



LEA 02	Disclosures	Materiality	Reason for Interaction
<p>By providing investors the most up-to-date and relevant information on the status of our engagement activities, we aim to ensure that investors are able to make informed decisions on the basis of the most current and relevant information available.</p> <p>Our engagement activities are designed to address the most material ESG issues and to ensure that we are able to influence the behavior of our investees in a way that is consistent with the interests of our investors.</p>	<p>LEA 02</p>	<p>Materiality</p>	<p>Gateway</p> <p>Reason for Interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decision-making in & company research <input checked="" type="checkbox"/> To influence corporate behavior or identify the need for additional action <input checked="" type="checkbox"/> To engage investee management on ESG issues <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff
<p>Type of engagement</p> <p>Individual/internal staff engagements</p>			<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decision-making in & company research <input type="checkbox"/> To influence corporate behavior or identify the need for additional action <input type="checkbox"/> To engage investee management on ESG issues <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in collaborative engagements
<p>Collaborative engagements</p>			<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decision-making in & company research <input type="checkbox"/> To influence corporate behavior or identify the need for additional action <input type="checkbox"/> To engage investee management on ESG issues <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in ESG advocacy
<p>Service provider engagements</p>			<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decision-making in & company research <input type="checkbox"/> To influence corporate behavior or identify the need for additional action <input type="checkbox"/> To engage investee management on ESG issues <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in ESG advocacy

RI TRANSPARENCY REPORT

2014/15

Handelsbanken Asset Management

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

Handelsbanken Asset Management

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Handelsbanken Asset Management

Handelsbanken is one of the world's most resilient banks. Handelsbanken Asset Management's objective is to be the leading asset management company in the Nordic region. We offer advanced solutions for the management of our clients' assets within fund and discretionary portfolio management. The management of assets is based on the values that are the foundation for the entire Handelsbanken Group: a long-term focus and client satisfaction.

Handelsbanken's business approach:

- Long-term collaboration in all of our client relationships
- High-quality in the management of assets - skilled portfolio managers and robust investment processes
- Serving as a stable and persevering counterparty for our customers

Handelsbanken's business concept is well-proven and has resulted in our position as one of the world's strongest banks. The Bank has grown organically for some time and did not participate in the Swedish government's capital support or guarantee program during the previous financial crisis.

Handelsbanken's S&P rating is AA-. For several years, Handelsbanken has had lower loan losses than other banks - during the last 15 years Handelsbanken's average loan loss ratio was 0.05 per cent while the industry average was 0.22 per cent.

The Bank's financial strength and stable management ensures a long-term commitment in our asset management assignments. This gives us the opportunity to prioritise a long-term focus and high-quality in the management of assets and in our client relationships, regardless of the state of the economy. As part of a full-service bank, we are also able to accommodate the financial needs that our clients may have beyond asset management.

Handelsbanken strives to be a responsible contributor to society and endorses the principles on human rights, work conditions, the environment and anti-corruption that are summarised in the UN's Global Compact. Handelsbanken Asset Management is also a signatory of PRI, which forms the basis for our work with responsible investing.

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

Sweden

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

170

OO 02.4 Additional information. [Optional]

The total number of employees in the Handelsbanken Group is 11 900.

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		399	000	000	000
Currency	SEK				
Assets in USD		56	966	506	008

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06**Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	<10%
Fixed income – corporate	10-50%	0
Fixed income – government	<10%	0
Fixed income – other	<10%	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 10.3

Additional information. [Optional]

We require that external managers have signed PRI - however in some older collaborations this is not the case, and we encourage non signatories to sign.

OO 11	Mandatory	Gateway	General
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OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Hedge funds
- Cash
- None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate

Closing module

- Closing module

Handelsbanken Asset Management

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

What are responsible investments for Handelsbanken Asset Management?

We believe that a responsible attitude is essential to long-term value creation in a company. Responsible investments are therefore a vital prerequisite for achieving our goal of generating good long-term returns for our customers. Handelsbanken Asset Management's aim: We want responsible investments to be an integrated part of the asset management we conduct at Handelsbanken.

Key Policy Elements

Our policy for responsible investment applies to all our mutual funds and portfolios. The policy has been a part of the corporate governance policy since 2009, which is based on the Swedish code for corporate governance and the Swedish code for mutual fund companies. The policy is established each year by the board of the fund management company.

The policy describes our approach, scope and process. It covers the sustainability areas E, S and G and the fundamental references consist of the most important international standards- which for example form the basis of the principles in Global Compact - together with the conventions and agreements which limit particularly inhumane weapons.

