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Article 10 (SFDR)

Website disclosure for an Article 8 mandate

Discretionary Portfolio Management +

Version	Date of publication	Date of update (if any)	Explanation (if any)
1.0	04/04/2024		

Product name: Discretionary Portfolio Management +

Legal entity identifier: N/A

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: ___%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of 10% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



A. Summary

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective being a sustainable investment.

Environmental or social characteristics of the financial product

The Discretionary Portfolio Management + promotes:

- 1) The investments in a diversified portfolio of mutual funds, (the “**Underlying Funds**”), for which environmental, social and governance (“**ESG**”) factors have been integrated into the investment process as a way to foster positive change; and
- 2) The exclusion of investments in certain controversial sectors and investments that do not respect certain societal and international norms (the “**Exclusion Criteria**”). Further details on the nature of these exclusions are set out in response to the question, “*What investment strategy does this financial product follow?*” below.

Investment strategy

The composition of the portfolio is largely made of investments selected by the group’s management company (“Handelsbanken Fonder AB”), depending on the different risk model portfolios (low, medium and high risk) agreed with each client; the portfolios are mainly composed of mutual funds, some of them being selected locally by the Luxembourg Branch in order to accommodate the clients’ specific expectations in terms of currency and/or geographical repartition.

To attain the environmental and/or social characteristics promoted, the Discretionary Portfolio Management + will invest in a diversified portfolio of mutual funds that either:

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- (i) are financial products referred to in Article 8 SFDR and which the Luxembourg Branch has determined satisfy its requirements of aligning with the environmental and social characteristics promoted by the Fund (“Article 8 SFDR Underlying Funds”); or
- (ii) are financial products referred to in Article 9 SFDR and which the Luxembourg Branch has determined satisfy its requirements of aligning with the environmental and social characteristics promoted by the Fund (“Article 9 SFDR Underlying Funds”).

The Discretionary Portfolio Management + also ensures that investments in prohibited weapons, nuclear weapons, the armaments industry, tobacco, alcohol, commercial gambling, pornography and the extraction and refinement of fossil fuels are excluded from the portfolio. Companies and Underlying Funds that invest in companies that carry out the extraction of Arctic oil, coal mining, or the extraction of oil sands, are excluded entirely. Furthermore, the Discretionary Portfolio Management + also ensures that investments in companies that have been identified as being in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise and investments in sovereigns and supnationals subject to social violations are excluded from the portfolio.

Proportion of Investments

At least 51% of the Discretionary Portfolio Management +'s NAV will be invested in assets that qualify as aligned with E/S characteristics.

Among these, the Discretionary Portfolio Management + commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 10% of the portfolio on an aggregated basis.

The Discretionary Portfolio Management + is allowed to invest up to 49% of its NAV in cash, cash equivalents, hedging instruments and/or investments that do not meet the environmental and or social characteristics promoted. As these instruments are not expected to detrimentally affect the attainment of the financial product's environmental and social characteristics, no minimum environmental or social safeguards are applied.

Monitoring of environmental or social characteristics

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Discretionary Portfolio Management + are:

- The share of the portfolio invested in Article 8 SFDR Underlying Funds;
- The share of the portfolio invested in Article 9 SFDR Underlying Funds; and
- The percentage of investments that do not comply with the Discretionary Portfolio Management + 's Exclusion Criteria.

Methodologies

The Luxembourg Branch relies on the methodologies developed by the Underlying Funds' managers to define and assess contribution of their investments towards environmental and/or social objective(s) and to ensure that none of the Discretionary Portfolio Management +'s sustainable investments significantly harm any environmental and/or social objective, and relies on external data from Sustainalytics to monitor the Exclusion Criteria promoted.

