawn volumes	14.6	3.2	-	-	-
committed undrawn volumes	44.4	20.7	-	-	-
Progress towards goal on responsible financing (20% year 2025) ³					
Share of Green Loans and Sustainability Linked Loans in relation to total loans	3.4	1.4	-	-	-
Share of Green Loans and Sustainability Linked Loans (incl. undrawn volumes) in relation to total financing volumes ⁴	4.8	2.2	-	-	-
Total financing volumes, SEK bn ⁵	2,549.1	2,391.0	-	-	-
Eligible green assets according to Green Bond Framework, SEK bn	67.5	17.0	14.1	12.1	10.1
Equator Principles					
Project-related corporate loans, number of loans					
Category A	0	0	0	0	0
Category B	1	1	0	0	0
Category C	0	0	0	0	0
Project-related refinance & acquisition loans, number of loans					
Category A	0	0	0	0	0
Category B	1	1	0	0	0
Category C	0	0	0	0	0
Total number of leased cars ⁶	17,492	19,165	19,468	20,467	21,557
Total emissions all cars (ton CO ₂ e)	22,208	27,339	30,609	34,464	37,463
Average emissions all cars CO ₂ (g/km)	105.5	120.1	128.2	137.3	141.7
Average emissions Handelsbanken's company cars CO ₂ (g/km) ⁶	37.9	45.4	61.3	91.1	112.2

¹ Excluding Finland. Criteria for green financing in accordance with Handelsbanken's Green Bond Framework, see handelsbanken.com/handelsbankens-green-bonds, aligned with the 2021 ICMA Green Bond Principles and adjusted to, but not fully aligned with the EU taxonomy.

² Energy Performance Certificates (EPC) by the Swedish National Board of Housing, Building and Planning (Boverket).

³ Excluding Finland. The figures for 2021 have been recalculated. Outcome for 2021 including Finland were 1.4% and 2.4%.

⁴ The nominator includes green loans, drawn and undrawn sustainability linked loans. The denominator includes total loans plus all undrawn revolving credit facilities because sustainability linked loans are typically provided as undrawn revolving credit facilities.

⁵ Total loans plus total undrawn revolving credit facility commitments.

⁶ In Sweden.

EU Taxonomy – voluntary reporting

According to the NFRD requirements, undertakings of public interest with more than 500 employees, should report according to the EU taxonomy regulation (EU) 2020/852 in their statutory sustainability report. The proportion of assets which are associated with economic activities qualifying as environmentally sustainable are to be reported in 2021 and 2022, as a first step towards a detailed taxonomy alignment report in 2023. In the statutory report no estimations are allowed. However, financial institutions are encouraged to voluntarily report an assessment of eligibility, where estimations may be used if information is not yet available.

Non-financial undertakings under NFRD requirements (listed companies within the EU with over 500 employees) published their mandatory taxonomy reports in 2022, reporting eligibility as a percentage of turnover and capital expenditure. This information is the basis for calculating the proportion of eligible assets in the bank. The number of undertakings publishing key performance indicators according to NFRD was lower than expected. In the coming year the availability of information is expected to increase, and a more detailed accounting can and will be made.

The share of eligible turnover is used to calculate eligible assets, primarily using published figures from our counterparties. Non-financial counterparties required but failing report according to NFRD may be assessed for eligibility by external analysts based on other public information. If such information is available to the bank it is used for the estimation of financed eligible assets. Where such information on eligi-

bility is unavailable, taxonomy eligibility for corporate required to report is estimated using the company's main NACE code and the EU Taxonomy Compass. The impact of these exposures on the total share of eligible assets is small. Exposures to non-financial counterparties with real estate collateral, such as housing associations and real estate companies not required to report according to NFRD, are not included in the calculation of eligible assets regardless of the eligibility of underlying collateral. In the table below the share of these assets are presented as a percentage of total covered assets, under corporations not required to report according to NFRD. Exposures to non-financial counterparties with real estate collateral, such as housing associations and real estate companies not required to report according to NFRD, are not included in the calculation of eligible assets in the mandatory reporting regardless of the eligibility of underlying collateral. In the voluntary table below the share of these assets are included as eligible based on the underlying real estate collateral.

All household exposures with real estate collateral are deemed to be taxonomy eligible. In addition, product specific loans to households for the installation of solar panels are regarded as building renovation loans and deemed to be eligible. The voluntary report also includes as eligible motor vehicle loans towards electric and hybrid cars with CO₂ emissions below 50 g/km, regardless of date of origination. In the mandatory report only motor vehicle loans originating in 2022 are deemed eligible.

Covered assets not included in the assessment for taxonomy eligibility are derivatives,

cash, interbank loans and other assets.

In 2022 it was decided by the EU that power generation using fossil gas and nuclear power may be taxonomy eligible and a transitional activity, if fulfilling certain criteria. The delegated act is entering into force 1 January 2023 and includes separate reporting requirements. The necessary information for the bank to assess exposures covered by the regulation is therefore expected to be available during next year. The economic activities are not included as eligible this reporting year.

The reporting is based on prudential consolidation determined in accordance with CRR, see note G52 in the Annual and Sustainability report 2022. The life insurance undertaking of the bank is not required to report according to NFRD and its economic activities are not included in the EU taxonomy. The assets representing the life insurance undertaking are per 2022 reported under non-NFRD required undertakings.

The voluntary assessment of taxonomy eligibility using estimates is presented in the table below. The mandatory taxonomy reporting can be found at page 65 in the Annual and Sustainability report 2022.

Assets, voluntary taxonomy eligibility reporting	Assets (SEK m)	Proportion of covered assets (%)	Proportion of total assets (%)
<i>Taxonomy eligible assets</i>	1,295,141	50.7	40.0
Of which NFRD financial corporations	10,561	0.4	0.3
Of which NFRD non-financial corporations ¹	24,550	1.0	0.8
Of which household exposures collateralised by immovable property and motor vehicles	1,260,031	49.3	38.9
Of which local governments	0	0.0	0.0
<i>Taxonomy non-eligible assets</i>	99,352	3.9	3.1
Of which NFRD financial corporations	14,575	0.6	0.5
Of which NFRD non-financial corporations ¹	43,889	1.7	1.4
Of which household exposures	36,918	1.4	1.1
Of which local governments	3,970	0.2	0.1
<i>Corporations not subject to NFRD</i>	1,113,044	43.6	34.4
Of which collateralised by immovable property	608,780	23.8	18.8
Of which non-EU counterparties	349,727	13.7	10.8
<i>Derivatives, hedge accounting</i>	21,346	0.8	0.7
<i>On demand interbank loans</i>	1,340	0.1	0.0
<i>Cash and cash-related assets</i>	29	0.0	0.0
<i>Other assets</i>	25,105	1.0	0.8
Total covered assets	2,555,357	100.0	78.9
<i>Sovereigns, central governments and supranationals</i>	37,520		1.2
<i>Central banks</i>	614,024		19.0
<i>Trading book</i>	30,812		1.0
Total assets	3,237,713		100.0

¹ Based on turnover KPI.

SAVINGS AND INVESTMENTS

Handelsbanken bears a substantial responsibility in its assignment to manage customers' savings. Handelsbanken aim to generate a healthy return on savings capital while striving to contribute to a sustainable future. Therefore,

Handelsbanken sees responsible investment as a material topic and works to promote – in its asset and pension management – financial, environmental and social sustainable development in the companies the Bank invests in on behalf of its customers.

Handelsbanken's goals for responsible investments are:

The investment portfolios shall be in line with the goals and transition pathway of the Paris Agreement, achieve net-zero emissions of greenhouse gases by 2040 at the latest, and increase the funds' contributions to the 2030 Agenda.

Responsible investments	2022	2021	2020	2019	2018
Assets under management in funds that exclude controversial sectors, SEK bn	795	904	678	576	311
Assets under management in funds that exclude fossil fuels, SEK bn	795	904	678	576	311
Proportion of assets under management in funds ¹ with:					
negative screening regarding controversial sectors, %	94	94	92	88	60
negative screening regarding fossil fuels, %	94	94	92	88	60
negative screening regarding companies that violate international standards and conventions, %	94	94	92	88	60
Fund assets under management in companies:					
with positive screening regarding sustainability aspects (ESG), SEK bn	54.7	51.2	35.9	3.9	3.0
with screening regarding environmental aspects, SEK bn – old method ²	6.2	5.6	3.8	0.3	-
with screening regarding environmental aspects, SEK bn – new method ²	39.9	-	-	-	-
Fund assets under management in green, sustainable and social bonds, SEK bn ³	49.7	48.0	32.0	22.2	-
Fund assets under management in impact investing, SEK bn ⁴	9.8	8.3	7.2	4.4	1.8
Proportion of fund assets under management evaluated according to PRI, % ⁵	100	100	100	100	100
Total number of dialogues for engagement	421	331	566	563	507
Participation in shareholders' meetings	1,163	1,019	647	813	382
of which companies listed in Sweden	302	338	238	224	158
of which companies listed outside Sweden	861	681	409	589	224
Participation in nominating committees	70	47	41	34	36
Proportion of unit-linked insurance funds that exclude fossil fuels, %	100	100	91	86	38
Asset under management in funds according to EU Sustainability Finance Disclosure Regulation ⁶ :					
Article 9 – Funds that have sustainable investments as their objective, SEK bn ⁷	54.7	150.7	-	-	-
Article 8 – Funds promoting environmental and social characteristics, SEK bn ⁷	746.0	759.1	-	-	-
Article 6 – Funds that integrate sustainability risks into investment decisions, SEK bn	38.5	40.9	-	-	-
Article 6 – Funds that do not integrate sustainability risks into investment decisions, SEK bn	5.7	5.9	-	-	-
Proportion of assets under management in funds according to EU Sustainability Finance Disclosure Regulation ⁶ :					
Article 9 – Funds that have sustainable investments as their objective, % ⁷	6.5	15.8	-	-	-
Article 8 – Funds promoting environmental and social characteristics, % ⁷	88.3	79.3	-	-	-
Article 6 – Funds that integrate sustainability risks into investment decisions, %	4.6	4.3	-	-	-
Article 6 – Funds that do not integrate sustainability risks into investment decisions, %	0.7	0.6	-	-	-
Assets under management in funds with Paris Aligned Benchmark (PAB), SEK bn	94.9	99.5	-	-	-
Proportion of assets under management in funds with Paris Aligned Benchmark (PAB), %	11.2	10.4	-	-	-
Handelsbanken Fonder's progress towards sustainability goals: ⁸					
Weighted Average Carbon Intensity (TCO ₂ e/mSEK Enterprise Value Including Cash) ⁹	50.2	49.2	61.2	-	-
Proportion of assets under management in funds in climate solutions, % – old method ¹⁰	11.2	11.6	12.4	-	-
Proportion of assets under management in funds in environmental and climate solutions, % – new method ¹⁰	22.7	-	-	-	-
Proportion of assets under management in funds in sustainable investments, % – old method ¹¹	42.1	34.2	33.9	-	-
Proportion of assets under management in funds in sustainable investments, % – new method ¹¹	43.2	-	-	-	-

¹ Total fund volume refers to volume after eliminations on consolidation.

² The data point has been adjusted during 2022 in order to align with SFDR. It now includes the article 9 funds that are managed directly by Handelsbanken Fonder and which mainly invest in environment and climate solutions. Until 2022 the datapoint included both the direct and indirect assets that are classified as companies in transition. For comparability the outcome for 2022 has been calculated for both definitions.

³ Refers to assets in the fixed income funds actively managed by Handelsbanken Fonder.

⁴ Investments that generate measurable, positive impacts on society, combined with a financial return. As of 2022, no external funds are included only Handelsbanken Fonder's directly managed funds.

⁵ Requirement that fund managers, internal and external, have signed the Principles for Responsible Investment (PRI).

⁶ The fund Handelsbanken Alternatives Fund Limited is not classified according to EU Sustainability Finance Disclosure Regulation.

⁷ Due to uncertainty regarding the interpretation of SFDR Handelsbanken Fonder has chosen a conservative approach and since end of 2022 report their Paris aligned index funds as article 8 instead of article 9.3.

⁸ The results in this report differ from prior results reported due to errors in calculations. For this reason the figures for 2020 and 2021 have been recalculated.

⁹ Handelsbanken Fonder's climate data provider, ISS ESG, has updated their scope 3 model in order to give a better representation of the companies' actual scope 3 emissions. In light of this change, the fund company has recalculated the carbon dioxide intensity for 2020 and 2021. Emission intensity is calculated for the fund company's holdings in companies and in instruments issued by companies, meaning that derivatives and cash, for example, are not included in the calculations. For over 75% of the fund company's capital in these companies and instruments, either the company's/instrument's own emissions information or qualified estimates are used in the calculations. ISS ESG has been assigned to compute the greenhouse gas emissions deriving from the companies in which the funds invest. The emissions information includes the companies' complete value chains, referred to as Scope 1, 2 and 3 emissions. Please note that emission intensity does not show the total environmental impact of the investments, but is a historical overview of emissions from the companies in which the fund company invests. The values will naturally vary as companies' emissions evolve, but also due to changes in the composition of the fund company's funds. Changes in foreign exchange rates also affects the measurement.

