Landshypotek Bank

Landshypotek Bank Green Bond Framework

2025

For a richer life in the countryside

Landshypotek Bank

By setting up this Green Bond Framework, aligned with the Green Bond Principles published in 2025 by the International Capital Market Association, Landshypotek Bank offers investors further insight on our sustainability strategy in line with our commitments and offers investors the opportunity to support the transition to a low carbon economy.

Landshypotek Bank's first Green Bond Framework was published in the spring of 2018, pioneering green covered bonds financing forestry related activities. This updated Framework, developed in collaboration with Danske Bank, further captures the agricultural sector, a sector with great challenges and opportunities which we as a financier can influence, share knowledge and support good initiatives with green financing.

S&P Global Ratings has provided a second opinion to the Green Bond Framework, which is publicly available at Landshypotek Bank's website: www.landshypotek.se.

The UN Sustainable Development Goals ("SDG") were adopted by the United Nations general assembly on 25 September 2015. The SDG's and agenda have been mapped against the Use of Proceeds in this Framework, targeting the most relevant SDG's - affordable and clean energy (7), sustainable cities and communities (11), responsible consumption and production (12) climate action (13) and life on land (15).

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Landshypotek Bank

Content

1 About us

Landshypotek Bank is committed to provide competitive funding for farmers and foresters in Sweden. We have consistently challenged the Swedish banking market by offering our customers funding with sound and transparent conditions.
It all started out back in 1836 when the first building stones of what today is Landshypotek Bank were laid. Famers joined together to access capital to their farms all over Sweden. The same foundation is the core of Landshypotek Bank almost 200 years later, even if we today also support and welcome mortgage and saving customers. All borrowers involved in farming and forestry become members of Landshypotek Ekonomisk Förening, and thus part-owners of Landshypotek Bank AB, a wholly owned subsidiary to Landshypotek Ekonomisk Förening. With approximately 32,500 members, the association is one of the largest cooperative groups in Sweden. Through this owner structure, profits are returned to customers, ultimately supporting locally produced food, well-managed forests and open landscapes.

Specialising in borrowing and saving, our clientele includes companies and entrepreneurs within agriculture and forestry, as well as individuals residing on farming and forestry properties, mortgage borrowers, and savers. Our operations span 21 branches across the country, from Skellefteå in the north to Lund in the south.

By exclusively providing financing for farming, forestry and housing in Sweden, with pledged property as collateral, the bank's lending operations are inherently limited. As a result, the bank does not finance the extraction of fossil fuels such as coal, natural gas or oil.

1.1 Agriculture and forestry in a Swedish perspective

Agriculture and forestry have a substantial impact on the climate; both positive and negative. They are also two sectors that are directly affected by ongoing climate change. As emissions from other sectors will decline, emissions from agriculture are expected to be the largest source of greenhouse gas emissions in Sweden and the EU by 2040[1]. This is due to the fact that agriculture involves biogenic processes which result in biogenic emissions with a negative climate impact. However, forests, soils and growing crops, also absorb large amounts of carbon dioxide through photosynthesis contributing to tackle climate change. Swedish forests and land (Land Use, Land-Use Change and Forestry (LULUCF) sector) absorb approximately 40 million tonnes CO_2e annually. Emissions from Swedish agriculture amount to approximately 6 million tonnes CO_2e – primarily methane and nitrous oxide from feed digestion, manure management and nitrogen transformation in soil.

More than two thirds of Sweden are covered in forest and seven percent is agricultural land. Due to the Swedish Land Acquisitions Act (Sw. *Jordförvärvslagen*), 50 percent of forest land and 90 percent of agricultural land are owned and managed by private individuals, and almost every farmer is a forester too. The two sectors are interconnected and should also be seen as a whole from a climate and economic perspective. The absolute majority of Landshypotek Bank's customers within agriculture and forestry conduct their businesses through sole proprietorship, a private individual with personal liability.

[1] Report of the Swedish Climate Policy Council, 2025

1.2 A lending portfolio that stands out

Financing farming and forestry comes with unique opportunities, and risks, from a climate and nature related perspective. Businesses in both sectors, often managed and owned by the same private individual, have both positive and negative impacts on the climate and nature while being highly dependent upon and a part of nature.

In 2025, the bank conducted a portfolio analysis to calculate the climate footprint of our credit portfolio. The analysis is based on standardised data adapted to the bank's credit portfolio. The analysis incorporates several assumptions, including the average number of livestock units across different farming activities, greenhouse gas emissions from cultivated land, and energy consumption associated with various types of farming activities.

