



Länsförsäkringar Bank AB (publ) and Länsförsäkringar Hypotek AB (publ)

Pre-Issuance Review – European Green Bond Assessment

Länsförsäkringar Bank AB (publ), the LFAB Group's Swedish retail bank, and Länsförsäkringar Hypotek AB (publ), Länsförsäkringar Bank's covered-bond-funded mortgage lender (together the issuers), have published a European Green Bond (EuGB) factsheet in English and Swedish under Regulation (EU) 2023/2631. Proceeds will be allocated to EU taxonomy-aligned green buildings under Regulation (EU) 2020/852, and the EuGB transactions will align with the ICMA Green Bond Principles.

Alignment of Factsheet and Transactions



Alignment of factsheet with
Regulation (EU) 2023/2631 and Regulation
(EU) 2020/852^a

Alignment of transactions with ICMA Green
Bond Principles

7.7 Acquisition and ownership of buildings

Green buildings

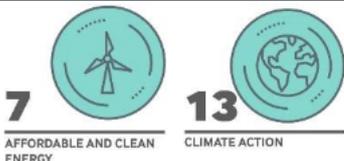
^aFor the full EU taxonomy analysis, refer to p.8.

Key Debt Details

Issuance date:	Programmatic
Factsheet publication date:	20 March 2026
Instrument type:	Bond
Instrument label:	Green
ISIN:	ISIN(s) will be indicated in the applicable bond documentation or on issuer website
Issuer Legal Names:	Länsförsäkringar Bank AB (publ) and Länsförsäkringar Hypotek AB (publ)
LEI:	Länsförsäkringar Bank AB (publ): 549300C6TUMDXNOVXS82 Länsförsäkringar Hypotek AB (publ): 5493001P7BX1N0JAG961
External Reviewer: (ESMA notified under Article 69 of EuGB Regulation)	Sustainable Fitch Ireland Limited Register Number: 717976 LEI: 213800JBPPIRON5YQ587 Registered Office: 88 Harcourt Street, Dublin 2, D02 DK18, Ireland

^bAs defined by issuer.

Relevant UN Sustainable Development Goals



European Green Bond Assessment



Date assigned	20 March 2026
Framework Type	European Green Bond
European Green Bond Assessment	<ul style="list-style-type: none"> ✓ Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ✓ Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment

European Green Bond Methodology

Index

Key Drivers and Summary	2
European Green Bond Assessment	8
Appendices	10

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European Green Bond Assessment Summary