Fundamental values and general approach

Our fundamental values are a combination of our strong corporate culture, the aim of corporate social responsibility at the Bank and broad international initiatives, such as Global Compact. Our approach is not to sell all holdings we identify as less responsible. We always have a long-term perspective in our holdings and instead we aim to use our contacts with the company for a dialogue. We can make contact either independently or with others. Through contacts with the companies, Handelsbanken Asset Management thus wants to contribute to a sustainable and responsible development in our environment as well as in our investments. If the dialogue does not in the long term lead to desirable changes, we may decide on exclusion. When deciding exclusion, index funds may be exempt if the investment is important to the fund's chances of reflecting the underlying index.

Approach

We integrate ESG issues such as environmental risk and corporate governance matters in our current investment decisions. Our ambition is for the work with responsible investments to be done continuously and be integrated into our existing management organisation. In this way, we want the people who make the actual investment decisions to experience the sustainability issues in the daily operations.

We have decided not to build up an organisation which operates in parallel with the investment process. Instead, we strive to facilitate for management to conduct research operations with the right organisation and tools, and make investment decisions which take into account sustainability issues. Resources have been allocated to co-ordination and follow-up as well as sustainability research and relevant research tools. In addition to our own research capacity, we co-operate with several sustainability research experts, e.g. Ethix SRI Advisors and MSCI ESG Research. We believe this is the right way of guaranteeing complete integration with our asset managers and researchers. This approach requires a lot of work and we continuously improve and clarify integration of sustainability matters in management.

We also prioritise training efforts in our approach to responsible investments, both in management - which is included in the introduction training for new employees in the management organisation - and in other relevant groups in the organisation such as business and product development.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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http://handelsbanken.se/shb/INeT/!StartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=50&base=/SHB/Inet/ICentSv.nsf&sa=/SHB/Inet/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224

No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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Yes

Yes, all

Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Handelsbanken's etiska riktlinjer	http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=50&base=/SHB/Inet/ICentSv.nsf&sa=/SHB/Inet/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224
Ägarstyrningspolicy	http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=50&base=/SHB/Inet/ICentSv.nsf&sa=/SHB/Inet/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224
RI Report	http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=50&base=/SHB/Inet/ICentSv.nsf&sa=/SHB/Inet/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224
Sustainability Report	http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=50&base=/SHB/Inet/ICentSv.nsf&sa=/SHB/Inet/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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All mutual funds are covered by our Policy for responsible investments. When deciding on exclusion, index funds may be exempt if the investment is important to the fund's chances to reflect the underlying index in accordance with the ESMA legislation.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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The way of managing potential conflicts of interest is a Policy for handling of conflicts of interest. This is a non-public policy.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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At least once per year

Less than once per year

OA 05.3	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.
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Quarterly

Biannually

Annually

Every two years or less

It is not reviewed

No

OA 05.4

Additional information. [Optional]

Handelsbanken Asset Management's Responsible Investment Committee (RIC) formulates and follows up relevant objectives for operations in responsible investments, with the general goal that ESG issues should be integrated into the existing investment process.

The RIC is headed by the Chief Executive/Head of Handelsbanken Asset Management. Other members are CIO, Head of Sustainable Investments, Head of Institutional Sales, Head of Corporate Governance, Head of Legal Department and Business Development Manager.

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Head of Responsible Investment

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
 - Head of Corporate Governance**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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Number	
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3

OA 08.3	Additional information. [Optional]
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In order to support and manage the operational work on integrating ESG issues into the investment process, Handelsbanken Asset Management has set up a coordination function comprising the person in charge of responsible investments, Head of Corporate Governance, and the person in charge of the daily work with responsible investments. The coordination function must guarantee the practical conditions for the management organisation to integrate ESG - in the form of sustainability analysis, tools, expertise and internal coordination. This includes evaluation and selection of external service providers. The function must also be responsible for the work of developing in the strategic direction decided by the committee and coordinate efforts with the rest of Handelsbanken. Corporate governance and communication are other important assignments for the coordination function.

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced
- Asian Corporate Governance Association
 Association for Sustainable & Responsible Investment in Asia
 Australian Council of Superannuation Investors
 CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

During 2014 Handelsbanken prepared for signing CDP and became a signatory in January 2015,

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

During 2014 Handelsbanken prepared for signing CDP and became a signatory in January 2015,

- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

During 2014 Handelsbanken prepared for signing CDP and became a signatory in January 2015,

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify **SWESIF, FINSIF**

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 - Moderate
 - Advanced
- Shareholder Association for Research and Education (Share)
 - United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Handelsbanken Group Level

- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Handelsbanken Group Level

- Other collaborative organisation/initiative, specify
Swedish Investment Fund Association (Fondbolagens Förening)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

The Association's working group for corporate governance is working to ensure that SRI becomes, in every respect, an important matter for every available fund. We are an active member.

