

# Länsförsäkringar Bank

## Green bond impact report 2025



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## Summary

Länsförsäkringar Bank hereby presents its impact report as of end of 2025 relating to the green bonds issued under the green bond framework. The amount of assets in the green asset register was 31 December 2025 SEK 35.9 billion and the outstanding amount of issued green bonds was SEK 19.0 billion. The assets in the green asset register were mortgage loans to single-family houses and apartments in the category "Existing Buildings". 7 green bonds were issued during 2025. The volume of assets in the green asset register has increased during 2025. The increase is primarily driven by the inclusion of mortgage loans to apartments in the register from the beginning of 2025.

The impact reporting focuses on the energy consumption of the assets, i.e. the energy used for the buildings pledged as collateral for the household mortgage loans included in the green asset register.

The reporting of the impact, i.e. the emissions and the avoided emissions, is based on average emissions per kWh in the Swedish market and the Swedish energy production area, and for the different heating sources used in the buildings, mainly biofuel, district heating and electricity.

The energy consumption relating to the assets in the green asset register and relating to Länsförsäkringar Bank's portion of the financing was for 2025 estimated to be 111 (70) GWh.

For the SEK 19.0 (8.6) billion of issued green bonds, the emissions were 1,842 (837) tonnes CO<sub>2</sub>e in total and per SEK M issued green bonds, the emissions were 0.10 (0.10) tonnes CO<sub>2</sub>e. The avoided emissions were 838 (504) tonnes CO<sub>2</sub>e and per SEK M issued green bonds, the avoided emissions were 0.04 (0.06) tonnes CO<sub>2</sub>e.

100% of the green asset register is taxonomy-aligned (with EU Taxonomy Regulation (EU) 2020/852) under economic activity 7.7 "acquisition and ownership of buildings" under the Climate mitigation objective. Alignment is demonstrated through meeting the substantial contribution criteria and do no significant harm criteria.

### Emissions, avoided emissions and EU taxonomy alignment of the green asset register, 2025-12-31

Volume of assets in the green asset register, lending, SEK M	35,865
Issued volume of green bonds, SEK M	19,013
Portion of proceeds used to finance new loans in relation to total loans	23%
Yearly energy consumption related to volume in the green asset register, GWh	111
Yearly emissions related to volume of issued green bonds, tonnes CO <sub>2</sub> e	1,842
Yearly emissions per SEK M of green bonds issued, tonnes CO <sub>2</sub> e	0.10
Yearly avoided emissions related to volume of issued green bonds, tonnes CO <sub>2</sub> e	838
Yearly avoided emissions per SEK M of green bonds issued, tonnes CO <sub>2</sub> e	0.04
Alternative calculation of yearly avoided emissions related to volume of issued green bonds, using emissions for electricity in Europe, tonnes CO <sub>2</sub> e	8,084
Alternative calculation of yearly avoided emissions, using emissions for electricity in Europe, per SEK M of green bonds issued, tonnes CO <sub>2</sub> e	0.43
EU taxonomy-aligned asset volume, SEK M	35,865
EU taxonomy-alignment ratio	100%

### Emissions per kWh for the different heating sources

Heating source	Emissions / kWh, gCO <sub>2</sub> e	Distribution in Sweden	Distribution in LF Bank green asset register	Number of objects in LF Bank green asset register (19 581 in total)
Biofuel	0	15%	5%	849
District heating	50	50%	52%	11,825
Electricity	Under license	33%	43%	6,893
Gas	204	1%	0%	4
Oil	268	1%	0%	10

Alternative calculations of avoided emissions are presented under avoided emissions, which are based on emission standards for electricity in Europe, which is 191 gCO<sub>2</sub>e/kWh (in accordance with NPSI).

# About Länsförsäkringar

## Länsförsäkringar Bank

Länsförsäkringar Bank is part of the customer-owned Länsförsäkringar Alliance and is a retail bank with the strategy to offer attractive banking services to the customers of the Länsförsäkringar Alliance and other customers in the market. Close customer relationships are created at personal meetings at the 117 branches of the regional insurance companies throughout Sweden and via digital services and telephone meetings.

Länsförsäkringar Bank is the fifth largest retail bank in Sweden. The aim is to have the most satisfied customers, maintain healthy growth in volumes and profitability at low risk, and to increase the share of customers who have both banking and insurance relations with Länsförsäkringar.

Länsförsäkringar Bank is part of the Länsförsäkringar Alliance, which comprises 23 local, customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB and its subsidiaries, including Länsförsäkringar Bank. Customers are provided with a complete solution for banking, insurance, pensions and real-estate brokerage services through their regional insurance company.