Factsheet sections	Alignment	Key Drivers
General Information		<ul style="list-style-type: none"> Länsförsäkringar Bank and Länsförsäkringar Hypotek intend to issue EuGBs aligned with Regulation (EU) 2023/2631, with the intention to finance fully taxonomy-aligned projects within the economic activity 7.7 “acquisition and ownership of buildings”. Sustainable Fitch conducted a pre-issuance external review of Länsförsäkringar Bank AB (publ) and Länsförsäkringar Hypotek AB (publ)’s EuGB factsheet as well as of the Swedish version of the same document, with a focus on assessing the alignment of the factsheet with Regulation (EU) 2023/2631 and the included economic activities with Regulation (EU) 2020/852 (the EU taxonomy). We have identified no conflicts of interest related to us providing the external review.
Introductory Statement		<ul style="list-style-type: none"> We have assessed the completed EuGB factsheet laid down in Annex I to Regulation (EU) 2023/2631 of the European Parliament and of the Council. We consider transaction(s) under this factsheet to be aligned with Regulation (EU) 2023/2631. This review represents an independent opinion of the external reviewer, and is to be relied upon only to a limited degree.
Statement on the Alignment of UoP with Regulation (EU) 2020/852		<ul style="list-style-type: none"> We consider that the use of proceeds (UoP) is aligned with Regulation (EU) 2020/852.
Sources, Assessment Methodologies and Key Assumptions		<ul style="list-style-type: none"> Länsförsäkringar Bank and Länsförsäkringar Hypotek European Green Bond Factsheet Länsförsäkringar Bank och Länsförsäkringar Hypotek Faktablad för europeiska gröna obligationer Länsförsäkringar Methodology Description for Taxonomy-Aligned Mortgages (Metodbeskrivning Taxonomiförenliga Bolån) Länsförsäkringar AB annual report EU taxonomy compass Sustainable Fitch European Green Bond Assessment Methodology
Assessment and Opinion		<ul style="list-style-type: none"> The quality of information provided by the issuers is sufficient to perform the review. The issuers demonstrate alignment with Article 4 of Regulation (EU) 2023/2631, as it discloses that the bond proceeds are intended to finance the group's taxonomy-aligned expenditures under the portfolio approach. The option to use flexibility permitting partial non-alignment with the technical screening criteria, as set forth in Article 5 of Regulation (EU) 2023/2631, has not been exercised in the factsheet. Proceeds will be allocated to eligible financial assets in accordance with Article 4 of Regulation (EU) 2023/2631. In line with Article 6 of Regulation (EU) 2023/2631, the issuer will ensure that, where proceeds are allocated via subsequent financial assets (mortgage loans to households), there are no more than three subsequent financial assets in succession, that the final allocation is to Article 4 eligible uses, and that external reviewers can effectively verify the final allocation. The requirement to publish a capex plan, as referred to in Article 7 of Regulation (EU) 2023/2631, is not applicable to this factsheet. The issuers demonstrate alignment with Article 8 of Regulation (EU) 2023/2631, as it discloses that the bond proceeds are expected to finance expenditures, which is aligned with the technical screening criteria and minimum safeguards of the EU taxonomy applicable at the time of the publication of the factsheet.
Any Other Information		<ul style="list-style-type: none"> Not applicable.



ICMA Alignment Key Drivers

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	<ul style="list-style-type: none"> We view the UoP dedicated to residential real estate as excellent. Financed buildings are fully aligned with the technical thresholds of the EU taxonomy, which confirms strong positive environmental impact and contribution to climate change mitigation. The requirements also include screening of do no significant harm (DNSH) criteria, limiting the exposure to assets with significant physical asset risk, and minimum safeguards, ensuring alignment with international conventions.
Use of Proceeds – Other Information	Good	<ul style="list-style-type: none"> We positively view that the allocation under the EuGB Standard, specifically financing to households, limits the risks of allocation of proceeds to controversial projects.
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> The evaluation and selection process is clearly described in the factsheet. The process is multi-layered, including treasury and sustainability experts selecting assets, and the assets and liability committee confirming included assets on a regular basis.
Management of Proceeds	Excellent	<ul style="list-style-type: none"> The issuers have a robust process in place to manage proceeds. Management on a portfolio basis, where the volume of the portfolio exceeds that of outstanding instruments, ensures that there are no unallocated proceeds. The factsheet also confirms that assets that cease to be eligible will be removed from the portfolio.
Reporting and Transparency	Excellent	<ul style="list-style-type: none"> The issuer will follow the reporting requirements set out in the EuGB regulation. The issuers will provide allocation reports annually on a portfolio basis, as long as there are instruments outstanding. The issuers will provide an impact report at least once during the lifetime of outstanding instruments, where the factsheet sets out relevant impact metrics such as energy performance certificate (EPC) rating distribution, estimated annual energy use (kWh/m²/year), estimated annual GHG emissions (tCO₂e/year), and estimated avoided or reduced GHG emissions compared to baseline (tCO₂e/year).