The findings show that the bank's credit portfolio has a positive climate impact – in other words, the underlying properties, along with their associated activities and operations in the bank's credit portfolio together sequester more carbon dioxide equivalents than they emit. The forest properties financed by the bank's green bonds were excluded from the calculations.

2 Agriculture and forestry play vital roles in the transition

Forests are crucial for transitioning to a fossil-free society. Their renewable, recyclable and biodegradable raw materials can replace fossil alternatives. Growing forests also sequester carbon dioxide, helping mitigate climate change. In other words, forests contribute with dual effects to limiting climate change and contributing to a sustainable society. Agriculture has significant potential to reduce greenhouse gas emissions in addition to opportunities to absorb and store more carbon dioxide. The use of forests and cultivated land also enhances biodiversity, nature management, and diversity in the Swedish countryside.

Swedish legislation and management practises have resulted in high standards in animal husbandry, environmental practices and food quality with a very limited use of antibiotics. Swedish farmers and foresters are vital for resilience and preparedness in the event of crises and extreme weather events. Swedish farms contribute to strengthening Sweden's self-sufficiency in food production and access to energy material and wood resources, while reducing reliance on imports.

In order to be a central part of the climate transition, Swedish agriculture will also need to take measures to reduce its own climate footprint. This includes phasing out the use of fossil fuels in machinery, vehicles, grain drying and heating of agricultural buildings. Furthermore, measures are required to ensure that Swedish agriculture and forestry adapt to a changing climate and can remain resilient in the face of climate-related extreme events such as drought and flooding. These measures range from improved drainage and soil health to water storage solutions and ensuring that the appropriate types of trees are planted in the forests.

3 Sustainability agenda

Landshypotek Bank supports individuals in conducting businesses, fulfilling ambitions, and residing across Sweden. A thriving countryside with forests and cultivated fields fosters growth and employment, forming the foundation for a robust business community and Swedish welfare nationwide. Sustainable development depends on the ability to live and work throughout Sweden. Through prudent and responsible credit granting, Landshypotek Bank facilitates rural living and investment in rural enterprises, laying the groundwork for future prosperity in both cities and the countryside. This approach contributes to sustainable development: socially, environmentally, and economically.

3.1 Governance of sustainability-related matters

The Board holds ultimate responsibility for sustainability-related matters at the bank. This responsibility is delegated to the Chief Executive Officer, who further delegates it to the Chief Sustainability Officer. While the formal responsibility for sustainability lies with the Chief Sustainability Officer, the bank aims to integrate sustainability into every level of its operations. Due to the bank's size, all departments are required to engage with sustainability-related matters on a daily basis.

3.2 Double materiality assessment

The bank has performed a double materiality assessment, analysing impacts, risks, and opportunities within its own operations, as well as upstream and downstream in the bank's value chain. As of 2025, this assessment identified four material sustainability topics that are further described in the following sections.

- **Climate change and resilience**
- **Biodiversity and ecosystems**
- **Own workforce**
- **Business conduct**

3.2.1 Climate change, resilience and biodiversity

Climate change poses challenges across all sectors of society. Landshypotek Bank's direct impact on the climate is limited, primarily arising from energy consumption at its premises and business travel, as many of its farming and forestry customers are located in areas accessible only by car. The bank's most significant climate impact is indirect, stemming from its credit portfolio, particularly in lending to the agriculture and forestry sectors.

Farming and forestry are unique sectors in the climate transition; they are already affected by climate change but also play a crucial role in achieving net zero emissions through food production and biogenic raw materials. The bank's lending to these sectors results in financed emissions and absorption that differ significantly from other Swedish banks. Swedish forests and agricultural land currently sequester a considerable amount of carbon, accounting for nearly 75 percent of Sweden's total greenhouse gas emissions. Thus, the bank contributes to greenhouse gas removals through its lending activities.

At the same time, the agricultural sector is one of the largest single contributors to greenhouse gas emissions in Sweden, particularly methane and nitrous oxide. Major emission sources in agriculture include land use, animal digestion, and manure management. Since emissions for the sector are based on biological processes, they can vary significantly across regions, times, and production methods, leading to considerable uncertainty in calculations. This is especially true for nitrous oxide emissions from nitrogen fertilisers used on arable land. Even though there are uncertainties in the calculations of emissions from biological processes, activities like precision farming, usage of low carbon fertilizers, installation of biogas facilities and investments in fossil-free machinery will lower the overall carbon footprint from the sector.

Farming and forestry are already impacted by climate change, making adaptation crucial for, at least, maintaining, and ultimately increasing food production and biogenic raw material supply. These sectors rely on long-term land use, necessitating the identification of climate-related risks as part of the bank's risk management strategy. In collaboration with the Swedish Meteorological and Hydrological Institute (SMHI), the bank has analysed the primary climate-related physical risks for farming and forestry. This analysis reveals that risks vary nationwide and affect operations differently, with optimal actions depending on geographical conditions and the specific type of activity.