- Other collaborative organisation/initiative, specify
Sustainable Value Creation (SVC)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Sustainable value creation is a cooperation project initiated in 2009 by 14 of Sweden's largest investors. As investors and owners of Swedish companies, we wish to highlight the importance of companies working in a structured manner with sustainability issues, which we see as a prerequisite for long-term value creation in the companies and long-term financial yield for us as investors and owners.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3

Additional information. [Optional]

Handelsbanken aims to provide knowledge-based information rather than commercial information to its clients. We want clients to be well informed in order for them to make good financial decisions. One example of this is EFN, a Handelsbanken owned internet TV provider. EFN employs the best financial and economic journalists in Sweden and provides objective, high quality news and comments through daily broadcasts. Sustainability and governance topics are regularly treated in these programmes and we experience that clients demand more of this.

Handelsbanken Asset Management

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
----------	--

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 99
--	--------

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied - you may (estimate +/- 10%)	 1
--	-------

- No incorporation strategies applied

Total actively managed listed equities
--

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
----------	---

In our opinion, responsible behaviour is essential to long-term value creation in a company. Responsible investments are therefore a vital prerequisite for achieving our goal of generating good long-term returns for our customers.

Our aim is that the work with responsible investments is carried out on an ongoing basis and is integrated into our existing management organisation - we believe that an integrated strategy has the greatest impact on an already robust investment process and thereby on value creation in a portfolio over time. We want the people who make the actual investment decisions to experience sustainability issues in their daily work, both from a risk perspective and as a way of identifying investment ideas.

In order to manage our customers' assets according to the established fundamental values characterising Handelsbanken and Handelsbanken Asset Management, an integrated strategy is supplemented by norm-based screening. Our fundamental values are based on Handelsbanken's corporate culture and international norms pursuant to the UN initiatives Global Compact and PRI. Therefore, it is important to us to identify companies acting in conflict with our view of responsible investments and work with them in a structured manner.

By combining these two strategies, we meet our overall goal of generating good long-term returns for our customers, while fulfilling our aims and our customers' expectations of us as a responsible investor.

We also have products with a special sustainability focus. This product family also contains best-in-class strategies and mutual funds with a sustainability theme. Here the chosen strategies become part of the whole product strategy and an adaptation to customer requests and the identified yield potential.

LEI 03.3

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Screening and integration

We work on integrating ESG risks in the investment decisions for most of our funds and portfolios. This is the starting point in our overall work with responsible investments. Twice a year all our portfolios are screened in a norm-based screening where norm infringers are identified and we receive a signal if companies we have invested in contravene international standards and conventions. This does not lead to automatic exclusion of the company in the portfolio with no opportunity of a dialogue. We avoid investments in forbidden weapons, e.g. cluster munitions and anti-personnel mines.

Screening, integration and thematic

We also offer products with a special sustainability focus. In their investment strategy, they can avoid or reward companies and/or sectors. Our Criteria funds avoid companies which infringe international standards and conventions and investments in arms, tobacco, alcohol, gambling and pornography. In the Ny Energi fund (New Energy), companies are rewarded when developing or advancing technologies and techniques to limit global warming. The fund also invests in companies with assets which may contribute to more efficient use of energy.

(A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

Screening for controversial weapons is applied to the entire investment universe. Exclusion based on sector screening (pornography, weapons, gambling, alcohol and tobacco) and on norm-based screening is applied to eight funds. Exclusion based on screening for fossil fuels takes place in six funds.

- Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

One fund applies investment based on best-in-class screening on sustainability criteria.

- Norms-based screening

Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Description

The entire range, all portfolio holdings, is included in norm-based screening twice a year.

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
----------	---

Generally regulated in fund regulations and changes in these comply with laws and regulations regarding fund regulations.

LEI 07	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 07.2

Additional information. [Optional]

In addition to continuous feedback on perceived quality, etc. from our researchers and asset managers, our suppliers are regularly evaluated by ESG analysis by the coordination function for responsible investments.