¹⁰ The goal to increase investments in climate-related solutions has during 2022 been expanded to better comply with the definitions in SFDR. The goal now also refers to environmental solutions as well as climate-related solutions. For comparability the outcome for 2022 has been calculated for both share of climate-related solutions and environmental-related solutions (including climate-related). For more information please see handelsbankenfonder.se.

¹¹ Within the goal to increase the proportion of sustainable investments the definition of sustainable investments has been adjusted during 2022 to better comply with the definitions in SFDR. For comparability the outcome for 2022 is reported according to both the new and old definition. For definition and methodology please see handelsbankenfonder.se.

ADVISORY SERVICES

Handelsbanken's success depends on the trust of our customers and society at large. This confidence is based on us acting responsibly when we meet our customers and advise them regarding mortgages, finance and investments for example. As a relationship bank built on

satisfied customers and long-term relationships, offering responsible advisory services is an important material topic in our work with sustainability.

Handelsbanken's goal for advisory services is by 2023 at the latest, through business development and training initiatives, in a measurable

way create conditions for gender-equal savings and thus contribute to reducing the wealth gap between men and women.

Responsible advisory services	2022	2021	2020	2019	2018
Number of employees licensed to provide advisory services (e.g. Swedsec license)	3,499	4,017	4,336	4,373	4,769
Number of employees with advisory license "Handelsbanken certifiering rådgivning bas" – Sweden	1,720	1,820	-	-	-
Number of employees who have completed course on Financial equality in pension savings – Sweden ¹	1,489	739	-	-	-
Number of employees who have completed course on gender-neutral advisory services – Sweden	1,364	-	-	-	-
Investment advisory meetings – Sweden, Finland, Norway ²	79,759	98,332	-	-	-
Proportion of women	52.6	52.7	-	-	-
Proportion of men	47.4	47.3	-	-	-
of which pension advisory meeting	47,884	25,821	-	-	-
Proportion of women	52.3	57.4	-	-	-
Proportion of men	47.7	42.6	-	-	-
of which Wealth management	49,438	50,490	-	-	-
Proportion of women	56.8	55.4	-	-	-
Proportion of men	43.2	44.6	-	-	-

¹ One-off course during 2021.

² Advisory meetings can in the same meeting address both pensions savings and wealth management.

CORPORATE RESPONSIBILITY

Handelsbanken's values and strong corporate culture are vital to our success. We see it as material that our sustainability work encompasses how we act as an employer. We also believe in gender equality and diversity rather than uniformity. Diversity is about valuing differences and complementing each other in order to reinforce the organisation, instead of everyone being the same.

Security awareness among staff and customers is important to the bank. The bank's information security and IT security involves protecting customers' information and transactions and also our IT environment. We work proactively to prevent all criminal activity such as money laundering, terrorist financing, corruption and other financial crime and that we promote the transition to climate-stable, sustainable economies with low carbon dioxide emissions. We

must act according to high ethical standards and take responsibility for long-term sustainable development.

Handelsbanken's climate goal is to have net-zero emissions of greenhouse gases as soon as possible and by 2040 at the latest. This includes lending, leasing, and investments as well as the Bank's own operations such as energy consumption and business travel.

Responsible banking	2022	2021	2020	2019	2018
Percentage of suppliers (purchased volume in %) that have signed the Bank's code of conduct, or whose code the Bank has approved	82	81	77	76	75
Percentage of employees who have completed training in anti-corruption, and prevention of money laundering and terrorist financing					
Sweden	89	84	92	97	91
UK	98	99	98	98	96
Norway	86	79	91	94	93
Finland	92	85	92	95	89
The Netherlands	90	88	97	98	80
Other countries	90	75	92	98	90
Total	92	90	-	-	-
Percentage of employees who have completed the training "Sustainability in the financial industry" ¹					
Sweden	73	83	-	-	-
UK	92	89	-	-	-
Norway	68	77	-	-	-
Finland	85	84	-	-	-
The Netherlands	67	87	-	-	-
Other countries	44	69	-	-	-
Total	80	84	-	-	-
Total number of board members who have completed the training in anti-corruption, and prevention of money laundering and terrorist financing	10	9	8	-	-
Percentage of board members who have completed the training in anti-corruption, and prevention of money laundering and terrorist financing	100	100	100	-	-
Total number of subsidiary board members who have completed the training in anti-corruption, and prevention of money laundering and terrorist financing	45	43	36	-	-
Percentage of subsidiary board members who have completed the training in anti-corruption, and prevention of money laundering and terrorist financing	100	100	100	-	-
Number of suspicious orders and transactions (MAR) reported ²	19	25	33	-	-
Number of suspicious transactions involving money laundering/terrorist financing (SAR) ³	6,194	5,039	4,730	-	-

¹ Percentage of employees assigned to the training programme.

² Market Abuse Regulation (MAR). Banks are obligated to report suspicions of market abuse: insider trading, market manipulation and unlawful disclosure of inside information (MAR).

³ According to the Anti-Money Laundering Act, Handelsbanken is also obligated, without delay, to report suspicions of money laundering or terrorist financing SAR (Suspicious Activity Reporting) to the Financial Intelligence Unit of the Swedish Police.

	2022	2021	2020	2019	2018
Number of branches and meeting places	462	548	732	769	779
Number of local initiatives and activities	> 400	> 500	> 300	> 800	> 600
Total taxes and government fees, SEK bn ¹	12	11	10	12	11
Credit losses as a percentage of lending	0.00	0.00	0.03	0.04	0.04
Total emissions of greenhouse gases, CO ₂ e tonnes	9,759	8,423	10,135	12,486	13,360
of which Scope 1 – direct emissions	48	20	24	40	41
of which Scope 2 – indirect emissions (market based)	3,090	3,173	4,382	4,629	5,127
of which Scope 3 – other indirect emissions	6,621	5,230	5,729	7,817	8,192
Total business travel, million kilometres	13.4	4.4	7.5	28.2	30.7
Business travel per employee, kilometres	1,189	386	642	2,437	2,717
Number of video conferences	667,532	655,609	552,498	218,095	129,616
Customer satisfaction, private customers, SKI/EPSI index					
Sweden	68.5	70.3	70.4	71.5	72.3
UK	81.5	82.3	81.2	84.6	83.9
Norway	74.8	76.1	75.7	77.2	78.1
The Netherlands	77.3	78.4	78.4	77.7	78.0
Customer satisfaction, corporate customers, SKI/EPSI index					
Sweden	67.2	69.4	68.7	66.5	67.7
UK	78.8	77.5	77.0	83.1	82.6
Norway	71.4	68.4	68.8	72.9	71.5
The Netherlands	76.5	77.1	75.3	75.3	73.5

¹ Sold operation in Denmark are excluded from the figures for 2022.

Direct economic value created and distributed according to GRI principles, SEK bn ¹	2022	2021	2020	2019	2018
Customers					
Income after credit losses and before fees for the Swedish resolution fund, deposit guarantee, etc.	50.5	44.5	44.9	45.7	45.7
Value creating by serving customers	50.5	44.5	44.9	45.7	45.7
Distributed economic value					
Employees					
Salaries	8.5	8.2	9.4	9.3	8.7
Provision to profit-sharing foundation (incl. social security costs)	0.2	0.1	0.2	-	-
Social security costs and other staff costs	4.4	4.2	5.7	5.1	3.9
Cost of employees	13.1	12.5	15.3	14.4	12.6
Public authorities and society at large					
Suppliers ²	8.2	7.4	8.0	8.2	7.4
Corporate tax (current tax)	5.7	5.3	5.5	6.1	5.4
Deferred tax	-0.3	-0.7	-1.0	-1.2	-0.8
Fees to the Swedish resolution fund, deposit guarantee, etc.	2.6	1.2	1.4	2.2	2.8
Government bank support received	-	-	-	-	-
Participation in government guarantee programmes	-	-	-	-	-
To society	16.2	13.2	13.9	15.3	14.8
Shareholders					
Dividends (refers to the year dividends were paid)	9.9	16.7	-	10.7	14.6
New share issue	-	-	-	-	-
Transactions with shareholders	9.9	16.7	-	10.7	14.6
Reinvested economic value ('remaining in the Bank')	11.3	2.1	15.7	5.3	3.7

¹ Figures for 2022 and 2021 refers to continuing operations (Denmark and Finland are excluded).

² Refers to Other administrative expenses and depreciation.

Taxes and distributed economic value

Handelsbanken pays and reports taxes based on international and local laws and regulations in the countries where we operate. Handelsbanken complies with the OECD Transfer Pricing Guidelines, meaning that the Group's

earnings are taxed where value is created. The Bank also prepares a country-by-country report showing the Group's earnings and tax in the countries where its operations are run. The Bank's operations in Luxembourg are not subject to local tax regimes that allow for lower

tax rates. The Bank's international branch in Luxembourg conducts real operations with profits from local business operations for which the Bank is taxed locally in accordance with the normal local tax regulations.

Geographical information 2022

SEK m	Income	Operating profit	Profit for the year pertaining to discontinued operations, after tax	Corporate tax ¹	Social security costs	Swedish resolution fund fee, deposit guarantee and risk tax	Assets	Average number of employees
Sweden	32,069	17,315		-3,703	-1,730	-2,346	3,027,754	6,914 ²
UK	9,142	4,317		-1,182	-296		411,364	2,658
Norway	4,884	2,548		-644	-150	-234	352,830	819
Finland	2,288		91	-187	-13	-116	195,480	588
The Netherlands	1,484	603		-170	-45	-63	234,582	382
USA	521	392		-10	-7		422,166	53
Luxembourg	226	103		-25	-8	0	18,114	50
China	0	1		-	-			-
Germany	0	26		-	0			2
France	13	-9		0	-1	0	2	3
Poland	-19	-73		-	-1		384	15
Eliminations	-	-272		2	-	-	-1,211,672	-
Group	50,607	24,952	91	-5,919	-2,253	-2,760	3,451,004	11,484

¹ Tax recognised in the income statement.

² Includes three employees at the Bank's representative offices.

A sustainable investment

Research analysts who specialise in sustainability often draw attention to Handelsbanken as a sound investment. The share is included in the following sustainability indexes: Ethibel Sustainability Index, FTSE4Good, OMX GES Sustainability, SIX Sweden ESG Selection Index and ECPI Global Developed ESG Best in Class Equity.

As in previous years, Handelsbanken participated in a survey of sustainable companies conducted by the research company SAM, which is part of S&P Global. Handelsbanken was included in the Sustainability Yearbook 2023 as a 'Sustainability Yearbook Member', which means that Handelsbanken scored in the top 15 per cent of all banks in the world in terms of sustainability. Handelsbanken, ranked

at number 72, is one of only three Swedish companies included among the top 100 most sustainable corporations in the world on the Global 100-list by Corporate Knights.

Around 30 investment banks have research analysts who regularly monitor Handelsbanken and its share. In 2022, Handelsbanken was also in contact with sustainability analysts from around 20 independent research firms and NGOs.

Sustainability ratings	2022	2021	2020	2019	2018
S&P Global CSA (Dow Jones Sustainability Index)	69	69	74	74	77
Sustainalytics – new rating scale	17.1	15.5	16.4	-	-
Sustainalytics – old rating scale	-	-	-	78	77
ISS ESG Corporate Rating	C+	C (Prime)	C (Prime)	C (Prime)	C (Prime)
MSCI ESG rating	AAA	AA	AA	AA	A
CDP	C	B	B	B-	B-

Sustainability Indexes



Forum Ethibel

FTSE

Nasdaq
OMX/GESSIX Finance
Information

Environment and climate

Method description for climate and environmental data

Climate-based calculations are made according to the GHG Protocol. Emissions are included from sources that are owned or operatively controlled by the Bank, divided into three categories, referred to as scopes.

- Scope 1 covers direct emissions from leakage of coolants, the stationary combustion of fuels consumed by backup generators and heat generation in owned properties, and mobile emissions from service vehicles.
- Scope 2 covers indirect emissions from purchased electricity, heating and cooling in both owned and leased facilities.
- Scope 3 covers indirect emissions from parts of the supply chain and covers business travel, transport, use of paper, water consumption, IT-hardware and upstream emissions from electricity consumption.