In addition to physical climate-related risks, the bank also closely follows the progress of regulations that can entail consequences for the use of agricultural land and forests. Changes in regulations can directly impact farming and forestry customers' operations and thus impact their repayment capacity and the value of their properties. At present, the banks analysis indicates that transition risks are the most relevant ESG-related risk for the bank in a short-term perspective.

The bank has established a transition plan to guide its operations in response to climate change. This plan covers the credit portfolio for farming, forestry, housing, and the bank's own operations, with a focus on agriculture due to its significant climate impact. The bank aims to actively collaborate with farming and forestry customers to phase out fossil fuels. This transition requires investments in solutions like biogas facilities, solar panels, and energy-efficient farm buildings, which the bank can and already does finance. There are also promising opportunities for the bank to support investments to remove fossil fuels from Swedish agriculture in the near future.

Farming and forestry significantly impact biodiversity and are, at the same time, uniquely positioned to enhance it. These sectors are crucial in the efforts to halt biodiversity loss in Sweden. While the bank cannot directly control how customers manage land or forests, we expect compliance with biodiversity-related legislation. Sweden has firm land use regulations in place, many of which aim to support biodiversity. In order to target and support initiatives that enhance biodiversity, Landshypotek Bank will support activities and practices that limit usage of pesticides, enhance grazing animals and open meadows and contribute to diversified forests.

Grazing animals play a crucial role in Sweden's agricultural landscape, contributing significantly to the national self-sufficiency rate. As the demand for meat continues, locally produced meat from grazing animals helps reduce transportation needs, thereby minimising environmental impact and supporting local economies. Sweden is known for its stringent animal welfare laws, which ensure high standards for the treatment of livestock. This commitment to animal welfare makes Swedish-produced meat not only ethically preferable but also often of higher quality compared to imported alternatives. Additionally, grazing animals are vital for maintaining open fields, which are essential for fostering biodiversity. On grazed land, no plant takes over because they are constantly grazed down, allowing many species to coexist in a small area. The grazing animals spread seeds and trample bare soil where new seeds can germinate. Swedish pastures are home to a rich variety of plant and animal species. According to the Swedish Environmental Protection Agency, pastures can contain up to 40 different species, or more, of plants per square metre, including many rare and endangered flora. This diversity is crucial for sustaining various pollinators and other wildlife, creating a balanced ecosystem that supports sustainable agricultural practices.

Landshypotek Bank's long-term climate change targets:

- **Climate targets**: Achieve net zero emissions by 2045. Support the transition to fossil-free agriculture by 2030, in line with the agricultural industry's roadmap.
- **Offering**: Provide competitive finance offering to customers for climate change mitigation and adaptation.
- **Funding**: Increase the volume of green bonds with 30% by 2030.
- **Expertise**: Conduct annual training for the bank's employees on climate change mitigation and adaptation.
- **Climate reporting**: Encourage annual collection of climate data from the bank's largest customers across different farming sectors.

Landshypotek Bank's valuation policy requires the identification of environmental and climate factors that could affect the future market value of properties, including for example restrictions from nature or water protection areas. Climate and biodiversity are considered in credit assessments through a separate climate and environmental analysis for all legal persons and farmers above a defined size threshold. This analysis evaluates environmental and climate risks that could affect repayment capacity, indicating actions taken by customers to enhance positive impacts and minimise negative effects on the environment and climate.

3.2.2 Own workforce and business conduct

A thriving workforce is essential for the bank to achieve its strategic objectives. Each employee at Landshypotek Bank accounts for almost half a percent of the bank's staff, making their commitment to the organisation, workplace, and tasks crucial for our performance. As a primary employer, the bank impacts its employees positively by offering secure jobs with opportunities for influence, skill development, and internal mobility. Potential negative impacts such as stress and mental illness may arise from excessive workloads and managing multiple tasks simultaneously. To mitigate these effects, the bank implements policies aimed at ensuring a comfortable and sustainable working environment. These policies form the foundation of the bank's engagement with employees, ensuring that working conditions, work environment, and related issues are effectively managed. Key policies include the HR Policy, Remuneration Policy, Landshypotek's Code of Conduct, Guidelines for Managing Threats and Violence, Instructions for Reporting Discrimination and Unequal Treatment, Security Policy, and Work Environment and Diversity Guidelines.