Data sources and processing

The Luxembourg Branch applies a look-through on the data reported by the Underlying Funds' managers to assess contribution of their investments towards environmental and/or social objective(s) and to ensure that none of the Discretionary Portfolio Management +'s sustainable investments significantly harm any environmental and/or social objective. In addition, the Luxembourg Branch relies on external data from Sustainalytics to monitor the Discretionary Portfolio Management + investments' adherence to the Exclusion Criteria. External data is processed manually on a regular basis, and the share of estimated data is reported on an annual basis in the periodic reporting of the Discretionary Portfolio Management +.

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Limitations to methodologies and data

The Luxembourg Branch relies on the methodologies and data reported by the Underlying Funds' managers, as well as the methodologies and data obtained from the external data provider, namely Sustainalytics to monitor the sustainability indicators of the Discretionary Portfolio Management + and is thus exposed to the limitation of the methodologies developed by these third-parties. In the event of a change in methodology by the external data provider, the Luxembourg Branch will review the methodological implication for the Discretionary Portfolio Management +'s Exclusion Criteria and ensure that such changes are compatible with its binding commitments.

Due diligence

The Luxembourg Branch has due diligence procedures in place to ensure that sustainability risks and the sustainability requirements established for the Discretionary Portfolio Management + are taken into account in investment decisions.

Engagement policies

Engagement is not part of the environmental or social investment strategy of Discretionary Portfolio Management +.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Discretionary Portfolio Management + .



B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Svenska Handelsbanken AB, (Publ), Luxembourg Branch (the "**Luxembourg Branch**") relies on the methodologies developed by the Underlying Funds' managers to define and assess contribution of their investments towards environmental and/or social objective(s).

The Luxembourg Branch has defined an evaluation methodology that aims to measure the share of the Discretionary Portfolio Management + that contributes to environmental or social objectives by applying a look through analysis.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Luxembourg Branch relies on the methodologies developed by the Underlying Funds' managers to ensure that none of the Discretionary Portfolio Management +'s sustainable investments significantly harm any environmental and/or social objective.

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How have the indicators for adverse impacts on sustainability factors been taken into account?

The Luxembourg Branch relies on the methodologies developed by the Underlying Funds' investment managers to take into account all mandatory Principal Adverse Impact indicators ("PAI") as per Annex I CDR Regulation (EU) 2022/1288 and ensure these investments do not significantly harm any environmental and/or social objective.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Luxembourg Branch relies on the methodologies developed by the Underlying Funds' investment managers to ensure that the portion of sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In addition, the Discretionary Portfolio Management + will not invest in any Underlying Fund with exposure to companies that have been identified as being in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise.



C. Environmental or social characteristics of the financial product

What environmental and/or social characteristics are promoted by this financial product?

The Discretionary Portfolio Management + promotes:

- The investments in a diversified portfolio of mutual funds, (the "**Underlying Funds**"), for which environmental, social and governance ("**ESG**") factors have been integrated into the investment process as a way to foster positive change; and
- The exclusion of investments in certain controversial sectors and investments that do not respect certain societal and international norms (the "**Exclusion Criteria**"). Further details on the nature of these exclusions are set out in section "*D. Investment strategy*" below.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Discretionary Portfolio Management +.



D. Investment strategy

What investment strategy does this financial product follow?

The composition of the portfolio is largely made of investments selected by the group's management company ("Handelsbanken Fonder AB"), depending on the different risk model portfolios (low, medium and high risk) agreed with each client; the portfolios are mainly composed of mutual funds, some of them being selected locally by the Luxembourg Branch in order to accommodate the clients' specific expectations in terms of currency and/or geographical repartition.

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Underlying Funds

To attain the environmental and/or social characteristics promoted, the Discretionary Portfolio Management + will invest in a diversified portfolio of mutual funds that either:

- (i) are financial products referred to in Article 8 SFDR and which the Luxembourg Branch has determined satisfy its requirements of aligning with the environmental and social characteristics promoted by the Fund (“Article 8 SFDR Underlying Funds”); or
- (ii) are financial products referred to in Article 9 SFDR and which the Luxembourg Branch has determined satisfy its requirements of aligning with the environmental and social characteristics promoted by the Fund (“Article 9 SFDR Underlying Funds”).

Exclusion Criteria

The Discretionary Portfolio Management + also ensures that investments in prohibited weapons, nuclear weapons, the armaments industry, tobacco, alcohol, commercial gambling, pornography and the extraction and refinement of fossil fuels are excluded from the portfolio. Companies and Underlying Funds that invest in companies that carry out the extraction of Arctic oil, coal mining, or the extraction of oil sands, are excluded entirely.

Furthermore, the Discretionary Portfolio Management + also ensures that investments in companies that have been identified as being in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise and investments in sovereigns and supranationals subject to social violations are excluded from the portfolio.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental and/or social characteristics promoted by this financial product?

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics are:

- The Discretionary Portfolio Management + will invest in either:
 - Article 8 SFDR Underlying Funds; or
 - Article 9 SFDR Underlying Funds.
- The Discretionary Portfolio Management + will not invest in companies, mutual funds and states that do not comply with the Exclusion Criteria.

What is the policy to assess good governance practices of the investee companies?

Good governance practices by investee companies, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance are ensured through investing in Article 8 or Article 9 SFDR products, which in turn are required to ensure the good governance practices of their investee companies. For direct investments, the Discretionary Portfolio Management + will exclude companies falling within the “Severe” category of the controversy score as measured by Sustainalytics.

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What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the Discretionary Portfolio Management + considers principal adverse impacts (“PAIs”) as follows.

Indicators applicable to investments in investee companies

Environmental – GHG emissions

- Table 1, indicator 1 – Scope 1 + 2 + 3 carbon emissions portfolio assessment.
- Table 1, indicator 4 – Share of investments in companies active in the fossil fuel sector: in the portfolio management, fossil fuels are excluded, and underlying exposure is only permitted to:
 - (i) companies whose involvement in fossil fuels is below the threshold values for the exclusion strategy (5% production/distribution, 50% services).
 - (ii) approved companies in transition¹.

Companies and Underlying Funds that invest in companies that carry out the extraction of Arctic oil, coal mining, or the extraction of oil sands, are excluded entirely.

Social and employee matters

- Table 1, indicator 10 – Share of investments in companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise: the Discretionary Portfolio Management + will not invest directly in companies, nor in any Underlying Fund exposed to companies, that have been identified as being in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise.
- Table 1, indicator 14 – Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons): the Discretionary Portfolio Management + will not invest directly in companies, nor in any Underlying Fund with exposure to companies exposed or having ties with the production of controversial weapons.

Indicators applicable to investments in sovereigns and supranationals

Social

- Table 1, indicator 16 – Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international

¹ As defined under Handelsbanken Fonder's 'Inclusion of companies in transition' methodology documentation (cf. <https://www.handelsbanken.se/sv/om-oss/svenska-dotterbolag/handelsbanken-fonder/our-work>; <https://www.handelsbanken.se/tron/public/info/contents/v1/document/32-93856>).

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treaties and conventions, United Nations principles and, where applicable, national law: the Discretionary Portfolio Management + will not invest directly in sovereigns and supranationals, nor in any Underlying Fund with exposure to sovereigns and supranationals, subject to social violations.

The Luxembourg Branch relies on quantitative data provided by a third-party provider to consider the Discretionary Portfolio Management +'s principal adverse impacts on sustainability factors.

More information on how PAIs have been considered during the reference period will be made available in the periodic reporting of the Discretionary Portfolio Management +.

No



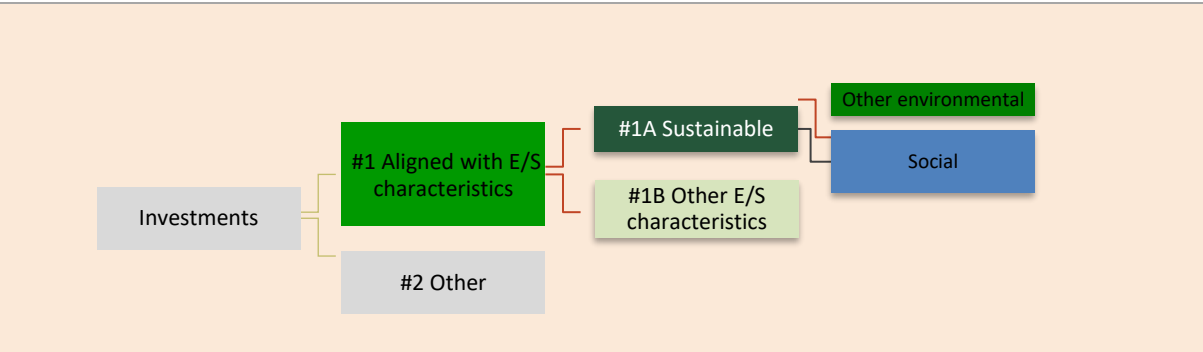
E. Proportion of investments

What is the asset allocation planned for this financial product?

At least 51% of the Discretionary Portfolio Management +'s NAV will be invested in assets that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics).

Among these, the Discretionary Portfolio Management + commits to make a minimum of 1% of sustainable investments with an environmental objective and 1% of sustainable investments with a social objective which can both vary independently at any time. These sustainable investments will represent at least 10% of the portfolio on an aggregated basis (#1A Sustainable).

The Discretionary Portfolio Management + is allowed to invest up to 49% of its NAV in cash, cash equivalents, hedging instruments and/or investments that do not meet the environmental and or social characteristics promoted (#2 Other). As these instruments are not expected to detrimentally affect the attainment of the financial product's environmental and social characteristics, no minimum environmental or social safeguards are applied.



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#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Discretionary Portfolio Management + does not commit to making a minimum portion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU Criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy²?

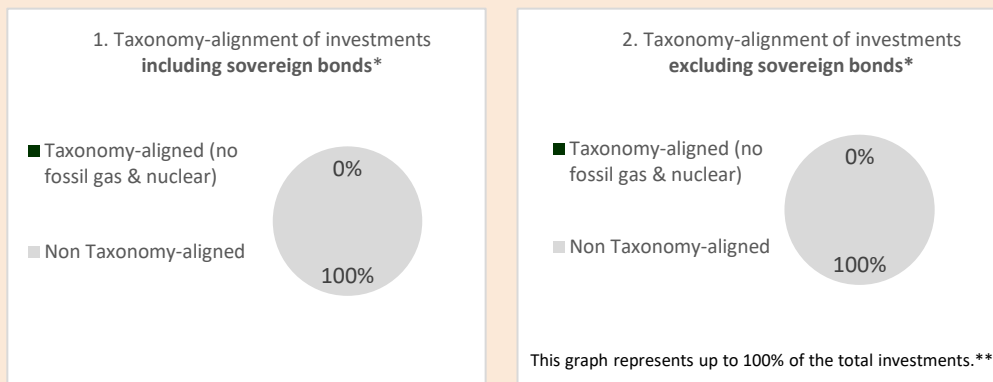
Yes:

In fossil gas In nuclear energy

No

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

**As the Discretionary Portfolio Management + does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Discretionary Portfolio Management +'s portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

What is the minimum share of investments in transitional and enabling activities?

As the Discretionary Portfolio Management + does not commit to making any sustainable investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Discretionary Portfolio Management + commits to a minimum 1% of sustainable investments with an environmental objective aligned with SFDR. These investments could be aligned with the EU Taxonomy, but the Luxembourg Branch is not currently in a position to specify the exact proportion of the Discretionary Portfolio Management +'s investments which take into account the EU criteria for environmentally sustainable economic activities.

What is the minimum share of sustainable investments with a social objective?

The minimum share of socially sustainable investments that the Discretionary Portfolio Management + commits to make is 1%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Discretionary Portfolio Management + may hold ancillary liquidities and use financial derivative instruments for hedging purposes. As these instruments are not expected to detrimentally affect the attainment of the financial product's environmental and social characteristics, no minimum environmental or social safeguards are applied.



F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Discretionary Portfolio Management + are:

- The share of the portfolio invested in Article 8 SFDR Underlying Funds;
- The share of the portfolio invested in Article 9 SFDR Underlying Funds; and
- The percentage of investments that do not comply with the Discretionary Portfolio Management + 's Exclusion Criteria.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product?

The environmental or social characteristics and the sustainability indicators of the Discretionary Portfolio Management + are monitored by conducting checks on a regular basis to ensure the correct implementation of the investment strategy.

The Discretionary Portfolio Management +'s investment in Underlying Funds is monitored by applying a look through analysis on the minimum commitments defined by the Underlying Funds' managers, through a combination of information received from the corresponding European ESG Template (EET) and manual checks applied at the level of the pre-contractual disclosures foreseen under Article 8, and Article 9 SFDR of each Underlying Fund.

The Discretionary Portfolio Management +'s investment Exclusion Criteria is ensured through internal screens based on data provided by Sustainalytics.



G. Methodologies

What are the methodologies used to measure the attainment of the environmental or social characteristics promoted by the financial product?

The Luxembourg Branch relies on the methodologies developed by the Underlying Funds' managers to define and assess contribution of their investments towards environmental and/or social objective(s) and to ensure that none of the Discretionary Portfolio Management +'s sustainable investments significantly harm any environmental and/or social objective.

Furthermore, the Luxembourg Branch ensures that companies, Underlying Funds and states that are included in the Discretionary Portfolio Management + are excluded from certain sectors and respect the societal and international norms in line with the Exclusion Criteria promoted by the Discretionary Portfolio Management +. The Luxembourg Branch relies on external data from Sustainalytics to monitor these Exclusion Criteria.

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted, as well as the principal adverse impact indicators considered by Discretionary Portfolio Management + are made available on an annual basis in the periodic reporting of the Discretionary Portfolio Management +.



H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics?

The Luxembourg Branch applies a look-through on the data reported by the Underlying Funds' managers to assess contribution of their investments towards environmental and/or social objective(s) and to ensure that none of the Discretionary Portfolio Management +'s sustainable investments significantly harm any environmental and/or social objective. In addition, the Luxembourg Branch relies on external data from Sustainalytics to monitor the Discretionary Portfolio Management + investments' adherence to the Exclusion Criteria. External data is processed manually on a regular basis, and reported on an annual basis in the periodic reporting of the Discretionary Portfolio Management +.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

The Luxembourg Branch relies on the methodologies and data reported by the Underlying Funds' managers, as well as the methodologies and data obtained from the external data provider, namely Sustainalytics to monitor the sustainability indicators of the Discretionary Portfolio Management + and is thus exposed to the limitation of the methodologies developed by these third-parties. In the event of a change in methodology by the external data provider, the Luxembourg Branch will review the methodological implication for the Discretionary Portfolio Management +'s Exclusion Criteria and ensure that such changes are compatible with its binding commitments.



J. Due diligence

What is the due diligence carried out on the underlying assets?

The Luxembourg Branch has due diligence procedures in place to ensure that sustainability risks and the sustainability requirements established for the Discretionary Portfolio Management + are taken into account in investment decisions. The Luxembourg Branch incorporates relevant material sustainability-related information into due diligence and research, asset selection, portfolio management, and ongoing investment monitoring alongside other material risk factors.

To do this, the Luxembourg Branch leverages the following information and resources:

- Target companies or mutual funds' disclosed information (which may include quarterly financials, general company reporting and / or disclosures, including sustainability-related disclosures);
- Non-target company or mutual funds' disclosed publicly available information (such as news reports or industry data); and
- Third-party research and data.

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K. Engagement policies

Is engagement part of the environmental or social investment strategy?

Yes

No



L. Reference benchmark

Has a specific index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

Yes

No

Where can more product-specific information be found?

More product-specific information can be found in the periodic reports:

N/A