Historic figures have been recalculated compared to previous reports because of new sources of emission factors for Nordic electricity consumption and sold operations in Denmark.

Emissions in all scopes are calculated by using unit specific figures multiplied by an emission factor. When specific figures are unavailable, consumption is estimated using adjacent units or local statistics. Emissions can also be reported directly from the suppliers.

For 2022 Handelsbanken measured its material environmental impact in Sweden, Norway, the Netherlands and the UK. These markets represent 98 per cent of the Bank's total number of employees. The calculations include the relevant greenhouse gases, primarily CO₂, CH₄ and N₂O. Certain emissions are not included in the calculations, such as commuting, customers' and employees' leased cars or office supplies. It's the Bank's ambition

to improve scope 3 coverage as more supplier data becomes available. The Bank's investments are analysed in separate climate reports published online. The Bank's CPD reporting provides a more detailed description of emission calculations.

Activity	Source emission factors
Stationary combustion	National authorities
Mobile combustion	Unit-specific figures
Electricity consumption	National authorities & external consultant
Heating & cooling	Local energy producers & trade associations
Transport	Figures from service provider
Business travel	Unit-specific figures & figures from service provider
Resource consumption	Figures from service provider
Greenhouse gases	GWP factors CO ₂ : 1, CH ₄ : 25 & N ₂ O: 298. Source: IPCC Fourth Assessment Report

ENVIRONMENTAL DATA

General information	Unit	2022	2021	2020	2019	2018	Base year 2013*
Total office space reported	m ²	383,816	405,879	420,159	420,192	417,867	423,876
Number of employees covered by environmental data ¹	number	10,058	11,440	11,655	11,566	11,300	10,371
Proportion of total number of employees %	%	99	99	98	97	97	96
Emissions of greenhouse gases (CO ₂ e)	Unit	2022	2021	2020	2019	2018	Base year 2013*
Total emissions ²	tonnes	9,759	8,423	10,135	12,486	13,360	18,640
Emissions Scope 1 ³	tonnes	48	20	24	40	41	47
Emissions Scope 2 market based ⁴	tonnes	3,090	3,173	4,382	4,629	5,127	9,675
Emissions Scope 2 location based	tonnes	5,460	6,070	7,829	8,368	9,048	11,296
Emissions Scope 3 ⁵	tonnes	6,621	5,230	5,729	7,817	8,192	8,918
Total emissions per employee	tonnes/employee	0.97	0.74	0.87	1.08	1.18	1.80
Climate offsets ⁶	tonnes	10,250	5,500	6,500	10,000	10,500	-
Emissions of greenhouse gases by source (CO ₂ e)	Unit	2022	2021	2020	2019	2018	Base year 2013*
Emissions from energy use (in buildings)	tonnes	3,709	3,877	5,156	5,461	6,016	10,867
Emissions from business travel	tonnes	1,682	492	991	3,167	3,564	3,382
Purchased IT-hardware ⁷	tonnes	3,548	3,174	3,737	3,456	3,435	3,196
Emissions from other sources	tonnes	820	881	252	403	346	1,196
Emissions by country (CO ₂ e)	Unit	2022	2021	2020	2019	2018	Base year 2013*
Sweden	tonnes	6,170	5,383	5,954	7,365	8,255	10,789
UK	tonnes	2,140	1,890	2,623	3,178	3,168	4,468
Norway	tonnes	533	233	351	518	569	976
Finland	tonnes	402	541	558	713	750	1,889
The Netherlands	tonnes	515	376	650	713	621	519
Energy consumption	Unit	2022	2021	2020	2019	2018	Base year 2013*
Total energy consumption (in buildings)	MWh	75,552	83,235	88,613	92,555	96,256	112,130
Electricity consumption	MWh	28,226	33,448	36,800	39,204	41,715	51,185
Change in electricity consumption from preceding year	%	-15.6	-9.1	-6.1	-6.0	1.3	-
Proportion renewable electricity ⁸	%	100	100	100	100	100	84
Total electricity consumption per employee	MWh/employee	2.8	2.9	3.2	3.4	3.7	4.9
Use of heating and cooling	MWh	47,326	49,787	51,813	53,351	54,541	60,945
Business travel	Unit	2022	2021	2020	2019	2018	Base year 2013*
Total business travel	km	13,435,108	4,410,455	7,487,140	28,186,621	30,698,869	26,412,705
Business travel per employee	km/employee	1,336	386	642	2,437	2,717	2,547
Travel by air	km	5,535,409	990,966	3,653,796	18,946,843	21,332,575	18,231,172
Travel by car	km	3,329,818	2,085,445	2,643,186	5,807,093	6,303,436	6,603,786
Travel by train	km	4,569,881	1,276,135	1,190,158	3,432,685	3,062,859	1,577,747
Resource efficiency	Unit	2022	2021	2020	2019	2018	Base year 2013*
Paper use	tonnes	705	767	892	1,102	1,073	1,560
Paper use per employee	kg/employee	70	67	77	95	95	150
Water consumption ⁹	m ³	75,705	63,432	83,981	122,197	128,175	143,557

¹ Number of full-time employees in Sweden, UK, Norway, Finland and the Netherlands.
² Emissions from sold operations in Denmark are excluded from base year and historic data. The inclusion of IT-hardware increases the emissions compared to previous reports.
³ Scope 1 – Direct emissions from leakage of coolants, stationary and mobile combustion of diesel, city gas and Eo1 fuel oil.
⁴ Scope 2 – Indirect emissions from purchased electricity, heating and cooling. 2021-2018 have been recalculated due to new source of Nordic electricity emission factors.
⁵ Scope 3 – Other indirect emissions from business travel, transport, use of paper, water consumption, upstream emissions from electricity and purchased IT-hardware.

⁶ Purchased offsets covered 100% of total emissions in reported year. Please see page 63 in the Annual and Sustainability Report 2022 for more information about climate offsets.
⁷ New category. Internal IT-hardware supplied by central IT-department. Based on supplier data for 2022-2020 and before 2020 estimates based on number of employees are used.
⁸ Refers to electricity from wind power and hydroelectric power.
⁹ Data from the Bank's own properties, for remaining properties figures are estimated based on this data.
 * The year 2013 is used because it was the time that the Bank introduced its, at the time six, geographically based home markets.

An attractive employer

Handelsbanken's values and strong corporate culture are vital to our success. Our concept of

how to run a successful bank is based on trust and respect for the individual – both customers and employees. The Bank's decentralised way

of working creates commitment and opportunities for every employee to make an impact on the Bank's operations.

Total number and rate of new employee hires and staff turnover by age group, gender and region ¹	2022				2021				2020			
	New employees by home market, age group and gender		Staff turnover ² by home market, age group and gender		New employees by home market, age group and gender		Staff turnover ² by home market, age group and gender		New employees by home market, age group and gender		Staff turnover ² by home market, age group and gender	
	Number	% ³	Number	% ³	Number	% ³	Number	% ³	Number	% ³	Number	% ³
Sweden	682	9.1	488	6.3	332	4.6	400	5.6	278	3.6	277	3.6
UK	421	14.9	225	7.9	194	7.1	270	9.9	270	9.9	134	4.9
Norway	89	10.4	59	6.7	85	10.2	73	8.7	66	7.9	35	4.2
Finland	60	9.7	107	16.7	81	12.7	80	12.6	55	8.7	82	12.9
The Netherlands	86	19.4	44	9.9	46	11.4	38	9.4	59	14.8	23	5.8
Total home markets	1,338	10.9	923	7.3	738	6.3	861	7.3	728	5.9	551	4.5
Total	1,347	10.9	929	7.3	744	6.2	919	7.7	735	5.9	637	5.1
men <30 yrs old	208		104		125		72		108		53	
30–50 yrs old	396		298		236		238		213		159	
>50 yrs old	95		85		66		134		72		67	
women <30 yrs old	216		98		108		83		129		54	
30–50 yrs old	345		256		160		221		163		152	
>50 yrs old	78		82		43		113		43		66	

¹ Full-time equivalent (FTE) as an average across the reporting period has been used for calculation of all figures regarding employees.

² Staff turnover refers to the proportion of employees who have left the Bank (excluding retirements and deaths) in relation to all employees.

³ Percentage of the number of employees in each home market.

Permanent employees	2022			2021			2020		
	Number	Men %	Women %	Number	Men %	Women %	Number	Men %	Women %
Sweden	6,596	49	51	6,696	48	52	6,985	48	52
UK	2,571	56	44	2,562	57	43	2,528	56	44
Norway	797	52	48	779	52	48	768	53	47
Finland	532	45	55	566	45	55	566	44	56
The Netherlands	382	64	36	361	64	36	352	65	35
Other countries	127	49	51	168	49	51	260	47	53
Total	11,005	51	49	11,131	51	49	11,459	50	50

Temporary employees	2022			2021			2020		
	Number	Men %	Women %	Number	Men %	Women %	Number	Men %	Women %
Sweden	314	46	54	288	47	53	336	46	54
UK	87	63	37	104	59	41	45	59	41
Norway	21	32	68	22	30	70	21	40	60
Finland	56	51	49	62	45	55	55	43	57
The Netherlands	0	0	0	0	0	0	0	0	0
Other countries	1	0	100	1	0	100	5	45	55
Total	479	49	51	477	49	51	461	47	53

Full-time employee	2022			2021			2020		
	Number	Men %	Women %	Number	Men %	Women %	Number	Men %	Women %
Sweden	6,204	51	49	6,206	51	49	6,362	51	49
UK	2,367	60	40	2,354	60	40	2,315	60	40
Norway	780	53	47	762	53	47	746	55	45
Finland	525	45	55	558	45	55	556	45	55
The Netherlands	182	83	17	176	85	15	170	86	14
Other countries	114	53	47	158	52	48	249	49	51
Total	10,172	53	47	10,214	54	46	10,397	53	47

Part-time employee	2022			2021			2020		
	Number	Men %	Women %	Number	Men %	Women %	Number	Men %	Women %
Sweden	392	16	84	490	17	83	623	17	83
UK	204	12	88	208	13	87	213	12	88
Norway	17	19	81	17	12	88	22	11	89
Finland	7	34	66	8	37	63	10	25	75
The Netherlands	200	46	54	185	44	56	182	45	55
Other countries	13	0	100	10	4	96	11	5	95
Total	833	22	78	918	22	78	1,061	21	79

Average number of employees	2022				2021				2020			
	Number	%	Men %	Women %	Number	%	Men %	Women %	Number	%	Men %	Women %
Sweden	6,911	60	48	52	6,984	60	48	52	7,320	61	48	52
UK	2,658	23	56	44	2,667	23	57	43	2,574	22	56	44
Norway	819	7	52	48	801	7	52	48	788	7	53	47
Finland	530	5	46	54	627	5	45	55	621	5	44	56
The Netherlands	382	3	64	36	361	3	64	36	352	3	65	35
Other countries	184	2	48	52	168	2	49	51	264	2	47	53
Total	11,484		51	49	11,608		51	49	11,919		50	50

Sickness absence by home market	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
%									
Sweden	2.1	4.4	3.3	1.6	3.3	2.5	1.9	4.0	3.0
UK	1.3	2.3	1.7	0.7	1.2	0.9	1.0	1.1	1.0
Norway	2.6	5.4	4.0	2.4	6.3	4.3	1.9	5.4	3.5
Finland	1.6	2.7	2.2	1.5	1.5	1.5	1.1	1.6	1.4
The Netherlands ¹			3.0			2.2			2.3
Total sickness absence	1.9	3.9	2.9	1.4	3.0	2.2	1.7	3.4	2.5
<i>of which long-term absence, Sweden²</i>	<i>0.7</i>	<i>2.9</i>	<i>1.8</i>	<i>0.5</i>	<i>1.7</i>	<i>1.1</i>	<i>0.5</i>	<i>1.8</i>	<i>1.2</i>
<i>of which long-term absence, home markets excluding the Netherlands²</i>	<i>0.7</i>	<i>2.4</i>	<i>1.5</i>	<i>0.6</i>	<i>1.5</i>	<i>1.1</i>	<i>0.5</i>	<i>1.5</i>	<i>1.0</i>

¹ National legislation does not permit the reporting of sickness absence broken down by gender. Sickness absence is stated as a percentage of total normal working hours. Long-term absence is a period of absence of 60 days or more.

² Altered method for calculation due to implementation of a new HR-system.