The regional insurance companies are owned by the insurance customers there are no external shareholders and customers' needs and requirements are always Länsförsäkringar's primary focus. Long-term respect for customers' finances and their security is fundamental. The Länsförsäkringar Alliance jointly has around 4.0 million customers and approximately 9,500 employees.

## Sustainability within Länsförsäkringar Bank

Länsförsäkringar Bank's sustainability strategy is grounded in the Länsförsäkringar Group's climate ambition to be climate-neutral by 2045, with interim milestones for 2030. Climate change mitigation is a central strategic focus for the LFAB Group, reflected in its lending, insurance, savings, investment activities and in its own operations. Länsförsäkringar Bank contribute to the LFAB Group's broader environmental strategy by financing energy-efficient buildings, supporting both Sweden's national climate objectives and the EU's decarbonisation pathway. Länsförsäkringar Bank have developed a transition plan that provides guidance for our lending activities, with the aim of reducing emissions and managing climate-related risks and opportunities on the path towards the 2045 target.

Länsförsäkringar Bank is a signatory to the UN Principles for Responsible Banking and its Progress Statements are published on the Bank's website.

More information can be found in Länsförsäkringar Banks Annual report 2025.

## Länsförsäkringar Bank Green bond framework

Länsförsäkringar Bank launched its Green bond framework in 2022 and has subsequently issued green bonds under the framework. In accordance with the framework, an impact report is hereby being presented, which shows the emissions related to the assets in the green asset register and the avoided emissions in relation to issued green bonds. The data presented in this impact report relates to the year 2025.

The aim of Länsförsäkringar Bank's green bond framework is to source debt capital for its funding to support a low-carbon, climate change resilient and environmentally sustainable society. Länsförsäkringar Bank strives to follow best market practice and the framework, aligned with the Green Bond Principles (GBP) published in June 2021 by the International Capital Market Association (ICMA), defines the loans eligible for financing with the green bonds issued by Länsförsäkringar Bank.

The eligible asset categories for the loans according to the green bond framework are the following:

- Green and energy-efficient buildings
- Environmentally sustainable natural resources and use of land
- Renewable energy
- Clean transportation

The framework also outlines the process used to identify, select and report on eligible loans and the management of green bond net proceeds.

The terms and conditions of the associated legal documentation for each green bond provide a reference to the framework. Länsförsäkringar Bank AB or its subsidiary Länsförsäkringar Hypotek AB may use the framework to issue green bonds in the format of senior preferred bonds, senior non-preferred bonds and covered bonds. Other financial products such as loans and revolving credit facilities may also reference the framework.

Sustainalytics has provided a second party opinion of the framework confirming the alignment with ICMA's GBP and an independent external party is assigned to annually review the management of proceeds. This is conducted through the Auditor's limited assurance report, from Deloitte, which is presented on page 12-13 in this impact report.

In March 2026, Länsförsäkringar Bank and Länsförsäkringar Hypotek issued a European Green Bond Factsheet in compliance with the European Green Bond Standard (EuGBS) as well as with the ICMA GBP, and under which the future issuances of EuGBs will refinance the same EU Taxonomy aligned assets as under the Green bond framework from 2022. The issuances under the EuGB Factsheet are expected to start during 2026.

## Use of proceeds according to the framework

### Allocation of net proceeds

An amount equal to the net proceeds of the green bonds finances or refinances, in whole or in part, loans disbursed by Länsförsäkringar Bank that promote the transition towards a low-carbon, climate change resilient and environmentally sustainable society, in each case as determined by Länsförsäkringar Bank in accordance with the defined green loan categories. All green loans finance projects in Sweden. Green loans form a portfolio of assets eligible for financing and refinancing by the green bonds, a green asset register.

### Financing and refinancing

Green bond net proceeds may be used to both existing and new green loans financed by Länsförsäkringar Bank. New financing is defined as green loans disbursed during the reporting year. Refinancing is defined as green loans disbursed before the reporting year. The distribution between financing and refinancing is being reported on in this report.

### Exclusions

Green bond net proceeds are not to be allocated to loans for which the purpose of the project is fossil energy production, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

### EU taxonomy

Länsförsäkringar Bank targets with its green loans financed under the green bond framework the EU taxonomy environmental objectives. The green loan categories in the framework intend to reflect the technical screening criteria for substantial contribution stipulated in the Climate Delegated Act (EU Commission's Delegated Regulation 2021/2139 Annex II on Climate Change Mitigation) to the extent possible.

### Sustainable Development Goals

In the framework, each green loan category has been mapped to the UN Sustainable Development Goals (SDGs) in accordance with the high-level mapping to the Sustainable Development Goals published by the International Capital Market Association.