Use of Proceeds Summary

Green	Description	ICMA category	EU compass sector and activity	NACE code
Green buildings	Residential real estate mortgage loans	Green buildings	7.7 Acquisition and ownership of buildings	L68

Source: Sustainable Fitch, EU Taxonomy Compass, Eurostat

Factsheet and Transaction Highlights

Intended allocation approach:	Portfolio approach
UoP intended for activities that are environmentally sustainable ^a	100% of the bond proceeds

UoP breakdown	Intended
Assets and expenditures of households	100% of the bond proceeds

^aUnder Article 3 of Regulation (EU) 2020/852.
Source: Information provided by the issuers

Länsförsäkringar Bank and Länsförsäkringar Hypotek have published a EuGB factsheet for bonds using the “EuGB” designation under Regulation (EU) 2023/2631. The factsheet applies to all EuGB issues by the issuers until such time as it may be updated or replaced. The competent authorities approving the bond prospectus(es) are the Luxembourg Commission de surveillance du secteur financier (financial sector surveillance commission) and the Swedish Financial Supervisory Authority.

The issuers intend to allocate an amount equivalent to 100% of EuGB proceeds to EU taxonomy-aligned economic activities, using a portfolio approach. Proceeds are intended to support the EU taxonomy environmental objective of climate change mitigation, with the eligible activity identified as green buildings (residential real estate mortgage loans) under EU taxonomy activity 7.7 “acquisition and ownership of buildings,” NACE code L68. The issuers will not allocate proceeds to transitional activities, or activities related to nuclear energy and fossil gas.

EU taxonomy eligibility and alignment are assessed through a structured methodology covering substantial contribution criteria (SCC), DNSH requirements and minimum safeguards. For buildings built before 31 December 2020, alignment requires EPC class A or being within the top 15% most energy-efficient residential buildings in Sweden, and not being exposed to physical climate risks; for buildings built after 31 December 2020, alignment requires PED at least 10% below national nearly zero-energy building (NZEB) requirements and not being exposed to physical climate risks. Alignment is determined using a model based on energy performance data from the national registry coming from the Swedish National Board of Housing, Building and Planning (Boverket), and physical climate risk screening is performed using a climate risk model that excludes buildings with elevated exposure.

Proceeds management is conducted on a portfolio basis via a green asset registry that tracks allocations and the outstanding balance of all issued EuGBs, ensuring proceeds are allocated exclusively to EU taxonomy-aligned activities or used to repay outstanding EuGBs. The issuers intend to maintain allocations that exceed total proceeds of outstanding EuGBs; if an exposure is repaid or becomes ineligible, it is removed from the green asset registry and proceeds are managed under internal procedures. The issuers expect proceeds to be fully allocated at issuance (primarily refinancing), although allocations may evolve over time and will be reflected in allocation reporting.

Governance for identifying and allocating assets includes the issuers’ standard credit process (including know your customer, compliance, internal policies and ESG risk assessment), with sustainability experts and treasury assessing alignment with the EU taxonomy criteria. Final confirmation of assets sits with the asset liability committee, which meets six times a year (or more if needed), is chaired by the CEO and includes the chief financial officer, chief risk officer, head of treasury, head of credit, and head of strategy and capital planning; approved exposures are then entered into the green asset registry.

The issuers will publish EuGB reporting on their websites, including annual allocation reporting aligned to the fiscal year and an impact report, with allocation reports provided at portfolio level and remaining available for at least 12 months after each bond maturity; post-issuance allocation reports will be externally reviewed, while the issuers do not intend to have impact reports externally reviewed.

Source: Sustainable Fitch, Länsförsäkringar Bank and Länsförsäkringar Hypotek EuGB factsheet

Entity Highlights

Länsförsäkringar Bank is a subsidiary of Länsförsäkringar AB (publ) and forms part of the LFAB Group, which comprises Länsförsäkringar AB and its subsidiaries. Länsförsäkringar Hypotek is, in turn, a subsidiary of Länsförsäkringar Bank.

The issuers' sustainability strategy is anchored in the Länsförsäkringar Group's ambition to be climate neutral by 2045, supported by interim milestones for 2030. Within the group, climate change mitigation is described as a central strategic focus, reflected across lending, insurance, savings and investment activities, as well as in the group's own operations.

In this context, the issuers position their activities as contributing to the group's broader environmental strategy by steering capital towards activities aligned with the EU taxonomy's climate change mitigation objective. Financing energy-efficient buildings is presented as a core element of this approach, intended to support Sweden's national climate objectives and the EU's decarbonisation pathway.

The issuers' strategy further emphasises the development and promotion of sustainable customer offerings, including green mortgages, energy-efficiency loans and transition loans. In parallel, it highlights the management of climate-related risks in lending portfolios and the provision of support to customers as they transition towards low-carbon housing solutions.

A further stated priority is the strengthening of analytical capabilities through projects focusing on the assessment of energy performance and physical climate risks. This focus reflects an intent to embed climate considerations into decision making and risk management processes associated with property-related exposures.

The group has articulated a formal transition plan. Länsförsäkringar AB's climate transition plan was adopted by corporate management in December 2024 and sets out planned and ongoing measures to reach the group's climate ambition by 2045. Within the lending business, the plan prioritises the mortgage portfolio – stated as representing around 84% of total lending by end-2025 – through the expansion of green loan products and by encouraging customers to improve the energy performance of their properties. The transition plan also specifies that the net-zero ambition for the mortgage portfolio follows the Carbon Risk Real Estate Monitor's 1.5°C pathway. We view the financed activities under the factsheet to support the bank's advancement of the transition plan.

Source: Sustainable Fitch, Länsförsäkringar AB annual report 2025, Länsförsäkringar Bank and Länsförsäkringar Hypotek EuGB factsheet



Relevant UN Sustainable Development Goals

- **7.3:** By 2030, double the global rate of improvement in energy efficiency.



- **13.2:** Integrate climate change measures into national policies, strategies and planning.



Source: Sustainable Fitch, UN

European Green Bond Assessment – Pre-Issuance Review

Introductory Statements | European Green Bond Assessment - Pre-Issuance Review

Sustainable Fitch has assessed the completed European Green Bond factsheet laid down in Annex I to Regulation (EU) 2023/2631 of the European Parliament and of the Council.

This review represents an independent opinion of the external reviewer and is to be relied upon only to a limited degree.

Alignment Statement

We consider transaction(s) under the European Green Bond Factsheet to be aligned with Regulation (EU) 2023/2631 and the use of proceeds is aligned with Regulation (EU) 2020/852.

Alignment with EU Taxonomy

UoP	E/T	Technical Screening Criteria												MS	Full Alignment
		SCC						DNSH							
		EO1	EO2	EO3	EO4	EO5	EO6	EO1	EO2	EO3	EO4	EO5	EO6		
Green buildings	—	✓	—	—	—	—	—	✓	—	—	—	—	—	—	✓
Overall instrument alignment															✓

Key

- ✓ Fully aligned with the requirements
- ✗ Not aligned with the requirements
- No applicable requirements

- UoP** Use of proceeds
- E** Enabling, as per EU Taxonomy Compass
- T** Transitional, as per EU Taxonomy Compass
- SCC** Substantial contribution criteria
- DNSH** Do no significant harm criteria
- MS** Minimum safeguards

Source: Sustainable Fitch



EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

Use of Proceeds	UoP 1: Green buildings		
Contribution to EU Environmental Objectives (EOs)	EO1		
Applicable Economic Activity	<ul style="list-style-type: none"> 7.7 Acquisition and ownership of buildings 		
Substantial Contribution Criteria (SCC)	<p>Yes.</p> <p>SCC alignment is demonstrated by allocating proceeds to residential buildings that meet the EU taxonomy energy-performance thresholds (EPC class A or top 15% for pre-2021 buildings, or at least 10% below NZEB for post-2020 buildings), evidenced using external energy performance data.</p> <p>For buildings built before 31 December 2020, EU taxonomy alignment requires either an EPC class A, or evidence that the building is in the top 15% most energy-efficient of the relevant national or regional stock based on operational PED, with the comparison made against buildings built before that date and at least distinguishing residential versus non-residential buildings.</p> <p>At the time of our analysis, the “top 15%” criterion for Sweden referenced in the factsheet was defined based on a market study commissioned by Fastighetsägarna, most recently dated 14 December 2022, which identifies the primary energy performance level corresponding to the 15% most energy-efficient buildings in the Swedish building stock by building category using national energy performance certificate data. The issuer has committed to update its approach, should the guidance on the interpretation of the top 15% change.</p> <p>For buildings built after 31 December 2020, EU taxonomy alignment requires the building’s PED to be at least 10% below the national NZEB threshold set in the implementation of the Energy Performance of Buildings Directive.</p> <p>In Sweden, a NZEB is defined in the Planning and Building Ordinance (2011:338) issued by Boverket as a building with very high energy performance, where the supplied energy to a very high degree comes from renewable energy sources. This wording was introduced in 2017 and amended to its current form in 2020. The numerical NZEB performance requirement is set out in Boverket’s Building Regulations. In practice, NZEBs in Sweden generally correspond to buildings with EPC energy class A to C; ie class C or better meets the requirement for new buildings.</p> <p>For buildings larger than 5,000sqm, the issuer has committed to collect evidence following completion on air-tightness and thermal integrity testing, and to calculate life-cycle global warming potential for all life-cycle stages and disclose it to investors and clients on request.</p>		
Do No Significant Harm (DNSH)	EO1	n.a.	
	EO2	Yes.	
		<p>The issuers state that EU taxonomy alignment for building exposures (activity 7.7) includes screening for physical climate risks: for both buildings built before and after 31 December 2020, buildings must not be exposed to physical climate risks. Alignment is determined using an external energy-performance-data-based model, and physical climate risk screening is performed using a climate risk model, with buildings showing elevated exposure excluded.</p> <p>We have reviewed the issuers’ internal process in place to assess DNSH criteria, which is in line with the relevant regulatory requirements. The process is informed by the issuers’ double materiality analysis and sustainability risk assessments and uses established, well-documented external data sources and geospatial analysis to identify assets exposed to material physical climate risks (eg flooding-related risks under defined scenarios and time horizons).</p> <p>At the time of analysis, this includes the Intergovernmental Panel on Climate Change Representative Concentration Pathway 8.5 scenario (mean sea level in 2100) for chronic sea-level-rise risk, and government 100-year flood mapping for acute river flooding.</p> <p>Where climate risk is identified for an asset, the asset is excluded from the portfolio and no reliance is placed on potential mitigation measures.</p>	
	EO3	n.a.	
	EO4	n.a.	
	EO5	n.a.	
EO6	n.a.		



Minimum Safeguard (MS)	n.a. The EU taxonomy minimum safeguards (Article 18) are based on four standards: three set explicit expectations for businesses – the UN Guiding Principles on Business and Human Rights (UN GPs), the International Labour Organization core labour standards and rights at work, and the OECD Guidelines for Multinational Enterprises – while the fourth, the International Bill of Human Rights, is legally binding on ratifying states but, per the UN GPs, implies that businesses should avoid and address negative impacts on the rights it contains. Households are not considered covered by these Article 18 standards, which focus on businesses or (sub-)sovereigns. This means that banks do not need to enquire on the minimum safeguards when providing mortgages or other financing, but construction and renovation companies remain responsible for meeting minimum safeguards in their activities. The issuer has confirmed that the current pool of assets does not include construction, renovation and other real estate companies.
Full Alignment	

Source: Sustainable Fitch, European Commission delegated regulations 2020/852 and 2021/2139, Fastighetsägarna, Boverket, Länsförsäkringar methodology description for taxonomy-aligned mortgages, Platform on Sustainable Finance Final Report on Minimum Safeguards (October 2022)

Appendix A: Other Services Sustainable Fitch has Provided to the Assessed Entity

European Green Bond Assessment

With this report, Sustainable Fitch is providing a European Green Bond Assessment to the assessed entities, as identified on page 1.

We have also provided the following services or products to the same entity:

- ESG Entity Rating dated January 2025. Unsolicited.
- ESG Framework Rating dated April 2025. Unsolicited.



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