Attractive employer	2022	2021	2020	2019	2018
Average number of employees	11,484	11,608	11,919	11,897	11,648
Gender breakdown, percentage women/men					
All employees	49/51	49/51	50/50	50/50	49/51
Branch managers	30/70	30/70	32/68	32/68	30/70
Managers	43/57	41/59	41/59	40/60	39/61
Executive management	40/60	30/70	13/87	14/86	34/66
Total numbers of external consultants ¹	1,058	723	640	-	-
Percentage of managers recruited internally, Group	92	93	96	92	96
Percentage of managers recruited internally, Sweden	97	98	98	97	99
Number of vacant Managerial positions published internally	299	273	223	390	-
Applicants women/men, % ²	49/51	43/56	44/55	43/56	-
Appointed women/men, % ²	51/49	47/53	43/55	48/52	-
Staff turnover, Group %	7.3	7.7	5.1	4.7	3.8
Sickness absence rate, %					
Sweden	3.3	2.5	3.0	3.0	3.1
UK	1.7	0.9	1.0	1.5	0.9
Norway	4.0	4.3	3.5	4.2	3.8
Finland	2.2	1.5	1.4	2.0	2.0
The Netherlands	3.0	2.2	2.3	2.3	2.7
Number of cases reported to national equality ombudsman or a corresponding official body (against the Bank in its capacity as employer)	0	0	1	0	0
Staff covered by a work environment survey, %	100	100	100	100	100
Number of employees who carried out a work environment survey	9,048	9,607	9,994	10,364	10,181
Total outcome (scale 1–6) ³	5.0	3.3	3.4	3.4	3.4
for Engagement	4.9	-	-	-	-
for Inclusion	5.3	-	-	-	-
for Trust	5.1	3.4	3.4	3.3	3.4
for Respect	5.4	3.6	3.5	3.5	3.5
for Balance	4.5	3.1	3.2	3.2	3.2
for Communication	5.2	3.4	3.4	3.4	3.5
for Competence	5.0	3.5	3.5	3.5	3.5
for Pride	5.1	3.5	3.5	3.4	3.5
for Security	5.0	3.1	3.7	3.7	3.7
for Physical work environment	4.9	3.2	3.2	3.1	3.1
Staff covered by a periodic performance evaluation, %	100	100	100	100	100
Average salary, women in relation to men, all employees, % ¹					
Sweden	82	82	81	82	79
UK	73	71	69	68	67
Norway	84	82	83	82	81
Finland	78	76	73	74	74
The Netherlands	78	76	75	73	77
Average salary, women in relation to men, all managers, % ⁴					
Sweden	78	79	79	82	76
UK	88	86	83	79	87
Norway	83	84	88	87	87
Finland	83	80	80	86	87
The Netherlands	100	94	96	92	95
Average salary, women in relation to men, branch managers, %					
Sweden	96	96	92	93	91
UK	85	82	80	81	82
Norway	90	91	90	89	91
Finland	96	96	94	107	115
The Netherlands	88	94	92	91	87
Annual total compensation ratio ⁵					
Total compensation ratio (CEO vs. employee median ⁶)	24.9	-	-	-	-
Ratio of change in total compensation (CEO vs. employee median)	1.4	-	-	-	-
Numbers of members on the Board of directors	10	9	8	11	11
of which men	5	5	5	6	7
of which women	5	4	3	5	4
other nationality or geographical origin than Sweden	2	2	2	4	4
<30 yrs old	0	0	0	0	0
30–50 yrs old	1	1	0	2	2
>50 yrs old	9	8	8	9	9

¹ In accordance with definition in GRI disclosure No 2-8 Workers who are not employees. A majority of external consultants work with IT-related activities. Due to a highly competitive labor market in combination with the Bank's increased investments in digitalisation the need of consultants increased during 2022. Full-time equivalent (FTE) is used to compile data.

² Based on applicants gender identity; women, men, other or does not want to disclose.

³ The method and scale has been revised compared to previous year. New questions have been added as well as two new categories, Engagement and Inclusion. The scale for previous years was 1–4.

⁴ Factors such as content and level of difficulty of work which effects the salary have not been taken into account.

⁵ In accordance with definition in GRI disclosure No 2-21, CEO is the highest paid individual.

⁶ Employee salary plus average pension cost within the group.

Sustainability initiatives

As part of the business community, Handelsbanken participates in many initiatives and collaborations to demonstrate our commitment to sustainability and to engage in the vital exchange of information with society's many stakeholders. In addition to the initiatives and collaborations presented here, which guide Handelsbanken's efforts, the Bank adheres to the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Sustainable Development Goals, the International Labour Organization's core conventions, and the Children's Rights and Business Principles.

INITIATIVES AND COLLABORATIONS

GLOBAL COMPACT

WE SUPPORT



In 2009, Handelsbanken signed the UN Global Compact, an initiative aimed at companies which advocates 10 principles based on international conventions. These principles, established in 2000, cover human rights, labour law, the environment and anti-corruption.

PRI

Signatory of:



The PRI was launched in 2006 and is a network of investors and service providers that work with the United Nations – through partnerships with UNEP Finance Initiative and UN Global Compact – to implement the six Principles for Responsible Investment. The purpose is to promote responsible behaviour among institutional investors and to work for increased openness and awareness of environmental, social and corporate governance issues in the companies and other entities in which these actors invest. Handelsbanken became a signatory to the principles in 2009.

Handelsbanken Fonder participates in several initiatives organised by PRI.

PSI



In 2022, Handelsbanken Liv signed the UNEP FI's Principles for Sustainable Insurance, PSI. It is the largest collaborative initiative between the UN and the insurance industry. The PSI consists of four principles that form a framework for the insurance industry to address environmental, social and governance risks and opportunities.

UNEP FI



UNEP FI is a partnership between the United Nations Environment Programme (UNEP) and the global financial sector, created after the 1992 Earth Summit, with a mission to promote sustainable finance. More than 200 financial institutions, including banks, insurers and investors, work with UNEP to understand today's challenges regarding the environment, society and corporate governance, why they matter to the financial sector and how to actively address them. Handelsbanken has been a member of UNEP FI since the mid-1990s.

NET-ZERO BANKING ALLIANCE

The UN-convened Net-Zero Banking Alliance brings together banks committed to aligning their lending and investment portfolios with net-zero emissions by 2050. Combining near-term action with accountability, this commitment sees banks setting an intermediate target for 2030 or sooner, using robust, science-based guidelines. Handelsbanken joined the NZBA in 2021.

PRB



The Principles for Responsible Banking are a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. Handelsbanken endorsed PRB in 2019.

NET ZERO ASSET MANAGERS INITIATIVE



The Net Zero Asset Managers initiative (NZAM) is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. Handelsbanken Fonder was one of the first asset managers to have signed the initiative.

IÄF



Institutionella Ägares Förening – IÄF (The Institutional Owners Association for Regulatory Issues in the Stock Market) – is a non-profit organisation whose purpose is to safeguard members' interests as institutional owners in the Swedish stock market by promoting sound development of self-regulation in the stock market. This is principally done by the association participating in the Swedish stock market's self-regulation bodies in appropriate forms and, where necessary, appointing or nominating members of their boards or to participate in other activities. IÄF is one of the principals behind the Association for Generally Accepted Practice in the Securities Market which works through the following self-regulation bodies: Swedish Securities Council, Stock Market Self-Regulation Committee, Swedish Corporate Governance Board, Council for Swedish Financial Reporting Supervision and Swedish Financial Reporting Board. Handelsbanken Fonder has been involved since the start in 2003.

THE SWEDISH NATIONAL ADVISORY BOARD FOR IMPACT INVESTING



The Swedish National Advisory Board for Impact Investing

Impact Investing is a platform for organisations from all sectors in the impact economy who want to contribute to the growth and development of the impact investing market in Sweden. The association's goal is to transfer knowledge, develop guidance and in all aspects facilitate the flow of capital – both private and public – to organisations, investments and projects that create true, positive and measurable impact on society's most pressing challenges. Handelsbanken Fonder has been a member since 2019.

SCIENCE BASED TARGETS INITIATIVE (SBTI)



The SBTi is a partnership between CDP, the United Nations Global Compact,

World Resources Institute and the World Wide Fund for Nature (WWF). To ensure that Handelsbanken's net-zero target and future sub-targets are in line with science, we will seek validation from the SBTi. Shortly before the UN climate meeting COP26 in Glasgow Handelsbanken signed "The Business Ambition for 1.5°C Commitment Letter" which is coordinated by SBTi. This means that Handelsbanken has committed to setting net-zero targets in line with science within 24 months.

CDP



CDP is an independent international non-profit organisation which works for transparency and dialogue on companies' environmental impacts and to make such information available to investors. Handelsbanken has been a member since 2015 and reports to CDP annually.

In 2022, Handelsbanken Fonder joined other players investors in CDP's annual campaign for non-disclosure, aiming to boost companies' transparency with regard to, above all, climate change, deforestation and water security. Handelsbanken Fonder have also participated in the campaign to encourage companies to set and report Science Based targets, in order to reach net zero greenhouse emissions by 2050.

EQUATOR PRINCIPLES

Handelsbanken has signed the Equator Principles. The

Principles are a framework that provides guidance to financial institutions for assessing social and environmental risks in project finance.

Members undertake to implement the principles in their internal guidelines, processes and procedures for project finance and to report annually on projects that have been financed based on the framework.

PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF)

PCAF is a collaboration

between financial institutions worldwide to enable harmonised assessments and disclosures of greenhouse gas emissions financed by loans and investments. By joining PCAF Handelsbanken is expanding our carbon accounting to include our financed emissions.

BUSINESS@BIODIVERSITY SWEDEN

Handelsbanken is a member of Business@Biodiversity Sweden, a business network for large companies and organisations that want to include biodiversity into sustainable business models. The network is run by Ecogain, Sweden's leading consultancy in the field.

FAIRR

The FAIRR Initiative is a collaborative investor network that raises awareness of the environmental, social and governance (ESG) risks and opportunities brought about by intensive livestock production. In 2022, through FAIRR, Handelsbanken Fonder has supported collaborative engagements within biodiversity, antibiotic resistance, aquaculture, sustainable proteins and working conditions at animal protein producers.

CLIMATE BONDS INITIATIVE

The Climate Bonds Initiative (CBI) is an international non-profit organisation that promotes investment in climate-change solutions.

The organisation aims to facilitate the mobilisation of capital in the global bond market by developing a large and liquid market for green bonds.

Handelsbanken has been active in green and sustainable finance for several years and has been a CBI partner since 2017.

GREEN BOND PRINCIPLES

The Green Bond Principles (GBP)

are voluntary, international guidelines that recommend transparency, disclosure and reporting in the market for green bonds. The GBP were established in 2014, and last updated in 2021. Handelsbanken has been a member since 2014, and the Bank's green finance framework complies with the GBP recommendations.

IIGCC

The Institutional Investors Group on Climate Change

The mission of the Institutional Investors Group on Climate Change (IIGCC) is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future. Handelsbanken has been a member of IIGCC since 2018.

TRANSPARENCY INTERNATIONAL SWEDEN

In 2017, Handelsbanken SVERIGE became a

member of Transparency International Sweden's Corporate Supporters Forum, as part of the Bank's commitment to work against corruption. This is a Swedish business forum that serves as a platform for companies to pool their experience and knowledge related to anti-corruption.

WOMEN IN FINANCE CHARTER

As part of its efforts towards gender equality, Handelsbanken in the UK signed the Women in Finance Charter, an initiative from HM Treasury, which means the Bank is committed to work for more gender balance in the financial sector.

SWEDISH ASSOCIATION FOR SUSTAINABLE BUSINESS

Handelsbanken is a member of the Nätverket för Hållbart Näringsliv

(Swedish Association for Sustainable Business). It is a non-profit association, not allied to any political party, which is a cross-industry platform for companies and organisations from all over Sweden. Its purpose is to share knowledge, experience and ideas regarding a sustainable and successful business community.

SISD

Swedish Investors for Sustainable Development

Swedish Investors for Sustainable Development (SISD) is a network offering a platform for learning and exchanging best practices and experience with the 2030 Agenda for Sustainable Development. The network brings together institutional investors and asset managers with the aim to explore, from various angles and perspectives, the role of institutional investors to invest in line with the Sustainable Development Goals (SDGs), as well as to share ideas and inspiration for the way forward. Handelsbanken Fonder has participated in the network since 2017.

INVESTOR ALLIANCE FOR HUMAN RIGHTS

The Investor Alliance for Human Rights is a mem-

bership-based, non-profit initiative focusing on the investor responsibility to respect human rights, corporate engagements that drive responsible business conduct, and standard-setting activities that push for robust business and human rights policies. Handelsbanken Fonder has participated in the initiative since 2020.

Handelsbanken, or in some cases a subsidiary, is a member of the following trade associations:

Swedish Bankers' Association

The Swedish Bankers' Association represents banks and financial institutions established in Sweden. Their aim is to contribute to a sound and efficient regulatory framework that facilitates for banks to help create economic wealth for customers and society.