## Green bonds issued

In 2025, Länsförsäkringar issued 7 new green bonds.

The total outstanding volume of green bonds as of 2025-12-31 was SEK 19.0 (8.6) billion as presented in the table below.

Green bonds issued as of 2025-12-31										
Issuer	Issue Date	Nominal Amount	Currency	Format	Type	Maturity Date	Coupon	ISIN	Framework	
LFB	2022-11-08	1,000,000,000	SEK	Senior unsecured	Senior non-preferred	2026-11-18	4.913%	XS2555716567	LF Bank GB Framework 2022	
LFB	2022-11-08	500,000,000	SEK	- "	Senior non-preferred	2026-11-18	3M Stibor + 170 bps	XS2555717706	- "	
LFB	2023-01-11	500,000,000	EUR*	- "	Senior preferred	2027-01-18	4.000%	XS2577054716	- "	
LFB	2023-08-28	400,000,000	SEK	- "	Senior non-preferred	2028-09-08**	3M Stibor + 150 bps	XS2676388619	- "	
LFB	2023-08-28	500,000,000	SEK	- "	Senior non-preferred	2028-09-08**	5.148%	XS2676390359	- "	
LFB	2025-01-23	650,000,000	SEK	- "	Senior non-preferred	2029-02-04**	3M Stibor + 73 bps	SE0013362118	- "	
LFB	2025-01-23	1,000,000,000	SEK	- "	Senior non-preferred	2031-02-04**	3M Stibor + 104 bps	SE0013362126	- "	
LFB	2025-05-05	700,000,000	SEK	- "	Senior non-preferred	2028-05-13**	3M Stibor + 75 bps	SE0023440235	- "	
LFB	2025-05-05	1,300,000,000	SEK	- "	Senior non-preferred	2031-05-13**	3M Stibor + 120 bps	SE0023440227	- "	
LFB	2025-09-29	500,000,000	EUR*	- "	Senior preferred	2028-10-06	2.625%	XS3198655279	- "	
LFB	2025-10-07	900,000,000	SEK	- "	Senior non-preferred	2029-10-16**	3M Stibor + 70 bps	SE0013107034	- "	
LFB	2025-10-07	900,000,000	SEK	- "	Senior non-preferred	2029-10-16**	2.860%	SE0013107042	- "	
		19,013,100,000	SEK	* Volume converted to SEK using the exchange rate at Issue ** Callable at a one year earlier date						

## Assets in the green asset register

### Green and energy-efficient buildings

The assets in the green asset register have initially been focused on loans for green and energy-efficient buildings, and the subcategory existing buildings. 100% of the assets in the green asset register were household mortgage loans for existing green and energy-efficient buildings as collateral.

### Existing buildings (built before 2021)

The criteria for inclusion in the green asset register are that the building has an Energy Performance Certificate (EPC) demonstrating class A, or that the building qualifies within the top 15% of the national or regional building stock expressed as Primary Energy Demand (PED). The method for calculating the top 15% of the national or regional building stock was first developed by Chalmers Industriteknik and utilises different weight factors when converting the registered energy performances, based on the building regulations in force at the time of the issuance of the building's EPC.

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## Reporting methodology

The reporting methodology utilised in this report adheres to ICMA's Harmonised Framework for Impact Reporting Handbook (June 2023), and follows the guidelines outlined by the Swedish Bankers' Association as well as the guidelines outlined by the Partnership for Carbon Accounting Financials, PCAF, methodology.

In this report, there is also an alternative impact calculation presented, which is based on the Nordic Public Sector Issuers' (NPSI) Position Paper on Green Bonds Impact Reporting (March 2024), in order to provide a comparability with those industry peers that report in accordance with that.

Energy savings from green buildings are disclosed as a net value, based on annual energy usage per square meter compared to a baseline reference

portfolio, in which buildings comply with applicable national building regulations. Based on a building's emission factor, the heating sources' contribution to the buildings' total energy performance and carbon-dioxide emissions have been applied.

Baseline reference energy distribution is based on data sourced from Swedish Energy Agency (Energimyndigheten, 2024), while baseline energy performances and heated floor areas are collected from Swedish National Board of Housing, Building and Planning (Boverket, 2025).

The report aggregates properties' individual results, including only the pro-rata shares of Länsförsäkringar Bank's financing as a percentage of total financing of the projects.

## Impact methodology, reporting disclosure

The impact reporting comprises energy consumption reporting, which is the basis for the carbon emission calculation, and these energy consumption and emissions are compared with a baseline reference portfolio for a comparable portfolio with average Swedish assets in terms of energy consumption.