(B) Implementation: Thematic

LEI 09**Mandatory****Descriptive****PRI 1****LEI 09.1**

Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 09.2

Describe your organisation's processes for sustainability themed funds. [Optional]

Hållbar Energi

Our fund Hållbar Energi (Sustainable Energy) invests in shares in companies developing or advancing technologies and techniques to limit global warming The fund also invests in companies with assets which may contribute to more efficient use of energy.

The fund rewards companies in sustainable development, that is companies active in:

- Products and services for increased energy efficiency
- Renewable energy
- Renewable fuel
- Companies which limit their CO2 emissions
- Operations contributing to increased environmental global developments in various regions.

The fund avoids investments in fossil fuels such as coal and oil. Investments are made natural gas if this is considered the best regional alternative to other fossil fuel.

Investment process

Hållbar Energi's investment process follows a clear structure and consists of three main steps as follows:

Step 1 - Identify global segments in the global warming theme

The process begins with an extensive qualitative global analysis, where segments (technologies and methods) considered to have long-term high and profitable structural growth are identified. Focus lies on identifying central global driving forces, imbalances between demand and supply, long-term increasing investment requirements, and rapid technology development and research trends. The market for energy savings and renewable energy has many factors which favour growth, for example steadily increasing demand and rapid development.

Step 2 - Identification of companies regionally with exposure to the segments

Based on the initial analysis, companies are identified which have a large exposure to selected segments. For a company that has been listed for a long time, more importance is attached to the key figure trend. For recently listed companies, the key figures do not have the same predictive power and the qualitative analysis is more important.

Focus is on assessing the company management's ability to act in a confidence-inspiring manner and steer the company in the right direction and how the owners' interests are safeguarded. Other important parameters include the positioning of the company and its products on the market, its financial situation and future outlook. It is also interesting to identify companies with something unique, e.g. are technology leaders or have a business model favoured by growth in the field. The company must also show good grounds for a profitable trend ahead.

Many of the companies and markets developing renewable energy are relatively young. This means that there is still some inefficiency in these markets, which the asset manager can benefit from. When analysing small companies or recently listed ones, the asset manager's expertise and analysis of the company is of utmost importance. Prior to a potential investment, the asset manager always tries to meet or speak to the management.

Step 3 - Portfolio construction

The fund is a global portfolio where stock-picking is vital, which also impacts the portfolio construction. This means that the degree of conviction regarding the individual company impacts the portfolio composition and the shares invested in. All holdings are active positions without index links.

An important part of the management process is the asset manager's daily overview of the fund. Thanks to extensive knowledge of the energy market and the individual holdings, the asset manager can identify deviations from the normal pattern and identify changes at an early stage. Thus the portfolio can quickly be adapted to them. The fund is constructed in order to generate some returns every day with scrupulous risk control, instead of taking large risks and having too large fluctuations in returns.

Thematic investment approach

We have funds with a thematic investment approach where holdings are concentrated on identified investment themes. These include themes with a sustainability focus such as water supply, illustrating how the sustainability perspective is integrated into regular asset management, regarding both risk and potential.

Investment process

Step 1 - Identify themes in structural growth

The process is begun by an extensive qualitative global analysis, where themes considered to have a long-term high structural growth are identified. The entire global team is involved in this with their individual expertise in e.g. emerging markets, the US and Latin America. The active equity management's global research team also contributes with qualitative documentation for decisions. The initial gathering of information includes a large number of meetings with sector organisations, companies, politicians and sector experts.

Focus is on identifying central global driving forces, imbalances between demand and supply, relatively long-term increasing investment requirements, and catalysts such as technology development.

Step 2 - Stock-picking/portfolio construction on chosen themes

With our initial information collection and based on research, we identify companies which have large exposure to our selected investment themes and which meet the requirements made in our in-house developed research and valuation model.

Step 3 - Portfolio Construction

Initially investments are made in relatively small block, then a gradual increase is made as the asset manager's confidence in the company and the management increases.

A theme must be sustainable and investable. The time horizon for an individual theme is usually at least three years, while the companies in the theme can be exchanged more often.

(C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1 Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

We disclose it publicly

Provide URL

http://handelsbanken.se/shb/INeT/IStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=50&base=/SHB/Inet/ICentSv.nsf&sa=/SHB/Inet/ICentSv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224

Provide URL

http://handelsbanken.se/shb/INet/StartSv.nsf/FrameSet?OpenView&iddef=Z2_Privattjanster&navid=Z2_Privattjanster&navob=65&base=/SHB/Inet/ICentSv.nsf&sa=/SHB/Inet/ICentSv.nsf/default/qFD964A8308715BE3C1256BC8003289E3

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
 Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 Between quarterly and annually
 Less frequently than annually
 Other, specify
- No
- We disclose it to clients and/or beneficiaries only
 We do not proactively disclose it to the public and/or clients/beneficiaries

Handelsbanken Asset Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
----------	---

☉ Yes

LEA 03.2

Describe how you identify and prioritise engagements.