Responsible business conduct is essential for building trust in the bank. We ensure this through structured, monitored operations and by fostering a culture where employees understand ethical behaviour. We encourage dialogue, adapt working methods, and address issues like impartiality and corruption. Sound and sustainable lending is key. By applying credit rules, we aim to enhance customers' financial security. Our Sustainability Policy promotes responsible borrowing and investing by integrating sustainability into decisions. The Board's governance and targets for business conduct are detailed in policy documents, ensuring trust among stakeholders and influencing all bank activities.

The bank maintains a zero-tolerance policy towards corruption, ensuring that objectivity and correct conduct are fundamental in all business relations. The compliance department conducts a risk analysis of the bank's corruption risks and conflicts of interest at least once per year. Based on the analysis, appropriate actions are developed as needed. Moreover, all of the bank's employees participate in annual training focused on combating money laundering and corruption. Lending processes are subject to duality controls, ensuring thorough oversight. The whistle-blower function is accessible to anyone who, in a work-related context, encounters information or misconduct potentially violating the bank's business ethics. Business ethics are integrated into various employee training programmes, including induction training for new employees and annual business ethics courses. To uphold these ethical standards, the bank not only implements rigorous internal measures but also extends its commitment to integrity through external collaborations. Any partner entering into legal agreements with the bank must adhere to the bank's Code of Conduct for suppliers, which encompasses requirements in areas such as regulatory compliance, sustainability, and IT security.

4 Rationale for green financing

Landshypotek Bank is committed to support customers in reducing their emissions, increasing carbon sequestration and growth to enable sustainable withdrawals from the forests, enhancing biodiversity, and improving resilience. We already have a unique position in the sense that our financed absorption of greenhouse gases exceeds our financed emissions. Green financing naturally extends this commitment and complements the sustainability efforts carried out across the bank. Our longstanding green financing, including pioneering forestry-based covered bonds, aims to promote sustainable development in forestry, agriculture, and buildings.

This Framework is developed to align with the International Capital Market Association's (ICMA) Green Bond Principles, June 2025 (including Appendix I June 2022)[2]. The four core components of the Principles, along with its recommendation for external review, form the basis of this Framework:

1. **Use of proceeds**
2. **Process for project evaluation and selection**
3. **Management of proceeds**
4. **Reporting**

The Framework allows Landshypotek Bank to raise capital through green bonds in the form of (i) covered bonds, issued in accordance with the Swedish Act on Issuance of Covered Bonds (Sw. *Lag (2003:1223) om utgivning av säkerställda obligationer*), (ii) unsubordinated notes, and (iii) subordinated notes. Green covered bonds will be issued in the Secured Green Standard Bond format as per Appendix I of the ICMA Green Bond Principles. The terms and conditions of the underlying documentation for each green bond issued by the bank will provide a reference to this Framework. The bank has worked with Danske Bank to develop the Framework and S&P Global Ratings has provided a second party opinion, which is publicly available at the bank's website.

4.1 The 2025 Framework update

Landshypotek Bank's first Green Bond Framework was published in the spring of 2018, pioneering green covered bonds financing forestry related activities. The sustainable finance market continues to evolve with new and updated guidelines, standards and regulations, including updated versions of the Green Bond Principles, published by the International Capital Market Association, the EU Taxonomy Regulation and the EU Green Bond Standard.

This updated version of our Framework aligns with the latest available Green Bond Principles by ICMA and has been mapped to the EU Taxonomy's six environmental objectives and relevant EU Taxonomy activities. This version of the Framework further captures the agricultural sector, a sector with great challenges and opportunities which we as a financier can influence, share knowledge and support good initiatives with green financing. In this updated Framework, we have also introduced Clean Transportation as a category and expanded the category Renewable Energy as these are both important areas within both agricultural and farming sectors.