The calculation of the impact, or savings in terms of CO<sub>2</sub>e emissions, is made on the entire green asset portfolio and done individually per asset, i.e. per underlying mortgage loan asset or individual house. The calculations are made for the entire portfolio and for the portion of the asset values that are financed by Länsförsäkringar Bank. When calculating the impact from the financed assets, the financed emissions are calculated and compared with baseline emissions for the corresponding asset volume. The financed emissions are calculated based on the energy consumption per asset multiplied with the standard carbon emission per asset depending on the heating source used.

The CO<sub>2</sub>e emission standards are calculated as energy consumption per square meter multiplied with the average CO<sub>2</sub>e emission per kWh for different heating sources, in accordance with standard emissions in the Swedish energy production area. The CO<sub>2</sub>e emission per kWh for different energy sources is listed in the table below.

The same CO<sub>2</sub>e emissions standards are used for the actual energy consumption in the financed portfolio as well as for the energy consumption in the baseline reference comparison portfolio.

Emissions per kWh for the different heating sources				
Heating source	Emissions / kWh, gCO <sub>2</sub> e	Distribution in Sweden	Distribution in LF Bank green asset register	Number of objects in LF Bank green asset register (19 581 in total)
Biofuel	0	15%	5%	849
District heating	50	50%	52%	11,825
Electricity	Under license	33%	43%	6,893
Gas	204	1%	0%	4
Oil	268	1%	0%	10

Alternative calculations of avoided emissions are presented under avoided emissions, which are based on emission standards for electricity in Europe, which is 191 gCO<sub>2</sub>e/kWh (in accordance with NPSI).

In addition to the CO<sub>2</sub>e emissions and the CO<sub>2</sub>e savings presented, which are calculated using Swedish emissions per kWh, an alternative savings number is calculated and presented using average European emissions per kWh (based on the NPSI position paper). This alternative calculation is for comparison purpose and is not the main presented savings number, however it is based on the logic that marginal CO<sub>2</sub>e emission for an increase in energy consumption for e.g. a new asset, is (when the heating source is electricity) being sourced from the European production area as a whole and not from Sweden only. Given the different average energy mix for electricity production in Sweden (almost entirely fossil-free electricity production) and in Europe as a whole (more electricity production from fossil sources), the main emission savings number is lower than in the alternative calculation.

## Results 2025 – emissions, avoided emissions and EU taxonomy alignment

The emissions and avoided emissions from the underlying assets in the green asset register are presented in the tables below.

The emissions are calculated based upon estimated energy consumptions for each mortgaged house, using the standard CO<sub>2</sub>e emission per kWh for Sweden for each heating source.

The yearly emissions related to the lending volume represented in the green asset register were 3,475 (1,842) tonnes CO<sub>2</sub>e as per 31 December 2025. Per SEK M lending volume, the yearly emissions were 0.10 (0.10) tonnes CO<sub>2</sub>e.

When calculating for the green bonds issued, the yearly emissions are 1,842 (837) SEK M and per SEK M green bonds the yearly emissions are 0.10 (0.10) tonnes CO<sub>2</sub>e.

Emissions, related to the green asset register and issued green bonds, 2025-12-31	
Volume of assets in the green asset register, lending, SEK M	35,865
- of which mortgage lending to green existing buildings, SEK M	35,865
Lending portion of total underlying pledged assets, single-family houses (~LTV)	58%
Yearly energy consumption related to volume in the green asset register, GWh	111
Yearly emissions related to volume in the green asset register, tonnes CO <sub>2</sub> e	3,475
Yearly emissions per SEK M of assets in the green register, tonnes CO <sub>2</sub> e	0.10
Issued volume of green bonds, SEK M	19,013
Volume of green bonds in relation to volume in the green asset register	53%
Yearly emissions related to volume of issued green bonds, tonnes CO <sub>2</sub> e	1,842
Yearly emissions per SEK M of green bonds issued, tonnes CO <sub>2</sub> e	0.10
Portion of proceeds used to finance new loans in relation to total loans	23%
Portion of proceeds used to refinance loans in relation to total loans	77%

The portion of proceeds used to finance new loans was 23% (25) of the total amount of loans, and the portion of proceeds to refinance existing loans was 77% (75) of total loans.

The avoided emissions are calculated as the energy consumption for the mortgaged houses in the green asset register compared with energy consumption in a comparable baseline reference portfolio. The emissions related to these energy consumption savings are calculated using the standard emissions per heating source in Sweden and are presented as avoided emissions in the table below.