The true foundation of our engagements is our basic values which are of course engendered by our strong corporate culture. More formally, we have signed Global Compact and PRI, meaning we have undertaken to work with these issues in a structured way.

The matters we engage in are identified either by internal research or by external sources. We perform a bi-annual norm based screening, provided by an external consultant. The identified companies' breaches of international norms are discussed in the RIC (Responsible Investment Committee) in which a formal decision is taken to engage. Simply put, we prioritise according to how seriously the RIC judges the breaches to be and how important our holding in the company is. We also take into consideration the possibility of influencing a company, in reality, and of changing its behaviour. Engagement may also occur when the portfolio manager has direct contact with a company. RIC sets targets for all engagements and does a systematic and continuous follow-up of all engagements.

RIC discusses and decides which way of communication with the company in question is deemed most efficient and is thus chosen. We may act alone or in collaboration with others, or together with a service provider (pooled engagement).

No

LEA 03.3

Additional information. [Optional]

The number of engagements is likely to increase in the years ahead since ESG integration is now increasing. We also see an increasing interest from clients and the public for engagement as a strategy.

LEA 04**Mandatory****Core Assessed****PRI 2****LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

- Yes
- Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

LEA 04.2

Indicate if you monitor the actions that companies take following your engagements.

- Yes
- Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 04.3

Describe how you monitor and evaluate the progress of your engagement activities.

RIC (Responsible Investment Committee) monitors and evaluates progress according to the targets set on engagements on a regular basis.

The procedure of an engagement is often carried out through a number of contacts with the companies and discussion with service providers and other informed parties. We acknowledge that change in many cases is slow and we believe patience is of importance. However, engagement will not continue indefinitely - if the company is not willing to discuss or if change does not occur, we will terminate engagement and may decide to exit the investment.

No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

Yes

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

The matters we engage in alone or together with other investors are identified either by internal research or by external sources. We perform a bi-annual norm based screening, provided by an external consultant. The identified companies' breaches of international norms are discussed in the RIC (Responsible Investment Committee) where a formal decision is taken to engage. We prioritise according to how seriously the RIC judges the breaches to be and how important our holding in the company is. We also take into consideration the possibility of influencing a company, in reality, and of changing its behaviour. Collaborative engagement may also occur in a less formal way, when the portfolio manager has direct contact with a company and important matters are brought up together with other investors.

When we engage together with others the most important aspect is that we agree on the goals set and the way forward to achieve this.

No

LEA 06	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

Yes

- Yes, for all collaborative engagement activities
- Yes, for the majority of collaborative engagement activities
- Yes, for a minority of collaborative engagement activities

No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

LEA 06.3	Describe how you monitor and evaluate the progress of your collaborative engagement activities.
-----------------	---

When a collaborative engagement is decided (as for individual engagements) we set specific goals for what we want to achieve. Goals may be set-up of policies, improved reporting, improved internal processes, etc. These are monitored by direct contacts with companies, by research from service providers or through other sources. Progress in this field is measured by the degree of fulfilment of these goals.

No

Process for engagements conducted with/on your behalf by service providers

LEA 07	Mandatory	Core Assessed	PRI 2,4
---------------	------------------	----------------------	----------------

LEA 07.1	Indicate if you play a role in the engagement process that your service provider conducts on your behalf.
-----------------	---

Yes

LEA 07.2	Indicate what role you play in engagements that your service provider conducts on your behalf.
-----------------	--

- Specify the issues for the engagement
- Specify the objectives for the engagement
- Select the companies to be engaged with
- Participate directly in the engagements with your service provider
- Actively monitor and review the activities of the service provider
- Other, specify

No

LEA 07.3	Additional information. [Optional]
-----------------	------------------------------------

We are proactive and are inclined to take the lead in steering the engagement processes that are relevant to us, but we are very aware that the objectives of the engagements may sometimes be better served by a process that is led by specific expertise competence. For these reasons we collaborate with service providers on occasional engagements.