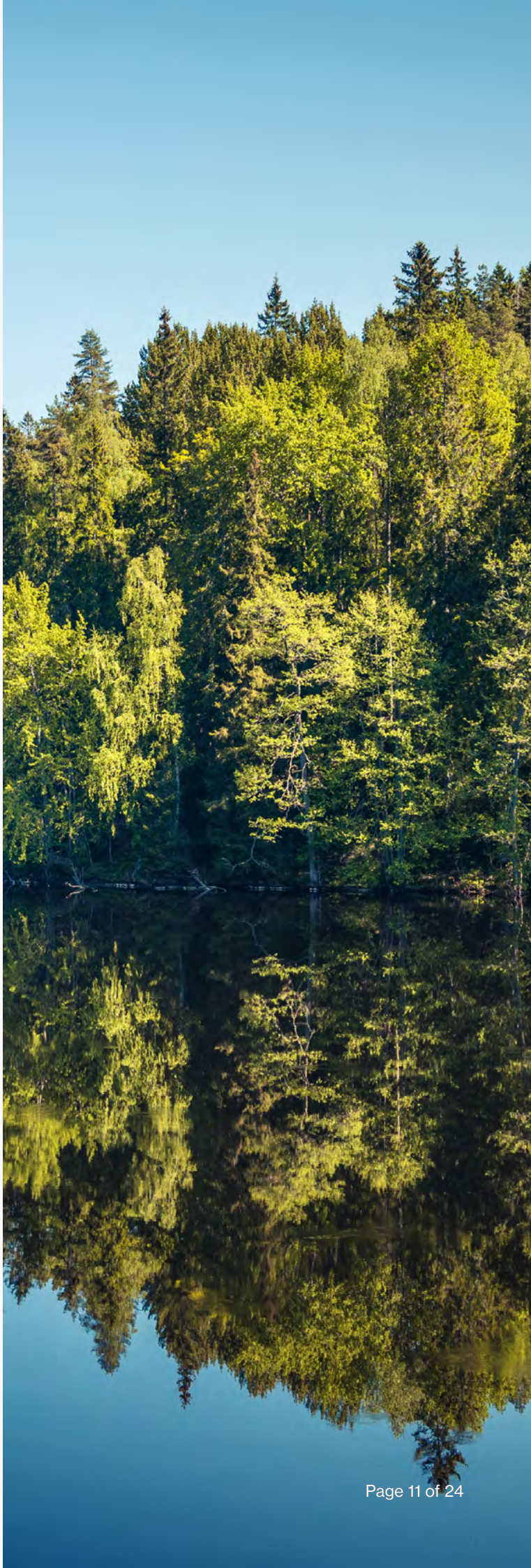
This is a further step towards increasing Landshypotek Bank's engagement and investments in a more sustainable direction and align with best market practices.

[2] Green Bond Principles | ICMA

4.2 EU Taxonomy approach and alignment with external benchmarks

The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities, with the aim of scaling up sustainable investments. Environmentally sustainable activities are economic activities that make a substantial contribution to at least one of the Taxonomy's six environmental objectives while doing no significant harm to any of the other five objectives and fulfilling Minimum Safeguards. Landshypotek Bank acknowledges the importance of uniform requirements for activities to qualify as sustainable. Each Green Loan category has been mapped against the relevant environmental objective and possible activity of the Taxonomy, as well as the relevant Sustainable Development Goal (SDG) that the category contributes to, based on ICMA's High-Level Mapping to the SDGs.

To date, the Taxonomy provides technical screening criteria for activities in this Framework related to forestry, renewable energy, clean transportation and buildings, while agriculture is not yet encompassed by the Taxonomy. The eligibility criteria for the Green Buildings category in this Framework are aligned with the Taxonomy's Substantial Contribution criteria for Climate Change Mitigation. The Sustainable Forestry category is not fully aligned with the applicable Taxonomy criteria as there are challenges for private individuals to fulfil the requirements in the Taxonomy due to high administrative costs. In collaboration with other Swedish banks and forestry stakeholders, efforts are ongoing to interpret and apply the forestry-related Taxonomy criteria to private individual forest owners in a Swedish context. The Taxonomy does not cover forestry and agriculture machinery and vehicles which accounts for the discrepancies that exist in the Clean Transportation category. Furthermore, the Taxonomy's focus on renewable energy is not perfectly adopted for on-farm use which also explains any discrepancies in this category. The Green Loan criteria for the Sustainable Agriculture category are, as far as feasible and reasonable, based on and inspired by the Climate Bonds Initiative's sector criteria for agriculture production (including crops and livestock) as published in 2024[3]. These set out requirements for agricultural projects with the aim of guiding and accelerating the transition to a more sustainable and climate-resilient agricultural sector.



[3] Agriculture Production | Climate Bonds Initiative

5 Use of proceeds

5.1 Allocation of net proceeds

An amount equal to the net proceeds from green bonds issued by Landshypotek Bank will be used to finance or refinance, in whole or in part, loans disbursed by the bank that align with the Green Loan categories defined in the following pages, in each case as determined by the bank. These are referred to as 'Green Loans' and will form a portfolio of assets eligible for financing and refinancing with 'Green Bonds'. All Green Loans will finance assets located in Sweden, with the overarching goal to promote climate change mitigation, adaptation, and enhanced biodiversity within forestry, agriculture and buildings. Green Loans require fixed assets, such as land or facilities, to be used as collateral. While some Green Loan categories focus on operating expenditures like forest management, the collateral remains the land. Animals, such as ruminants, are not eligible for Green Loan financing; instead, the loans target facilities or land needed for the purpose.

The net proceeds from Green Bonds issued by Landshypotek Bank are intended to be allocated to Green Loans aligned with the Green Loan categories listed below. Landshypotek Bank may however choose to allocate net proceeds from a Green Bond issue to Green Loans financing one specific Green Loan category or a subset of Green Loan categories, allowing the bank to frame a specific theme of impact for a specific Green Bond issue, e.g. an agriculture Green Bond.

5.2 Exclusions

Green Bond net proceeds will not be allocated to loans directly financing fossil fuels (coal, oil, oil sands and gas), weapons, pornography (the production of pornographic material), gambling (gambling and betting operations), tobacco or in companies that systematically violate international conventions and human rights. Landshypotek Bank does not provide any loans to either of the aforementioned activities.

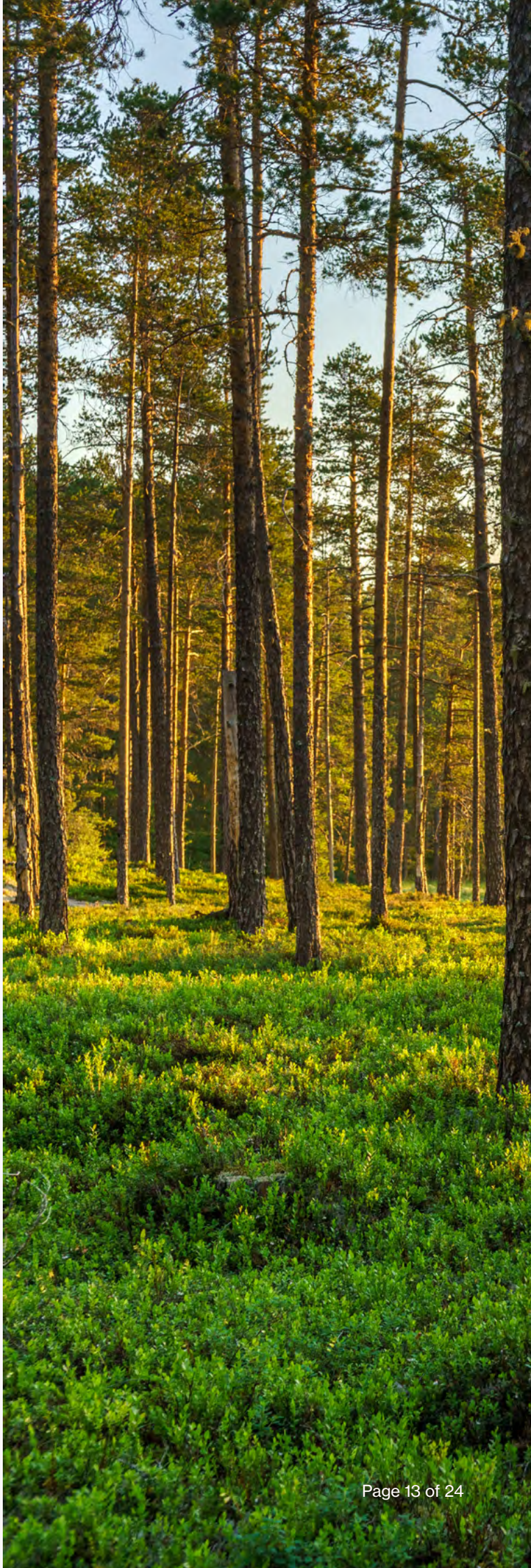
5.3 Financing and refinancing

Green Bond net proceeds may be used to financing both existing and new Green Loans. New financing is defined as proceeds allocated to Green Loans disbursed during the reporting year, while refinancing is defined as allocations to Green Loans disbursed before the reporting year. The distribution between financing and refinancing will be reported on in the bank's annual Green Bond reporting.

6 Green Loan Categories

The following Green Loan Categories are included in this Framework and defined in this section:

- Sustainable Forestry
- Sustainable Agriculture (I-IV)
- Renewable Energy
- Clean Transportation
- Green Buildings
- Energy Efficiency



6.1 Sustainable Forestry

UN SDGs
Climate change (13) and Life on land (15)

ICMA GBP Category
Environmentally sustainable management of living natural resources and land use

EU Taxonomy Objective
Climate Change Mitigation

Overall purpose of loan
Sequestration and avoidance of CO_2, while maintaining important environmental values

Eligibility Criteria
Loans financing or refinancing:

- Forest holdings: Acquisition of forest land and the refinancing of forest land holdings
- Forest management: Investments in sustainable forest management to maintain a good rate of return, while maintaining important natural values

For a loan to qualify as green under this category, the forest land must meet one of the following criteria (in addition to being insured, which ensures the land's monetary value and confirms that adaptation measures against forest fires have been implemented):

a) Forest land certified under the Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certification (PEFC), or

b) Forest land (<5,000 ha) that;
   i. complies with the Swedish Forestry Act,
   ii. has an, at the time of transferring the loan to the Green Register, up-to-date forest management plan[4] specifying nature conservation action plans for at least 5% of the productive area (section nature protection (NO) and habitat management (NS)) and has a minimum target of 5% deciduous trees specified[5].

[4] A forest management plan provides a detailed inventory of the forest land holding and is an important tool for the forest owner to manage the forest in an active and sustainable way.

[5] Nature protection and habitat management as well as deciduous trees enhance biodiversity, ecological resilience, and can limit damage in the event of storms, drought and other extreme weather events.

6.2 Sustainable Agriculture

6.2.1 Sustainable Agriculture I

UN SDGs
Responsible consumption and production (12), Climate action (13) and Life on land (15)

ICMA GBP Category
Environmentally sustainable management of living natural resources and land use

EU Taxonomy Objective
Climate Change Mitigation

EU Taxonomy
N/A

Overall purpose of loan

- Reduces GHG emissions across the entire farm or certain land area
- Reduces GHG emissions at project level

Eligibility Criteria
Loans financing or refinancing (land and/or facility):

- Crop production units that apply precision farming practices[6] to optimise fertiliser use according to crop needs. Activity should be consistent with the applicable version of the EU's support for precision farming[7], administered by the Swedish Board of Agriculture (Sw. *Jordbruksverket*).
- Crop production units that predominantly use fossil-free machinery and equipment.
- Crop production units that apply low carbon fertilisers.
- Crop production units and production units needed to produce alternative proteins with a low GHG footprint, such as beans and peas[8], e.g. intended to replace other protein sources in animal feed or for human consumption.
- Low carbon livestock systems using e.g. alternative feed systems, and/or by other means reaching an estimated 25% lower GHG emission or more than traditional practices.

Loans financing or refinancing investments in land, air, and water management from a climate perspective, such as:

- Nitrogen sensors
- Investments in precision farming technology, including soil mapping
- Structural liming
- Transition from broadcast spreading to hose spreading of manure or equipment for acidification of manure.

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6 Implementing precision farming practices contributes to decreased chemical runoff, efficient resource use, reduced greenhouse gas emissions, improved soil health, carbon sequestration, and enhanced biodiversity by maintaining ecosystem balance.

7 To be consistent with the EU's support for precision farming, farms must adhere to certain criteria, including having a crop plan with a detailed fertiliser strategy, assessing nutrient balance efficiency, and conducting soil mapping to evaluate nutrient availability and soil conditions. Additionally, drainage wells should be surrounded by vegetated zones to minimise pesticide spread into aquatic environments. The criteria for the EU's definition can be updated over time.

8 Imported soya makes up part of Swedish animal feed protein today. In addition to being transported long distances, soya also can give rise to other potential negative climate effects related to land use and production. Studies show that e.g. beans and peas have a 65-90% lower CO_2e footprint than soy.

6.2.2 Sustainable Agriculture II

UN SDG
Life on land (15)

ICMA GBP Category
Environmentally sustainable management of living natural resources and land use

EU Taxonomy Objective
The protection and restoration of biodiversity and ecosystems

EU Taxonomy

1.1 Conservation, including restoration, of habitats, ecosystems and species

Overall purpose of loan
Enhanced biodiversity and improved soil health at the entire farm or land covered

Eligibility Criteria
Loans financing or refinancing (land and/or facility):

- Maintenance and protection to preserve biodiversity, terrestrial (incl. wetlands) or marine natural habitats. For example, pastures have a high concentration of species, therefore ruminants are of utmost importance to prevent pastures from becoming overgrown reducing its valuable biodiversity.
- Landscape conservation and restoration supporting ecosystem resilience and biodiversity.
- Crop production certified under the EU Organic Logo[9] or KRAV[10] and ruminants under KRAV, or those with a conversion plan to achieve certification. Other ruminant related certifications can be considered if they firmly address both biodiversity and climate impacts, example of such certification could be IP Sigill[11] with the added options “Tillval Klimatcertifiering” (Climate certification) and “Tillval Naturbeteskött”[12] (Natural pasture-raised cattle).

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9 The EU organic label is a certification mark established by the European Union to denote products that meet specific organic farming and production standards across member states. It ensures that products are produced without synthetic pesticides and fertilisers, promoting biodiversity and maintaining basic animal welfare standards, including access to outdoor areas and organic feed. Methods typically include crop rotation, cover cropping, and composting enrich to the soil, and thereby improving water retention, nutrient cycling, and carbon sequestration.