Insurance Sweden

Insurance Sweden is the industry organization for insurance companies and occupational pensions companies in Sweden. Insurance Sweden works to promote good business conditions for the insurance and occupational pensions industry. The purpose of the organization is also to strengthen confidence in the insurance and occupational pensions sector and to increase understanding for the role of insurance and occupational pensions in society.

UK Finance

UK Finance was formed in July 2017 to represent the banking and finance sector in the UK. The association has around 300 members in the UK, providing credit, banking and market services and also payment-related services.

Swedish Securities Dealers Association

The Swedish Securities Dealers Association represents the common interests of companies that conduct securities operations in Sweden. The association's overall goal is a sound, strong and efficient Swedish securities market.

Swedish Investment Fund Association

The Swedish Investment Fund Association is an industry organisation that strives for a sound sector in the interest of savers. The association monitors work on legislation related to the mutual fund sector and comments on proposed legislation from Swedish and EU government bodies.

Swesif

Swesif is an independent, not-for-profit forum for organisations that work with sustainable investment in Sweden. The forum aims to increase knowledge of and interest in sustainable and responsible investment.

Norsif

Norsif is an independent association that works with sustainable investment in Norway. The association strives to increase knowledge about and contribute to progress in responsible investment in the financial sector and among other stakeholders.

Finsif

Finland's Sustainable Investment Forum is a member-based organisation that works with sustainable investment in Finland. Its purpose is to increase interest in sustainability and to encourage members to integrate sustainability in their investment decisions.

TOBACCO FREE PORTFOLIOS

Tobacco Free Portfolios advocates for and works collaboratively with financial institutions to help them implement tobacco-free finance policies and encourage others to follow suit. Both Handelsbanken Fonder and Handelsbanken Liv have previously opted out of tobacco investments in their funds, and to further strengthen our stance against tobacco investments and the sustainability risks inherent to the industry, both subsidiaries became Signatories of the Tobacco-Free Finance Pledge in 2021.

THE FOSSIL FUEL NON-PROLIFERATION TREATY

In 2022, Handelsbanken Liv, as the first insurance company in the world, signed on in support of the Fossil Fuel Non-Proliferation Treaty. It is a global initiative that calls on governments to draw up and ratify a binding agreement with the aim to stop the expansion of, and diversify away, from fossil fuels.

Global Reporting Initiative (GRI) Content Index

Handelsbanken reports its sustainability activities in accordance with the GRI Standards. The Sustainability Report consisting of the statutory Sustainability Report found in the Group's Annual and Sustainability Report on pages 36–73 and this Sustainability Factbook and meets information requirements confirmed by

the Bank's external auditors. Handelsbanken reports the Group's sustainability activities annually. This year's Sustainability Report is Handelsbanken's thirteenth in accordance with the GRI and relates to the 2022 calendar year. The preceding report was submitted in February 2022 and related to the 2021 calendar year.

The sustainability reporting contains information relating to the Group unless otherwise stated. The information presented in the reports covers the largest and most important parts of the operations, with the focus on banking operations. Any limitations are indicated in the reports where applicable.

GRI STANDARD	DISCLOSURE	LOCATION		OMISSION / COMMENTS		
		PAGE SFB ¹	PAGE ASR ²	REQUIREMENTS OMITTED	REASON	EXPLANATION
The organisation and its reporting practices						
GRI 2: General disclosures 2021	2-1	Organisational details	Inside front cover	Inside front cover		
	2-2	Entities included in the organisation's sustainability reporting			234	
	2-3	Reporting period, frequency and contact point	16			
	2-4	Restatements of information	Inside front cover, 6, 8, 10			
	2-5	External assurance	19	264		
Activities and workers						
	2-6	Activities, value chain and other business relationships	Inside front cover	Inside front cover, 7–11, 18, 20–31, 38, 40, 67–68, 158		
	2-7	Employees	11–13		Total numbers of non-guaranteed hours employees	Not applicable Handelsbanken does not have any non-guaranteed hours employees
	2-8	Workers who are not employees	13			
Governance						
	2-9	Governance structure and composition	13	42, 74–80		
	2-10	Nomination and selection of the highest governance body		74–80		
	2-11	Chair of the highest governance body		80		
	2-12	Role of the highest governance body in overseeing the management of impacts		42, 80		
	2-13	Delegation of responsibility for managing impacts		40, 42, 76, 80		
	2-14	Role of the highest governance body in sustainability reporting		41–42		
	2-15	Conflicts of interest		61–62, 78, 84		
	2-16	Communication of critical concerns		42		
	2-17	Collective knowledge of the highest governance body		42, 80		
	2-18	Evaluation of the performance of the highest governance body		79–80		
	2-19	Remuneration policies		69–70, 84, 85–86		
	2-20	Process to determine remuneration		85–86		
	2-21	Annual compensation ratio	13			
Strategy, policies and practices						
	2-22	Statement on sustainable development strategy		4–5		
	2-23	Policy commitments	3	5, 38–40, 43, 62		
	2-24	Embedding policy commitments	6–7	43, 44, 51, 52, 54, 62		
	2-25	Process to remediate negative impacts		40, 43, 44, 51–52, 60, 66, 68, 72		
	2-26	Mechanisms for seeking advice and raising concerns		61, 66, 71		
	2-27	Compliance with laws and regulations		61		
	2-28	Membership associations	14–15	72–73		
Stakeholder engagement						
	2-29	Approach to stakeholder engagement		41–42		
	2-30	Collective bargaining agreements		71		

¹ Refers to the 2022 Sustainability Factbook.

² Refers to the 2022 Annual and Sustainability Report.

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURE	LOCATION		OMISSION / COMMENTS		
		PAGE SFB ¹	PAGE ASR ²	REQUIREMENTS OMITTED	REASON	EXPLANATION
Material Topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics		40		
	3-2	List of material topics	17–18	39		
Economic						
Salaries and remuneration						
GRI 3: Material Topics 2021	3-3	Management of material topics		18, 38–39		
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	8, 9	67		
Counteract financial crime						
GRI 3: Material Topics 2021	3-3	Management of material topics		39, 43, 65–66		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		66		
	205-2	Communication and training about anti-corruption policies and procedures	7	43, 66		
	205-3	Confirmed incidents of corruption and actions taken		61		
Environmental						
Minimise environmental and climate impact						
GRI 3: Material Topics 2021	3-3	Management of material topics		38–40, 44 47–49, 62–64		
GRI 302: Energy 2016	302-1	Energy consumption within the organisation		10		
GRI 3: Material Topics 2021	3-3	Management of material topics	10	62–64		
	305-1	Direct (Scope 1) GHG emissions		10		
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions		10		
	305-3	Other indirect (Scope 3) GHG emissions		10		
Social						
Sustainable working life						
GRI 3: Material Topics 2021	3-3	Management of material topics		39, 62, 68–71		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	11			
	Own indicator	Outcome work environment survey	13			
Leadership and development						
GRI 3: Material Topics 2021	3-3	Management of material topics		39, 68–69		
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews		69		
Gender equality and diversity						
GRI 3: Material Topics 2021	3-3	Management of material topics		39, 61 69, 70		
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	13	71, 79, 88–90	Percentage of all employees per age group in accordance with GRI 405-1 b, ii)	Incomplete information Percentage of all employees per age group: under 30 years old, 30-50 years old, over 50 years old. Handelsbanken currently reports by gender, age, and nationality.
GRI 406: Non Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	13			

¹ Refers to the 2022 Sustainability Factbook.
² Refers to the 2022 Annual and Sustainability Report.

GRI STANDARD	DISCLOSURE		LOCATION		OMISSION / COMMENTS		
			PAGE SFB ¹	PAGE ASR ²	REQUIREMENTS OMITTED	REASON	EXPLANATION
Responsible advisory services							
Help customers make sustainable choices							
GRI 3 Material Topics 2021	3-3	Management of material topics		39,42 53-54, 61-62			
GRI 417: Marketing and labelling 2016	417-1	Requirements for product and service information and labelling			46		
	417-2	Incidents of non-compliance concerning product and service information and labelling			61		
Gender-equal advisory services							
GRI 3 Material Topics 2021	3-3	Management of material topics			39, 58-59		
	Own indicator	Number of employees who have completed course on Financial equality in pension savings (in Sweden)		7			
Integrity and confidentiality							
GRI 3: Material Topics 2021	3-3	Management of material topics			43, 61-62		
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			66		
Responsible financing							
Responsible lending							
Responsible investments							
Sustainable loan and financing products							
GRI 3 Material Topics 2021	3-3	Management of material topics			38-40, 44-46 47-57		
GRI G4 Financial Services Sector Disclosures	FS6	Percentage of the portfolio for business lines by specific region, size and by sector			46		
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit		4, 6			
Responsible investments							
Active ownership							
Sustainable savings and investment products							
GRI 3 Material Topics 2021	3-3	Management of material topics			38-40, 47-57		
GRI G4 Financial Services Sector Disclosures	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues		6	51		
	FS11	Percentage of assets subject to positive and negative environmental or social screening		6	51		

¹ Refers to the 2022 Sustainability Factbook.

² Refers to the 2022 Annual and Sustainability Report.

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

This is the translation of the auditor's report in Swedish.

To Svenska Handelsbanken AB (publ) corporate identity number 502007-7862

INTRODUCTION

We have been engaged by the Board of Directors of Svenska Handelsbanken AB (publ) (Handelsbanken) to undertake a limited assurance of Svenska Handelsbanken's Sustainability Report for the year 2022 that constitutes of page 36–73 of Handelsbanken's annual report, and the separate Sustainability Factbook for the year 2022, available at Handelsbankens webpage (www.handelsbanken.com). The company has defined the scope of its sustainability report on page 16 in the Sustainability Factbook. We refer to these publications collectively as the "Sustainability Report".

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT FOR THE SUSTAINABILITY REPORT

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 16 in the Sustainability Factbook 2022, and consists of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

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

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

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

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

CONCLUSION

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

Stockholm, 23 February, 2023

Pricewaterhouse Coopers AB

Ernst & Young AB

Johan Rippe
Authorised Public Accountant

Åsa Lundvall
Authorised Public Accountant

Karin Juslin
Sustainability specialist

Marianne Förander
Sustainability Expert Member of FAR

Principles for Responsible Banking

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. As a signatory bank Handelsbanken needs to report

on our implementation of the Principles annually in line with our annual reporting cycle.

In the table below we report on the self-assessment requirements. Further information

in regards to the evaluation process and target setting is available on page 73 in the Annual and Sustainability Report 2022.

PRINCIPLE 1: Alignment		
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		
Business model		
Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.	Handelsbanken is one of the world's strongest banks with a culture based on being present in the local communities and building long-term relationships. We aim to build lifelong relationships with our customers and to grow through their recommendations. With a business built on trust, Handelsbanken operates on timeless values of trust and respect. Our branches are empowered to take the decisions that matter to their customers, and to engage locally in the ways they find best. Colleagues all over the Bank enjoy a similar trust, within our open, supportive culture.	handelsbanken.com/en/about-the-group
	We believe in always taking responsibility. By running the Bank prudently, we can support our customers throughout their lives and changing economic conditions. By sharing our knowledge we can contribute to their financial capability and by living up to our commitments we can make a positive difference to the communities we serve.	handelsbanken.com/en/about-the-group/organisation
	Handelsbankens's decentralised way of working and strong local connection, combined with quality digital services and social responsibility, form the basis for high customer satisfaction and long-term customer relationships. Our local branches are supported by central units with specialist knowledge in different areas. Handelsbanken provides traditional corporate banking services, investment banking and trading services, as well as consumer retail banking services.	Annual and Sustainability Report 2022, pages 38, 46 and 60
	We have a nationwide branch network in our home markets Sweden, Norway, UK and the Netherlands. In addition, we are present in Luxembourg and the US to support customers from our home markets.	handelsbanken.com/en/about-the-group/locations
	We serve large corporates as well as SMEs and private customers.	
	83 per cent of our lending portfolio is related to real estate, which is the main sector of lending in all our home markets.	Annual and Sustainability Report 2022, page 46
Strategy alignment		
Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?	Handelsbanken's Sustainability Council has analysed the 17 Sustainability Development Goals (SDGs) from the perspective of level of impact from our activities, products and services (directly and indirectly) and identifying risks from our most relevant sustainability issues. The result of the analyses led to six focus SDGs that support our business strategy and are integrated into our material sustainability issues.	Annual and Sustainability Report 2022, pages 36 and 42
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Handelsbanken's climate strategy is built on four pillars: scientific targets, measure & report, support our customers and responsibility & cooperation.	Handelsbanken Climate change progress report, pages 6–8
Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	We support the Paris Agreement's goal of transitioning to net-zero emissions by 2050 by lowering our direct emissions and by offering responsible financing and investment products. In 2021, Handelsbanken set a group-wide target of net-zero emissions by 2040.	handelsbanken.com/tron/xgpu/info/contents/v1/document/72-120091 Net-Zero Transition Plan, pages 1 and 3
Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?	In 2022, Handelsbanken published its first round of target setting as part of our commitment to Net-Zero Banking Alliance, stating an interim target for our real estate lending. The target setting was accompanied by a Net Zero Transition Plan. The reason for starting with setting targets for the real estate sector was two-fold. Firstly, buildings are carbon and energy intensive and secondly, this is Handelsbanken's most significant exposure representing 83 per cent of the Bank's total lending to the public. In 2023, Handelsbanken will set interim targets for the remainder of its lending to high emitting sectors and will submit targets for validation by Science Based Targets initiative. Handelsbanken has joined PCAF and has been appointed as the Chair of PCAF Nordic for 2022/2023. The ambition of PCAF Nordic is to align calculation methodology for the Nordic market.	handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157096 Net Zero Banking Alliance target setting, pages 1–5
<input checked="" type="checkbox"/> UN Guiding Principles on Business and Human Rights <input checked="" type="checkbox"/> International Labour Organization fundamental conventions <input checked="" type="checkbox"/> UN Global Compact <input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk – please specify which ones: NZBA, TCFD, The UN Environment Programme Finance Initiative (UNEP FI), EBA Guidelines on loan origination and monitoring, Partnership for Carbon Accounting Financials (PCAF), Science Based Targets initiative (SBTI), The UN Principles for Responsible Investment (PRI), Equator Principles and GRI. <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – please specify which ones: UK Modern Slavery Act, The UN Convention on the Rights of the Child, Children's Rights and Business Principles and EBA Guidelines on loan origination and monitoring. <input type="checkbox"/> None of the above	Our Swedish fund company Handelsbanken Fonder has set an interim target to reduce the carbon intensity of the funds by 50 per cent by 2030.	Annual and Sustainability Report 2022, page 48
	Women empowerment, including gender equality culture, is a fundamental part of Handelsbanken's values and in line with one of our focus SDGs, i.e. SDG 5, and the bank has chosen to focus on a gender equality target. Except for being supported by our internal strategy, this is a social concern in our all home markets.	https://www.handelsbanken.com/en/sustainability/gender-equality https://www.handelsbanken.com/tron/xgpu/info/contents/v1/document/72-98420

PRINCIPLE 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a–d):
 a) **Scope:** What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

In all markets where we are represented, Handelsbanken’s core business activities are within retail and corporate lending and deposits. We see that financing and investments are crucial for the transition to a sustainable society.

Financing – 83 per cent of the total loan volume to the public and 80 per cent of the income from lending is related to real estate (2022), which represents lending to private individuals, housing co-operative associations and property management companies. Handelsbanken has a predominant share of real estate financing in all our markets, a sector which is both carbon and energy intensive and thus has a major impact on emissions world-wide. Due to our significant exposure towards real estate, our impact analysis shows that our positive as well as our negative impact is closely connected to the sector, both in terms of environmental and social aspects. The development in the European energy market in 2022 has increased the importance of energy efficiency within the sector.

Handelsbanken’s lending to other high-emitting sectors is limited. The Bank has no lending to the coal sector and a negligible share of its lending (0,01%) to the oil and gas sector. In 2023, we will continue our climate-related impact analysis to include other high-emitting sectors as well as setting targets for these.

There are substantial costs connected to the transition to higher energy efficiency within the real estate sector and Handelsbanken has identified such costs a negative impact, especially for private individuals, but also for SMEs. In order to achieve real transition, the social economic impact has to be considered. Such transition costs are likely to have negative impact on the fulfilment of SDG 11 “Sustainable cities and communities”. Handelsbanken is aware of the importance of developing financing products, which are accessible and affordable for all customer groups to limit such negative impact.

The impact analysis has also shown that financing new buildings has negative impact on environmental factors due to the substantial use of natural resources, which contradicts SDG 11 “Sustainable cities and communities” as well as SDG 13 Climate Action. Financing conditions in the form of environmental assessments reduce the effect of such negative impact.

Investments – a substantial share, about 50 per cent, of our private customers have savings in mutual funds within Handelsbanken Fonder. A customer survey from 2022 shows that Swedish customers believe that their expectations on sustainable investments will increase in the year to come. Handelsbanken has the ambition to support our customers within this area. We have identified that we can increase positive impact and reduce negative impact by working with exclusion, inclusion and engagement. The carbon intensity (footprint) of our funds is calculated, analysed and published on a regular basis. Our intention is to include emissions for the entire value chain, that is scope 1, 2 and 3 emissions. Such measurements are complex and recently Handelsbanken Fonder’s climate data provider made extensive changes for calculating scope 3 of our portfolio footprint to get a more correct view.

In 2022, Handelsbanken Fonder has worked to further enhance its analysis of companies’ contributions to the Sustainable Development Goals, both through its own research analysis and with the assistance of external providers. This work has also been important in being able to define a sustainable investment and to report this in accordance with the EU’s Sustainable Finance Disclosure Regulation (SFDR).

Handelsbanken Fonder has assessed the impact of managing sustainability risks by including companies based on sustainability analysis, excluding investments in certain companies and sectors, and engaging through dialogues and active stewardship. Handelsbanken Fonder believes that the approach will achieve a favorable long-term risk-adjusted return. In the short term, however, a negative consequence of the investment strategy may increase sector-specific risks and lead to lower return in case of, for instance, increasing oil prices.

Advisory services – supporting customers with advisory services connected to lending and investments is an essential part of Handelsbanken’s business model, and it is important for us to provide the best advice and service to all customer groups. Our goal focuses on empowering women to increase their savings and encourage them to get more involved in their pension savings. In-house analysis shows that clients given advice on pension saving experience higher financial confidence and control. Raising awareness and promoting financial independence through increased savings helps our female clients avoid a low retirement income and gives financial freedom to make important decisions along the way. So far we have not witnessed any negative effects.

Annual and Sustainability Report 2022, pages 38–40

Net Zero Transition Plan, page 1 handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157096

Annual and Sustainability Report 2022, pages 44–45

Annual and Sustainability Report 2022, pages 48–49 and 56

Annual and Sustainability Report 2022, pages 58–60

<p>b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p>	<p>Financing – Sweden accounts for 71.3 per cent of our total volume of loans to the public, followed by Norway 13.8 per cent, UK 10.3 per cent and the Netherlands with 4.2 per cent. Our corporate lending represents 51 per cent and private customer 49 per cent of the total lending.</p> <p>Our corporate customers are represented within the large corporate group as well as within the SME segment and we are working intensively on the development of suitable financing products that support a sustainable transition. Lending to SMEs, including housing co-operative associations, represents 34% of our lending portfolio and we have continued to develop products for this customer group. We work continuously with both sustainable lending products and advisory services for corporate sustainable transition, including the management of climate risks in cooperation with third party advisers. We see it as essential to focus on the support of the SMEs since they lack the extensive in-house sustainability resources and expertise of the large corporates.</p> <p>41 per cent of Handelsbanken's lending to the public consists of mortgages or mortgage-related products, which emphasizes the importance of being able to offer sustainable lending products and services to help our private customers to transition towards net-zero. This provides a strategic business opportunity to both increase positive impact and reduce negative impact in the entire lending portfolio. Loan products with favorable margins are offered to encourage transition and to reduce the negative impact of high costs, thus increasing availability to a wider group of customers.</p> <p>Due to our significant exposure towards real estate, our impact analysis has initially focused on this sector, but will continue and be expanded to cover more high emitting sectors in 2023, as well as offer financing based on the impact areas and criteria of our green bond framework, which was updated in 2022.</p> <p>Investments – Handelsbanken Fonder has included almost its entire investment portfolio in its target setting. Optimix in the Netherlands and Handelsbanken Wealth & Asset Management in the UK are developing their pathways towards the bank's goal of net-zero emissions by 2040.</p> <p>Advisory services – women represent between 49 per cent and 43 per of our private customers (depending on market) and it is important to us to provide the best individual advice and service, and contribute to a sound economic situation for all customer groups. This is an important opportunity for us to improve positive impact and decrease negative impact related to SDG 5.</p>	<p>Annual and Sustainability Report 2022, pages 44–46</p> <p>Annual and Sustainability Report 2022, page 46</p> <p>Handelsbanken Green Bond Framework, pages 7–12</p> <p>handelsbanken.com/tron/xgpu/info/contents/v1/document/72-150724</p>
<p>If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.</p>	<p>Due to our significant exposure towards real estate, our impact analysis has initially focused on this sector, but will continue and be expanded to cover more high emitting sectors in 2023, as well as offer financing based on the impact areas and criteria of our green bond framework, which was updated in 2022.</p>	<p>Annual and Sustainability Report 2022, pages 48, 56 and 57</p>
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p>	<p>Financing – with the EU 2030 Climate Target Plan, the Commission proposes to raise the EU's ambition on reducing greenhouse gas emissions to at least 55% below 1990 levels by 2030. Since buildings are responsible for around 40% of the EU's energy consumption and 36% of its greenhouse gas emissions (2021), higher energy efficiency and reduced emissions in the built environment is the key if the EU is to reach its target, making it a main priority for a real estate bank such as Handelsbanken and our customers.</p> <p>In 2022, Handelsbanken engaged with a technical consulting company, Sweco, to optimize advice on energy efficiency and financing offers connected to suitable energy efficiency investments. A similar cooperation with a large firm offering solar panels for buildings has been established.</p> <p>Investments – Handelsbanken Fonder is active in several investor networks and cooperations as well as engaging in company dialogues together with other investors. The aim is to identify and contribute to the development of the sustainability work in the asset management sector. One of the main challenges is access to validated sustainability data and the challenges of estimated data when the company has not reported sufficient data.</p> <p>Advisory services – since women often come out less favourable than men in contexts such as salaries, pensions and savings, we have decided to provide initiatives and opportunities for reducing the wealth gap between men and women. 18% of Swedish women state that they lack knowledge about and have limited control over their economy.</p> <p>Handelsbanken joined the working group "Jämställt sparande" (Equal savings) led by the Swedish Financial Supervisory Authority for banks' engagement on a national basis.</p>	<p>climate.ec.europa.eu/eu-action/european-green-deal/2030-climate-target-plan_en</p> <p>eurocities.eu/latest/build-better-for-climate-neutral-cities/</p> <p>Climate change progress report, pages 8,9 and 11. handelsbanken.com/tron/xgpu/info/contents/v1/document/72-120091</p> <p>Annual and Sustainability Report 2022, page 46</p> <p>Annual and Sustainability Report 2022, pages 49–53</p> <p>genderpaygapintheuk/2019 oecd.org/gender/data/wide-gap-in-pension-benefits-between-menand-women.htm</p> <p>Spargapet (only in Swedish) handelsbanken.se/tron/public/info/contents/v1/document/32-160477</p> <p>oecd.org/gender/data/wide-gap-in-pension-benefits-between-men-and-women.htm data.oecd.org/earnwage/gender-wage-gap.htm</p> <p>Annual and Sustainability Report 2022, pages 59–60</p>
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.</p>	<p>Financing – climate change mitigation, resource efficiency by reducing GHG emissions and improving energy efficiency in the loan portfolio, starting with the real estate sector with the ambition to offer products for transition to all customer groups.</p> <p>Investments – climate change mitigation, such as reduced GHG emissions, increased investment in environment and climate solutions, investments in companies contributing to Agenda 2030 and the 17 SDGS and enhancing the active stewardship work including voting at shareholder meetings, nomination committee work and engagement dialogues.</p> <p>Advisory services – gender equality: create conditions for equal savings opportunities in order to support reducing the wealth gap between men and women.</p>	<p>Annual and Sustainability Report 2022, pages 44–45</p> <p>Annual and Sustainability Report 2022, pages 47–48 and 57</p> <p>Annual and Sustainability Report 2022, pages 58–59</p>

<p>d) Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p>	<p>Financing – Handelsbanken has identified that our main customer groups, such as large corporates, SMEs and private individuals are strongly connected to real estate, which is a high emitting sector and related to our focus SDGs 9, 11 and 13. Handelsbanken has performed a portfolio analysis for real estate and set an emission reduction target. Further high emitting sectors will be analysed and reduction targets set in 2023 (indicator A.1.4).</p> <p>We have set a climate strategy (A.1.1) and are in the process of setting Paris-aligned (A.1.2) and SBTi validated targets for our loan portfolio as well as our investment portfolio. The bank has put in place policies and guidelines for certain sectorial business relationships (A.1.3).</p> <p>A.2.1 We have engaged and will continue to engage with our clients to support their transition through our offering of sustainable financing products, of which some can be linked to customers' own sustainability targets (sustainability-linked loans).</p> <p>A.2.2 We have calculated financed emissions for our real estate related lending, representing 83 per cent of lending to the public. For 2023 we expect to calculate financed emissions for the remaining high emitting sectors.</p> <p>A.3.1. We have set a proportional financing target for sustainable financing.</p> <p>Investments – Handelsbanken Fonder has set targets for the entire portfolio related to emissions intensity, investments in environment and climate solutions, increase investments in companies contributing to Agenda 2030 and the 17 SDGs and increase positive outcomes of engagement activities. There is a continuing development of relevant indicators for monitoring these targets.</p> <p>Advisory services – Handelsbanken has analysed the long-term impact of the economic gap between men and women and identified and measured three economic gaps – income, savings and pensions.</p>	<p>Annual and Sustainability Report 2022, page 44</p> <p>Net-zero Banking Alliance target handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157095</p> <p>Net Zero Transition Plan handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157096</p> <p>Frameworks and Guidelines regarding Sustainability and environmental impact and climate change. handelsbanken.com/en/about-the-group/corporate-governance/policy-documents-and-guidelines</p> <p>Annual and Sustainability Report 2022, pages 47–48</p> <p>Spargapet (only in Swedish) handelsbanken.se/tron/public/info/contents/v1/document/32-160477</p>
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Self-assessment summary:
Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?
 Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

How recent is the data used for and disclosed in the impact analysis?