LEA 08	Mandatory	Core Assessed	PRI 2,6
---------------	------------------	----------------------	----------------

LEA 08.1	Indicate whether you monitor and/or discuss the following information provided to you by your service provider
-----------------	--

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

[http://handelsbanken.se/shb/inet/icentsv.nsf/Vlookuppics/a_fonder_csr_exempel_kontaktade_bolag/\\$file/csr_exempel_pa_bolag_vi_kontaktat.pdf](http://handelsbanken.se/shb/inet/icentsv.nsf/Vlookuppics/a_fonder_csr_exempel_kontaktade_bolag/$file/csr_exempel_pa_bolag_vi_kontaktat.pdf)

LEA 15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
 No

LEA 15.3

Indicate what engagement information your organisation proactively discloses to the public.

- Details of the selections, priorities and specific goals of engagement
 Number of engagements
 Breakdown of engagements by type/topic
 Breakdown of engagements by region
 An assessment of the current status of the engagement
 Outcomes that have been achieved from the engagement
 Other information

Examples of companies we do engage with

LEA 15.4

Indicate how frequently you typically report engagements information to the public.

- Disclosed continuously (prior to and post engagements)
 Disclosed quarterly
 Disclosed annually
 Disclosed every two years or less
 Other, specify

LEA 15.5

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

- Details of the selections, priorities and specific goals of engagement
 Number of engagements
 Breakdown of engagements by type/topic
 Breakdown of engagements by region
 An assessment of the current status of the engagement
 Outcomes that have been achieved from the engagement
 Other information

On demand, we may give details of engagements to our clients

LEA 15.6	Indicate how frequently you typically report engagements information to clients/beneficiaries.
-----------------	--

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

In addition to public quarterly reporting, we may report on request by our clients

- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

	Approach
--	----------

- We use our own research or voting team and make our own voting decisions without the use of service providers.

	Based primarily on
--	--------------------

- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
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We vote at AGMs where we are a major owner and when we believe the outstanding decisions are important. We wish to control the voting process in full. Our general view is that service providers can only interpret our voting policy and corporate culture into a meaningful decision on our behalf.

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
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We inform the companies of the reasons for a decision to vote against or abstain. In most cases we have had a discussion with the company before the AGM in order to influence or change a proposal.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

39

	Specify the basis on which this percentage is calculated
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- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.8

Additional information. [Optional]

When asked, we provide information on voting activities. We disclose the number of AGMs which we have attended and where we have cast votes.

Handelsbanken Asset Management

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes


FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 100
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- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

In our opinion, responsible behaviour is essential to long-term value creation in a company. Responsible investments are therefore a vital prerequisite for achieving our goal of generating good long-term returns for our customers.

Our aim is that the work with responsible investments is carried out on an ongoing basis and is integrated into our existing management organisation - we believe that an integrated strategy has the greatest impact on an already robust investment process and thereby on value creation in a portfolio over time. We want the people who make the actual investment decisions to experience sustainability issues in their daily work, both from a risk perspective and as a way of identifying investment ideas.

In order to manage our customers' assets according to the established fundamental values characterising Handelsbanken and Handelsbanken Asset Management, an integrated strategy is supplemented by norm-based screening. Our fundamental values are based on Handelsbanken's corporate culture and international norms pursuant to the UN initiatives Global Compact and PRI. Therefore, it is important to us to identify

companies acting in conflict with our view of responsible investments and work with them in a structured manner.

By combining these two strategies, we meet our overall goal of generating good long-term returns for our customers, while fulfilling our aims and our customers' expectations of us as a responsible investor.

FI 04.3	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
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We work on integrating ESG risks in the investment decisions for most of our funds and portfolios. This is the starting point in our overall work with responsible investments. Twice a year all our portfolios are screened in a norm-based screening where norm infringers are identified and we receive a signal if companies we have invested in contravene international standards and conventions. This does not lead to automatic exclusion of the company in the portfolio with no opportunity of a dialogue. We avoid investments in forbidden weapons, e.g. cluster munitions and anti-personnel mines.

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
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FI 06.1	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.
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Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

FI funds do not invest in controversial weapons. Some of them exclude other controversial sectors, such as alcohol, tobacco, fossile fuels.

- Positive/best-in-class screening
- Norms-based screening

Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Description

The entire range, all portfolio holdings, is included in norm-based screening twice a year.

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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Generally regulated in fund regulations and changes in these comply with laws and regulations regarding fund regulations.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
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- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(C) Implementation: Integration of ESG factors

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- We disclose it publicly

Provide URL

<http://handelsbanken.se/csr>

Provide URL

<http://handelsbanken.se/ansvarsfullainvesteringar>

FI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

FI 18.3 Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
 Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries