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Principles for
Responsible Banking

Responsible Banking Progress Statement for PRB Signatories



Summary

Länsförsäkringar Bank AB 2025

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers																
<p>Business Model Länsförsäkringar Bank is a retail bank and part of the Länsförsäkringar Alliance, which consists of 23 mutual regional insurance companies. These companies collectively own the bank's parent company, Länsförsäkringar AB (LFAB).</p> <p>The bank's strategy is to offer attractive banking services tailored to the customers of the Länsförsäkringar regional companies. Strong customer relationships are fostered through personal meetings at 117 local branches across Sweden, complemented by digital services and telephone support. The bank aims to achieve the highest levels of customer satisfaction, sustain healthy growth in volume and profitability at low risk, and increase the proportion of customers who hold both banking and insurance products with Länsförsäkringar.</p> <p>The main product offerings include:</p> <ul style="list-style-type: none"> • Savings • Deposits • Retail funds and securities • Loans <p>The three primary customer segments are:</p> <ul style="list-style-type: none"> • Households • Small enterprises • Agriculture <p>By combining personal interaction with robust digital services, Länsförsäkringar Bank delivers a full-service offering that supports customers in achieving financial security and balanced personal finances, tailored to their individual needs.</p>	<p>Impact analysis In 2025, the double materiality assessment was further developed in line with ESRS requirements. The assessment confirmed four material sustainability topics for Länsförsäkringar Bank:</p> <ul style="list-style-type: none"> • Climate change • Own workforce • Workers in the value chain • Business conduct <p>These topics guide strategic priorities and risk management.</p> <p>The bank continues to calculate financed emissions using the PCAF methodology. Financed emissions amounted to 20 694 216 tons CO₂e by the end of 2025.</p> <table border="1" data-bbox="853 1018 1386 1273"> <thead> <tr> <th>Portfolio</th> <th>Scope 1-2 emissions (ton CO₂e)</th> <th>Scope 3 emissions (ton CO₂e)</th> <th>Total (ton CO₂e)</th> </tr> </thead> <tbody> <tr> <td>Loan portfolio</td> <td>310 294</td> <td>190 844</td> <td>501 171</td> </tr> <tr> <td>Investment portfolio</td> <td>1 230 991</td> <td>18 962 164</td> <td>20 193 045</td> </tr> <tr> <td>Total</td> <td>1 541 285</td> <td>19 153 008</td> <td>20 694 216</td> </tr> </tbody> </table> <p>Approximately 92.5 % derive from financed emissions in Scope 3. The quality of data for these emissions is generally lower, which entails a higher degree of uncertainty and volatility compared with Scope 1 - 2 financed emissions.</p> <p>For the loan portfolio, the emission calculations include loans</p>	Portfolio	Scope 1-2 emissions (ton CO ₂ e)	Scope 3 emissions (ton CO ₂ e)	Total (ton CO ₂ e)	Loan portfolio	310 294	190 844	501 171	Investment portfolio	1 230 991	18 962 164	20 193 045	Total	1 541 285	19 153 008	20 694 216	<p>Client Engagement and Business Opportunities Länsförsäkringar Bank actively contributes to climate transition by offering financing solutions that support sustainable development. Sustainability considerations are integrated into mortgage lending, agricultural financing and SME lending.</p> <p>Green mortgages, offering improved terms for energy-efficient homes, remain an important part of the offering, providing interest rate reduction to customers with energy-efficient homes (energy class A or B). The volume of green mortgages continued growing during 2025, reaching SEK 7.5 (4.9) billion by year-end.</p> <p>The bank's subsidiary Länsförsäkringar Finans AB provides transition finance to support companies' shift towards more sustainable operations, contributing to the UN SDGs. The offer focuses on emissions reductions through financing solar panels, heat pumps and electric vehicles. At year-end 2025, transition finance accounted for 5.8% (5.4%) of total new financing volume.</p> <p>Additionally, Länsförsäkringar Bank's green bond framework is designed to finance or refinance loans that promote a transition towards a low-carbon, climate-resilient, and environmentally sustainable society. The green bond program plays a key role in attracting new investors and retaining existing ones. As of year-end 2025 the portfolio of eligible green loans amounted to SEK 36 (19) billion with a taxonomy alignment of 100% (95%).</p>
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<p>Strategy Alignment</p> <p>Sustainability remains a core strategic priority and is integrated into the bank’s strategy, governance and business planning. During 2025, sustainability reporting and governance have been further aligned with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), strengthening the formal integration of sustainability into corporate governance and risk management processes.</p> <p>The bank’s sustainability agenda aligns with the UN Sustainable Development Goals (SDGs), with a prioritized focus on Goals 3, 5, 7, 8, 10, 11, 12, 13, 15, 16, and 17.</p> <p>Länsförsäkringar Bank has committed to achieving net-zero greenhouse gas emissions by 2045. Within the framework of its overarching business objectives and strategies, Länsförsäkringar Bank is dedicated to supporting international agreements and initiatives focused on sustainable development and at the same time is committed to minimizing any negative impacts on these goals, including:</p> <ul style="list-style-type: none"> • The 2030 Agenda for Sustainable Development • The UNEP FI Principles for Responsible Banking • The UN Guiding Principles on Business and Human Rights • The Swedish Bankers’ (Finance Sweden’s) Climate Roadmap • The UN Global Compact • The Partnership for Carbon Accounting Financials (PCAF) • The Kunming-Montreal Global Biodiversity Framework • The OECD Guidelines for Multinational Enterprises 	<p>collateralised by residential immovable property, motor vehicles and corporates. Other retail exposures and exposures to public administration are excluded from the calculations. The calculations for the liquidity portfolio include government bonds, listed shares and corporate bonds. Overnight loans with the Riksbank and the Swedish National Debt Office are excluded. The investment portfolio includes government bonds, listed shares and corporate bonds.</p> <p>Target setting</p> <p>Länsförsäkringar Bank’s target is to be climate neutral by 2045 with an interim target 2030. To achieve this, the bank focuses on reducing financed emissions from the investments and lending portfolios. Direct emissions are managed jointly within LFAB.</p>	
<p>Links & references</p> <p>ESRS 2 – SBM-1: Strategy, business model and value chain ESRS 2 – SBM-3: Material impacts, risks and opportunities ESRS E1 – Climate Change strategy disclosure ESRS 2 – GOV-1 & GOV-2: Governance & board oversight Swedish Bankers’ Association (Finance Sweden)</p>	<p>Links & references</p> <p>ESRS 2 – IRO-1: Process to identify impacts, risks and opportunities ESRS 2 – IRO disclosures (topics E1, S1, S2, G1) ESRS 2 – MDR-T: Targets & metrics ESRS E1 – Climate Change disclosures (metrics & targets)</p>	<p>Links & references</p> <p>ESRS 2 – SBM-1 Strategy ESRS 2 – G1 Business conduct & credit risk guidelines ESRS E1 – Climate Change (transition finance disclosures)</p>

Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
<p>Strategic commitments and stakeholder dialogue The bank's priority stakeholders remain owners, customers, employees, suppliers, investors, authorities and industry organisations.</p> <p>Stakeholder dialogue is conducted through structured processes including meetings, workshops, surveys and regular engagement. In 2025, stakeholder input formed an integral part of the double materiality assessment.</p> <p>A strengthened joint sustainability approach within the Länsförsäkringar federation has further enhanced coordination on climate ambition and sustainability governance across the group.</p> <p>Due diligence processes covering environmental, social and governance aspects are embedded in governance documents, codes of conduct and risk management systems.</p>	<p>Implementation of the principles The Principles for Responsible Banking (PRB) are integrated into Länsförsäkringar Bank's operations through the bank's sustainability policy, which has been approved by the Board of Directors.</p> <p>In 2025, sustainability governance has been further formalised in accordance with ESRS requirements. The Board oversees sustainability strategy, material impacts, risks and opportunities, and climate-related targets. The CFO is responsible for sustainability reporting and internal controls, and the CRO ensures integration of sustainability-related risks into the risk management framework.</p> <p>Sustainability Aspects in Corporate Lending Environmental risks, environmental responsibility, and livestock farming practices are subject to a range of legal requirements and regulatory oversight. Länsförsäkringar Bank's credit assessment processes are designed to evaluate these risks, taking into account whether an operation is licensable or non-licensable.</p> <p>In addition to regulatory compliance, the bank also considers other sustainability aspects, such as ethical livestock farming practices, the climate impact of the borrower's operations, and potential climate-related risks that could affect the borrower's solvency. The bank does not extend loans to businesses that are assessed as having unmanaged climate or environmental risks, or where there are deficiencies in environmental responsibility.</p> <p>Furthermore, the bank evaluates industries, business activities, and employment practices to assess risks related to human rights violations, discrimination, labor rights, child labor, forced labor, corruption, or other criminal activities. Lending is not granted to businesses where there is a risk that</p>	<p>Assurance of Sustainability Reporting Länsförsäkringar Bank's statutory sustainability report for 2025 is prepared in accordance with CSRD and ESRS and is included in the Länsförsäkringar AB Group's sustainability reporting.</p> <p>The sustainability report has been reviewed by Deloitte.</p>

	<p>the borrower may fail to comply with applicable laws and regulations in these areas.</p> <p>Länsförsäkringar Bank's credit policy explicitly excludes lending or financing to the following sectors and activities:</p> <ul style="list-style-type: none"> • Extraction and prospecting of fossil fuels (oil, coal, and gas) • Energy production from thermal coal • Production of tobacco products • Commercial gambling (including online gambling and land-based casinos) • Manufacturing of controversial weapons • Production of pornographic material <p>Sustainability Training</p> <p>During the year, employees at Länsförsäkringar Bank have enhanced their sustainability knowledge through the annual knowledge update. The Board of Directors and executive management have also participated in workshops and training sessions on relevant sustainability topics.</p>	
<p>Links & references</p> <p>ESRS 2 – SBM-2: Interests and views of stakeholders</p> <p>ESRS 2 – GOV-4: Due diligence statement</p> <p>ESRS S2 – Workers in the value chain disclosures</p>	<p>Links & references</p> <p>ESRS 2 – GOV-1: Role of the Board</p> <p>ESRS 2 – GOV-5: Risk management and internal controls</p> <p>ESRS 2 – GOV-2: Sustainability matters addressed by the Board</p> <p>ESRS 2 – Personnel disclosures & training</p>	<p>Links & references</p> <p>ESRS 2 – BP-1: General basis for preparation</p> <p>ESRS 2 – GOV-5: Risk management and internal control over sustainability reporting</p> <p>ESRS 2 – SBM disclosures och External assurance statements</p>