<input type="checkbox"/> Up to 6 months prior to publication
<input type="checkbox"/> Up to 12 months prior to publication
<input type="checkbox"/> Up to 18 months prior to publication
<input checked="" type="checkbox"/> Longer than 18 months prior to publication

Our main focus is on climate change mitigation, resource efficiency and gender equality. Handelsbanken Fonder is committed to climate mitigation, but has a wider focus on several sustainability related issues. We will continue the analysis during 2023 in order to finalise the emission target setting for other high emission sectors within the NZBA framework.

2.2 Target Setting (Key Step 2)

<p>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a–d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p>	<p>We have set targets within our main business areas based on our implemented impact analyses as described in 2.1. The targets have been aligned with the Paris Agreement and relevant SDGs, and our net-zero ambitions are well ahead of national net-zero targets.</p>	<p>Annual and Sustainability Report 2022, pages 44–45 and 47–48</p> <p>Spargapet (only in Swedish) handelsbanken.se/tron/public/info/contents/v1/document/32-160477, pages 4–10</p>
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<p>b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p> <p>If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:</p>	<p>Financing – baselines and relevant climate change indicators</p> <p>A.1.1/A.1.2 Handelsbanken has set a climate strategy in place and has a long-term portfolio-wide Paris-alignment target to have net-zero emissions by 2040 with base year 2021.</p> <p>A.1.3 The Bank has put in place policies and guidelines for certain sectoral business relationships.</p> <p>A.1.4 Handelsbanken has performed a portfolio analysis for real estate, calculated a financed emissions baseline for the sector and set an emission reduction target. Further high emitting sectors will be analysed and reduction targets set in 2023.</p> <p>A.2.1 We will continue to engage with our clients to support their transition by continue to further develop our sustainable financing products, of which some can be linked to customers' own sustainability targets (sustainability-linked loans), the EU taxonomy and our green bond framework which was updated in 2022.</p> <p>A.2.2 We have calculated financed emissions for our real estate related lending, representing 83% of lending to the public. For 2023 we expect to calculate financed emissions for the remaining high emitting sectors.</p> <p>A.3.1. We have set a financing target for sustainable financing to be 20% of the loan portfolio in 2025.</p> <p>Investments – the performance indicators under set targets are measured and published annually from 2021. Base year is 2020.</p> <p>Advisory services – we have educated our staff and offer advisory services to support the reduction of the wealth gaps and support SDG 5. We will continue to develop how we measure the impact of our support and solutions. Base year for measurements is 2020.</p>	<p>Net-zero Banking Alliance target handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157095</p> <p>Net Zero Transition Plan handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157096 setting</p> <p>Frameworks and Guidelines regarding Sustainability handelsbanken.com/en/about-the-group/corporate-governance/policy-documents-and-guidelines</p> <p>Guidelines regarding environmental impact and climate change</p> <p>Annual and Sustainability Report 2022, pages 40 and 60</p> <p>Annual and Sustainability Report 2022, pages 62–63</p> <p>Annual and Sustainability Report 2022, pages 40 and 44–46</p> <p>Sustainability Factbook 2022, pages 4, 6–7</p>
<p>c) SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	<p>Financing – by 2025, 20% of the Bank's financing volume shall consist of green financing¹, social financing or financing that contributes to the borrower's measurable, sustainable transition. The ratio (share of the loan portfolio in per cent) is disclosed in the Sustainability Factbook.</p> <p>Investments – Handelsbanken Fonder's investment portfolios shall be in line with the goals and transition pathway of the Paris Agreement, achieve net-zero emissions of greenhouse gases by 2040 at the latest, and increase the funds' contributions to Agenda 2030. Interim targets include reducing our emissions intensity by 50%, doubling investments in environment and climate solutions by 2030, a 30% increase of the share of investments classed as sustainable by 2025 and annual increases in positive outcomes of engagement activities. The continuing development on relevant KPIs for monitoring is described in the section Savings and Investments in the Annual and Sustainability Report 2022.</p> <p>Advisory services – by 2023 at the latest, through business development and training initiatives, in a measurable way create conditions for gender-equal savings and thus contribute to reducing the wealth gap between men and women. The advisory target will be measured through business development and training initiatives described in the section Advisory services in the Annual and Sustainability Report 2022.</p>	<p>handelsbanken.com/en/sustainability/sustainability-goals</p> <p>Sustainability Factbook 2022, page 4</p> <p>Sustainability Factbook 2022, page 6</p> <p>Sustainability Factbook 2022, page 7</p>
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	<p>Financing – in 2023, Handelsbanken will analyse and set sector specific interim reduction targets for high emission sectors in the loan portfolio, following the guidelines set by NZBA. The reduction targets will also be submitted for validation to Science Based Targets initiative (SBTi). The level of ambition of the reduction targets will be reflected in our work with customers to support their transition towards Paris alignment and net-zero emissions. The development of sustainable financing products and services are crucial to fulfilment of the reduction targets and will continue. There has, so far, been a limited interest from clients regarding social financing.</p> <p>Because of our decentralised organisation, the process and development of targets involves and encourages a large number of the bank's employees to focus on sustainability. Each home-market has put in place a process for progress of product development and reporting.</p> <p>To secure positive impact and reduce the risk of negative impact related to sustainability criteria of new products, all products are analysed and approved by the bank's internal Green Finance Committee (GFC) with sustainability experts from different parts of the bank.</p> <p>The impact analysis shows potential negative impact based on high costs for certain customer groups. Products with favorable pricing and uncomplicated structure has been and will continue to be developed.</p> <p>Investments – during 2023 Handelsbanken Fonder, Optimix and Handelsbanken Wealth & Asset Management will refine the practical implementation and the indicators of the 2030 interim targets.</p> <p>Advisory services – in 2023 Handelsbanken strive to increase our employees awareness and behaviour in our client meetings. By measuring completion of training courses we aim to increase advisor competence. In 2022, 80 per cent of Handelsbanken's Swedish advisers completed training course related to the advisory target compared to 41 per cent in 2021. Handelsbanken's ambition is to make the training mandatory for all advisers. We shall also, by using internal statistics, measure that we have created conditions for more gender-equal savings for clients using our new advisory tools and information.</p>	<p>Net-zero Banking Alliance target handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157095</p> <p>Annual and Sustainability Report 2022, pages 39–40</p> <p>Handelsbanken Green Bond Framework, page 13</p> <p>Annual and Sustainability Report 2022, pages 55–57</p> <p>Annual and Sustainability Report 2022, page 39 and 59</p> <p>Spargapet (only in Swedish) handelsbanken.se/tron/public/info/contents/v1/document/32-160477</p>

¹ Criteria for green financing in accordance with Handelsbanken's Green Bond Framework, handelsbanken.com/handelsbankens-green-bonds, aligned with the 2021 ICMA Green Bond Principles and adjusted to, but not fully aligned with the EU taxonomy.

Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: Financing	... second area of most significant impact: Investments	... your third (and subsequent) area(s) of impact: Advisory services
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):

describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Financing – in 2022, Handelsbanken set an emission reduction target for the real estate financing portfolio. We have introduced a number of new sustainable financing products with economic incentives such as lower interest rates for all customer groups. Private individuals and corporates are offered sustainable financing for multiple purposes, including energy efficiency measures, clean energy and climate adaptation. Handelsbanken updated its Green Bond Framework in 2022 and offer sustainable financing for all asset classes stipulated in the framework, including the first two environmental objectives "climate change mitigation" and "climate change adaptation" under the EU Taxonomy (the Climate Delegated Act, December 2021). SMEs are offered sustainable advisory through our cooperation with an external technical consultancy company. The share of financing volumes relating to green assets (green loans) as well as measurable transition for the company activities (sustainability-linked loans) are constantly growing and is monitored every quarter.

Investment – Handelsbanken Fonder has continued the work with their sustainability targets and further developed definitions and measuring methods for improving measuring and follow-up. The engagement work has been categorised and defined. Continuous work is being done to develop and improve the data for measurement of progress, in particular in regards to climate data. Our supplier has provided a new method for measuring carbon intensity, which will provide a better picture of carbon intensity in our investments.

Advisory services – we have strengthened our branch advisors capabilities through education and the development of advisory tools. Handelsbanken has also launched digital tools to support customers to make well-informed decisions and to get a clear view of their present and future economic situation, including checklists, calculation tools and advice on suitable savings to compensate for part-time work.

Progress on the targets are measured and monitored on a regular basis.

Ongoing decisions on whether products and volumes qualify for the target related to sustainable financing are made by the bank's Green Financing Committee (GFC).

The follow-up of the sustainability targets related to sustainability goals is monitored by the Sustainability Risk Committee at Handelsbanken Fonder.

The progress of the target within responsible advisory services is followed up on by the business area Savings and Pensions.

The results are published yearly in the Annual and Sustainability Report and the Sustainability Factbook. Handelsbanken's Executive Management and Central Board receive updates on the overall process and provide feedback on a quarterly basis.

Net-zero Banking Alliance target handelsbanken.com/tron/xgpu/info/contents/v1/document/72-157095, pages 2–3

Annual and Sustainability Report 2022, pages 45–46

Handelsbanken Green Bond Framework, pages 7, 12 and 15 handelsbanken.com/tron/xgpu/info/contents/v1/document/72-150724

Sustainability Factbook 2002, page 4

Annual and Sustainability Report 2022, pages 49–53

Sustainability Factbook 2002, page 6

Annual and Sustainability Report 2022, page 60

Sustainability Factbook 2002, page 7

PRINCIPLE 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

- Yes
- In progress
- No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

- Yes
- In progress
- No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Handelsbanken has a number of policies (adopted by the board) and guidelines (adopted by the CEO) that promote and regulate responsible relationships with customers, such as policy on ethical standards, the credit policy and guidelines regarding environment impact and climate change. The guidelines regarding impact and climate change were updated in 2022 with specific references to fossil fuels, biodiversity and transition companies.

Handelsbanken's conviction is that decentralised responsibility and local decision-making lead to better decisions. Therefore, every manager at Handelsbanken is responsible for integrating the risks and opportunities associated with environmental and climate impact into their operations. Among other things, this entails continually increasing employees' understanding of the causes and consequences of climate change. The employees' competency regarding and awareness of how the bank's operations affect the environment and climate are to be kept up-to-date through regular information and training. In the annual business planning, every unit must comply with, and plan to contribute to, Handelsbanken's environmental activities. This procedure constitutes a sound basis for customer cooperation on sustainable topics.

Sustainability aspects are an important part of Handelsbanken's credit policy. Lending shall be responsible and meet high standards of good ethics. In the credit process, Handelsbanken assesses and evaluates the customers' approach to the principles and the initiatives that Handelsbanken supports. The bank may refrain from lending to companies that do not comply with its sustainability framework.

For several years we have had a regular dialogue with our customers on our development of green financing products as well as products related to sustainable transition. We exchange ideas and experiences to be on the front line with our sustainable offers.

Through our extensive branch network we have built a close relationship with private customers through personal advisers, who have many opportunities to discuss customer expectations on sustainable savings as well as financial advice in different life situations. We also participate in external customer satisfaction surveys and perform our own surveys related to our sustainability performance.

Framework and guidelines regarding sustainability <https://www.handelsbanken.com/en/about-the-group/corporate-governance/policy-documents-and-guidelines>

Annual and Sustainability Report 2022, page 41 and 44–46

Annual and Sustainability Report 2022, pages 59 and 60

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Handelsbanken offers solutions and financing products connected to sustainable transition to corporate customer in our home markets this includes green and taxonomy aligned financing products, sustainability-linked loan and advisory services when customers issue green bonds.