The yearly avoided emissions related to the lending volume represented in the green asset register are 1,581 (1,109) tonnes CO<sub>2</sub>e. Per SEK M of lending volume, the yearly avoided emissions are 0.04 (0.06) tonnes CO<sub>2</sub>e.

When calculating for the green bonds issued, the yearly avoided emissions are 838 (504) tonnes CO<sub>2</sub>e. Per SEK M of green bonds issued; the yearly avoided emissions are 0.04 (0.06) tonnes CO<sub>2</sub>e.

Avoided emissions, 2025-12-31	
Yearly emissions related to the green asset register, tonnes CO <sub>2</sub> e	3,475
Yearly emissions in reference portfolio for Sweden, tonnes CO <sub>2</sub> e	5,055
Yearly avoided emissions related to the green asset register, tonnes CO <sub>2</sub> e	1,581
Yearly avoided emissions related to volume of issued green bonds, tonnes CO <sub>2</sub> e	838
Yearly avoided emissions per SEK M of green bonds issued, tonnes CO <sub>2</sub> e	0.04
Alternative calculation of yearly avoided emissions related to volume of issued green bonds, using emissions for electricity in Europe, tonnes CO <sub>2</sub> e	8,084
Alternative calculation of yearly avoided emissions, using emissions for electricity in Europe, per SEK M of green bonds issued, tonnes CO <sub>2</sub> e	0.43

The EU Taxonomy alignment of the assets in the green asset register is presented in the table below. In total, 100% (95) of the register's volume, corresponding to SEK 35.9 billion, is aligned with the EU Taxonomy.

EU taxanomy alignment, green asset register	
Volume of assets in the green asset register, lending, SEK M	35,865
- of which mortgage lending to green existing buildings, SEK M	35,865
Non-EU taxonomy-aligned volume, substantial contribution criterion, SEK M	0
Non-EU taxonomy-aligned volume, do no significant harm criterion, SEK M	0
Non-EU taxonomy-aligned volume, minimum safeguard criterion, SEK M	n/a
EU taxonomy-aligned asset volume, SEK M	35,865
EU taxonomy-alignment ratio	100%

## Sources

ICMA's Harmonised Framework for Impact Reporting Handbook (June 2023)

The guidelines outlined by the Swedish Bankers' Association

The guidelines outlined by the Partnership for Carbon Accounting Financials, PCAF, methodology

Baseline reference energy distribution is based on data sourced from the Swedish Energy Agency (Energimyndigheten, 2024)

Baseline energy performances and heated floor areas sourced from Swedish National Board of Housing, Building and Planning (Boverket, 2025)

Alternative impact calculation based on the Nordic Public Sector Issuers' (NPSI) Position Paper on Green Bonds Impact Reporting (March 2024)

# Auditor's Limited Assurance Report on Länsförsäkringar Bank Green Bond Impact Report

To Länsförsäkringar Bank AB (publ), corporate identity number 516401-9878

## **Conclusion**

We have been engaged by Länsförsäkringar Bank AB (publ) to undertake a limited assurance engagement of the Green Bond Impact Report ("Reporting") for the year 2025 set out on pages 3 - 11 in this document.

Based on our limited assurance engagement as described in the section *Auditor's responsibility*, nothing has come to our attention that causes us to believe that the Reporting for the year 2025, is not prepared, in all material respects, in accordance with the applicable criteria, as explained in the Länsförsäkringar Bank AB Green Bond Framework.

## **Basis for conclusion**

We have conducted the limited assurance engagement in accordance with ISAE 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Our responsibility according to this recommendation is further described in the section *Auditor's responsibility*.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## **Responsibilities of Management**

Länsförsäkringar Bank AB Management is responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained in the Länsförsäkringar Bank AB Green Bond Framework dated June 2022 (available at <https://www.lansforsakringar.se/privat/om-oss/finansiellt/lansforsakringar-bank-ab/grona-obligationer/>) as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

## **Responsibilities of the auditor**

Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with the criteria described in the section *Responsibilities of Management*.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable

assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Länsförsäkringar Bank AB (publ) in accordance with professional ethics for auditors in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the reporting. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the reporting, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how Management prepares the reporting, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures with included but were not limited to the following:

- Obtain an understanding of the entity's control environment, reporting processes, and information systems relevant to the preparation of the reporting
- Perform inquiries of relevant personnel and analytical procedures on the reporting
- Perform substantive assurance procedures on a sample basis on the reporting
- Evaluate processes, documentation and assessment of project evaluation and selection, management of proceeds and reporting, based on the criteria outlined in the Länsförsäkringar Bank AB Green Bond Framework

Stockholm, date as per digital signing

Deloitte AB

Patrick Honeth

Authorized public accountant