The growing interest from especially large corporates in our sustainability-linked loans create an important opportunity to cooperate with our customers on transition and for us to support their journey towards a sustainable future by developing suitable indicators for monitoring performance against the companies' sustainability targets.

In Sweden, Handelsbanken has signed an agreement with the technical consulting company Sweco, for providing advice to real estate SMEs and housing cooperative associations on technical measures for climate mitigation and climate adaptation, measures which can be financed by our sustainable financing offers.

For private customers we provide advisory services and financing products, including green mortgages and financing of solar energy and energy efficiency in their homes. Based on a cooperation with the large energy company Vattenfall we can connect customers and solar panel providers and offer financing products for the necessary investment.

Development of the share of sustainable financing is published in the Sustainability Factbook.

We expect our customers demand for sustainable savings alternatives to increase and we will meet these demands by providing savings and investment products which follow ethical and sustainable guidelines.

Through our branch network we build a close relationship with private customers through personal advisers, which provide many opportunities to discuss customers present and future financial situations and advice on suitable savings alternatives.

In 2022 Handelsbanken developed a tool for equal economy to the support of personal advisers in Sweden and Norway. We launched a digital tool through which customers can access advice on savings suitable for different life situations.

The bank launched a tool to enable customers to get an overview of their carbon footprint from their savings.

During 2022 we have also focused on accessibility and inclusion by developing our digital services to better serve customers with disabilities or language difficulties.

Annual and Sustainability Report 2022, pages 45–46

Annual and Sustainability Report 2022, pages 40 and 45

Annual and Sustainability Report 2022, page 46

Annual and Sustainability Report 2022, page 39
Sustainability Factbook 2022, page 4

Annual and Sustainability Report 2022, page 47

Spargapet (only in Swedish)
handelsbanken.se/tron/public/info/contents/v1/document/32-160477

Annual and Sustainability Report 2022, page 60

PRINCIPLE 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

- Yes
- In progress
- No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/ results achieved and how they fed into the action planning process.

We engage and consult with a wide range of internal and external stakeholders including customers, investors, NGOs, national and international initiatives, authorities, industry organisations, unions, employees, students and schools in our home markets. The purpose is to seek their view on our sustainability work and our sustainability targets, and to benefit from each other's experiences under informal as well as formal circumstances.

In 2022, we have cooperated and shared experiences with parties such as the Swedish National Board of Housing, Sweco (technical advice for SMEs), Vattenfall (solar panels), the Swedish Financial Supervisory Authority (equal savings), survey companies, International Association of Accessibility Professionals (IAAP, digital solutions for higher accessibility) and other Nordic banks (calculation methods for measuring GHG emissions). When updating Handelsbanken's guidelines for environment and climate change, NGOs were consulted.

In 2022, Handelsbanken Fonder has conducted customer dialogues and customer surveys in order to proactively and responsively listen to both stakeholders and customers' expectations of the sustainability work. The active dialogue will continue for ensuring future alignment with stakeholder and customer expectations.

Annual and Sustainability Report 2022, pages 40–42, 45–46, 60 and 63

Annual and Sustainability Report 2022, pages 47, 51 and 54–55

PRINCIPLE 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

- Yes
- In progress
- No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Handelsbanken's governance framework provides a structure for effective and responsible decision-making through a decentralised way of working close to the customer.

The Board issues policies as part of its governance of the bank. These policies are revised every year, but can be adjusted more often when necessary.

The CEO issues guidelines and more detailed directions, which in turn supplement and clarify these policies.

Together these documents result in the Bank's instructions, which support work processes.

The operational responsibility for sustainability has been delegated by the CEO to the Chief Sustainability and Climate Officer, who quarterly reports on progress of the sustainability targets and other essential sustainability matters to the CEO, the Executive Management and the Central Board. The Chief Sustainability and Climate Officer is a member of the Executive Management.

In 2022, members of the Executive Management and the Central Board have completed a training within global reasons and consequences of climate change.

Performance-related remuneration is paid neither to the board members, nor to the executive officers of the bank, like all employees of the bank, the executive officers and the board members who are employees of the bank are included in the Oktogonen profit-sharing system.

The Chief Sustainability and Climate officer leads the Bank's central sustainability department, Group Sustainability, and has the task of co-ordinating, supporting and acting as a driving force for its sustainability work. This includes the responsibility of developing proposed improvements to the bank's sustainability strategy, as well as compiling and communicating the work externally. Sustainability specialists on group level support the branches and colleagues in the markets where Handelsbanken is represented.

The Chief Sustainability and Climate Officer also heads Handelsbanken's group-wide Sustainability Council, which proactively analyses risks and business opportunities related to sustainability and monitors the sustainability targets. The members are executive officers of which several are part of the group management including, among others, the Bank's Chief Financial Officer, Chief Strategy Officer, Chief Risk Officer, Chief Compliance Officer and Head of Group Credits.

To ensure integration of sustainability in the bank, there are several completing working groups. Green Finance Committee, with sustainability experts from different parts of the Bank, establishes criteria for sustainable financing products and approves inclusion of assets in the sustainable portfolio.

Our sustainability report is integrated in our annual report and covers our most important sustainability topics and how we implement them. The report also describes activities and results for the past year. It is published annually and covers the Group as a whole. The report is prepared in accordance with the GRI Standards and is reviewed by external auditors.

Annual and Sustainability Report 2022, pages 41–42

handelsbanken.com/en/about-the-group/organisation

Annual and Sustainability Report 2022, page 42

Annual and Sustainability Report 2022, page 41

Annual and Sustainability Report 2022, page 47

5.2 Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

In Handelsbanken each employee participates in a mandatory sustainability training and is expected to apply such training in their daily work and, when necessary, be supported by group sustainability specialists. In addition to the general training we provide specific training to advisors. Sustainability is a mandatory part of the yearly business planning of all the Bank's units, which gives employees the opportunity to participate in the ongoing sustainability work.

Annual and Sustainability Report 2022, page 39, 41, 46, 55, 58, 60 and 61

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Handelsbanken has established policies, guidelines and risk management processes to identify, manage and prevent risks related to sustainability.

handelsbanken.com/en/about-the-group/corporate-governance/policy-documents-and-guidelines

Annual and Sustainability Report 2022, page 43

Self-assessment summary:

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

- Yes
- No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

- Yes
- No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

- Yes
- In progress
- No

PRINCIPLE 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes
- Partially
- No

Handelsbanken's disclosed information on our PRB commitments has been assured by an independent assurer in 2020, 2021 and 2022.

Sustainability Factbook 2022, page 30

If applicable, please include the link or description of the assurance statement.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other

Handelsbanken discloses sustainability information in line with all of the listed standards and frameworks.

Sustainability Factbook 2022, pages 14–16

Annual and Sustainability Report 2022, page 40 and 43

<https://www.handelsbanken.com/en/about-the-group/corporate-governance/policy-documents-and-guidelines>

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

Below is a description of some of the work Handelsbanken plans to undertake during 2023 when implementing the PRB principles:

Alignment and Impact Analyses

- Handelsbanken will set targets for the remainder of high emission sectors and validate all sector emission targets through SBTi.
- Handelsbanken will continue to work on developing sustainable financing products.

Target setting

- Handelsbanken will align the emission targets with the bank's financing target and continue product development for green assets, transition and social financing.
- Handelsbanken will improve and develop indicators for the investment targets.
- Handelsbanken will continue to develop and measure the target achievements of the advisory target.

Governance

- Handelsbanken has robust structures for monitoring the progress of our targets and the principles, but will be complemented by for instance position papers on certain high emission sectors.
- Handelsbanken will further develop support and training for all employees for the integration of sustainability and with the aim to increase awareness of targets and the principles in all relevant processes.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- Embedding PRB oversight into governance
- Gaining or maintaining momentum in the bank
- Getting started: where to start and what to focus on in the beginning
- Conducting an impact analysis
- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Other

If desired, you can elaborate on challenges and how you are tackling these:

- Customer engagement
- Stakeholder engagement
- Data availability
- Data quality
- Access to resources
- Reporting
- Assurance
- Prioritizing actions internally

Auditor's Limited Assurance Report on Handelsbanken's self-assessment of the Principles for Responsible Banking

To Svenska Handelsbanken AB (publ), corporate identity number: 502007-7862

INTRODUCTION

We have been engaged by Svenska Handelsbanken AB (publ) (Handelsbanken) to undertake a limited assurance of Handelsbanken's self-assessments of its fulfillment of its commitments as a signatory of the Principles for Responsible Banking for 2022. The self-assessment is defined on page 20–29 in Handelsbanken's Sustainability Factbook 2022. The reporting criteria against which this information was assessed are Handelsbanken's self-assessment of its fulfillments of its commitments as signatory of the Principles for Responsible Banking that are described on page 20–29 and cover the Principle for Responsible Banking assessment areas including 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Plans for Target Implementation and Monitoring and 5.1 Governance and structure for implementing the principles. Our assurance does not extend to any other information in the self-assessment.

RESPONSIBILITIES OF THE EXECUTIVE MANAGEMENT

The Executive Management are responsible for the preparation of the self-assessment of Handelsbankens fulfillment of its commitments as a signatory of the Principles for Responsible Banking in accordance with the applicable criteria. This responsibility also includes the internal control relevant to the preparation of a self-assessment that is free from material misstatements, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the self-assessment based on the limited assurance procedures we have performed. We have carried out our work in accordance with the requirements laid out in the Assurance Guidance to undertake limited assurance on Principles reporting, issued by UNEP FI. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

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

The audit firms apply ISQM 1 (International Standard on Quality Management) and accordingly maintain 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 Handels-

banken AB (publ) 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 self-assessment.

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 self-assessment has not been prepared, in all material respects, in accordance with the criteria defined by the Executive Management.

Stockholm, February 23, 2023

PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant

Karin Juslin
Sustainability Specialist

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

Marianne Förander
Sustainability Expert Member of FAR

Would you like to know more

More information about Handelsbanken and the latest news about our sustainability work is available at handelsbanken.com/sustainability.

Responsible financing

More information about responsible financing at Handelsbanken is available at handelsbanken.com/responsible-financing.

Here, you can read about how we integrate sustainability considerations in our lending, including in:

- Sustainability summary for Handelsbanken – lending to corporates.

More information about green financing is available at handelsbanken.se/en/corporate/financing/sustainable-finance. For example, you can read about our criteria for green loans.

Material relating to Handelsbanken's green bonds can be found at handelsbanken.com/handelsbankens-green-bonds. This includes:

- Handelsbanken's Green Bond Framework
- Green Bond Impact Report
- An independent evaluation of Handelsbanken's Green Bond Framework.

Responsible investments

More information about responsible investments at Handelsbanken is available at handelsbanken.com/responsible-investments and handelsbankenfonder.se. Here, you can read the following documents on responsible investments:

- Policies and guidelines for responsible investments
- List of excluded companies
- Vote summary
- Sustainability and corporate governance report
- Carbon footprint
- Sustainability report Svanen (the Swan) – the Nordic Council's environmental certification
- Climate reports.

Responsible advisory services

More information about the Bank and its customers is available at handelsbanken.com. Here you can read about our efforts regarding accessibility, digitalisation and responsible advisory services.

You can read about our work with gender-equal advisory services in the following report:

- The savings gap – What should we do about it?

Corporate responsibility

More information about the Handelsbanken's business culture is available at handelsbanken.com.

Information available here includes ethical standards at Handelsbanken, how we work to prevent financial crime, and the following documents:

- Policy for ethical standards in the Handelsbanken Group
- Policy for sustainability in the Handelsbanken Group
- Policy for management of conflicts of interest.

More information about the Bank's role in the community is available at handelsbanken.com/sustainability. Here you can read about how we address human rights and take action on the environment and climate, and access the following documents:

- Environment and climate change – Handelsbanken's guidelines
- Sector Framework Fossil Energy
- Handelsbanken's climate change progress report 2022
- Supplier Code of Conduct.

More policies and guidelines are available at handelsbanken.com/policy-documents.

At handelsbanken.com/ir you can read about our business model and the various sustainability indexes which include Handelsbanken, information about the Handelsbanken share, financial results and other investor information, for example:

- Annual and Sustainability reports
- Interim reports
- Presentations and fact books.

More information about Handelsbanken as an employer is available at handelsbanken.com/en/careers. Here you can find our framework for gender equality, diversity and an inclusive culture.

PLEASE CONTACT US

If you would like to ask questions about our sustainability work or if you have opinions to share, feel free to contact us at sustainability@handelsbanken.se.