10 The KRAV label is a Swedish label that builds on the EU organic standards by incorporating stricter regulations, particularly in terms of animal welfare, ensuring better living conditions and handling practices for animals such as being able to express natural behaviours. It also emphasises sustainability by requiring measures to reduce energy consumption and greenhouse gas emissions, aiming for a lower environmental impact. Additionally, KRAV includes guidelines for social responsibility, advocating for fair working conditions and ethical business practices beyond the basic organic requirements

11 IP Sigill is a quality certification system that ensures food safety, environmental consideration, good animal welfare and traceability of Swedish food and agricultural products. The IP Sigill certification is built upon Nordic conditions and legislation e.g. low use of antibiotics and pesticides and working conditions with already high standards.

12 Natural pasturelands are formed by grazing animals and humans over centuries, most often found between fields and forests or shores. These species-rich lands are vital for biodiversity and best preserved through grazing. The cattle should graze on natural pastures for at least half of the grazing period.

6.2.3 Sustainable Agriculture III

UN SDG
Life on land (15)

ICMA GBP Category
Environmentally sustainable management of living natural resources and land use

EU Taxonomy Objective
Climate Change Mitigation

EU Taxonomy
N/A

Overall purpose of loan
Increased carbon sequestration at land covered

Eligibility Criteria
Loans financing or refinancing production units (land) that aims to implement one of the following measures:

- Reforestation and/or restoration of peatlands or wetlands[13], with depleted soil organic carbon,
- Apply biochar produced with biomass residues sourced from deforestation- and conversion-free (DCF) agricultural land.

6.2.4 Sustainable Agriculture IV

UN SDGs
Sustainable cities and communities (11) and Climate action (13)

ICMA GBP Category
Environmentally sustainable management of living natural resources and land use

EU Taxonomy Objective
Climate Change Adaptation

EU Taxonomy
14.2 Flood risk prevention and protection infrastructure of water and marine resources

Overall purpose of loan
Improved resilience against climate change

Eligibility Criteria
Loans financing or refinancing the implementation of physical and non-physical solutions that substantially reduce the most important physical climate risks material to an activity[14], such as:

- Construction of ponds and wetlands
- Investments in drainage systems and subsoil drainage
- Investments in open ditches and culverts
- Surveillance and management systems.

[13] Reforestation and restoration of peatlands or wetlands are essential for carbon sequestration, as these ecosystems effectively store large amounts of carbon dioxide, helping to mitigate climate change. They also support biodiversity by providing habitats for diverse plant and animal species, contributing to ecological balance. Additionally, these areas regulate water cycles, reducing flood risks by absorbing excess water and releasing it gradually. Restoring peatlands and wetlands enhances soil health, preventing erosion and maintaining nutrient levels, which are vital for sustainable landscapes.

[14] Investments in drainage systems and open ditches prevent flooding and preserve soil health, enhancing climate resilience. Ponds, wetlands, and management systems support biodiversity and act as natural buffers against extreme weather, aiding ecosystem adaptation.

6.3 Renewable Energy

UN SDGs

Affordable and clean energy (7) and
Climate action (13)

ICMA GBP Category

Environmentally sustainable management of living natural resources and land use

EU Taxonomy Objective

Climate Change Mitigation

EU Taxonomy

4.1 Electricity generation using solar photovoltaic technology

4.3 Electricity generation from wind power

4.13 Manufacture of biogas and biofuels for use in transport and bioliquids

4.22 Production of heat/cool from geothermal energy

4.24 Production of heat/cool from bioenergy

7.6 Installation, maintenance and repair of renewable energy technologies

Eligibility Criteria

Loans financing or refinancing investments in fossil-free energy and heating[15]:

- Geothermal[16], ground, or water heating
- Installation of Pellets, Straw, Wood Chip, or Wood-fired Boiler
- Installation of Solar Panels/solar Heating
- Installation of biogas facilities, technology and machinery needed to produce bioenergy from biological waste materials
- Installation of biochar production facilities
- Installation of Wind Power.

6.4 Clean Transportation

UN SDGs

Industry, innovation and infrastructure (9),
Sustainable cities and communities (11) and
Climate action (13)

ICMA GBP Category

Clean Transportation

EU Taxonomy Objective

Climate Change Mitigation

EU Taxonomy

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

Eligibility Criteria

Loans financing or refinancing:

- Machinery and vehicles with zero direct tailpipe CO_2 emissions or fuelled by biofuels, or a mix of the two.
- Infrastructure dedicated to the operation of vehicles with zero tailpipe CO_2 emissions and biofuels. For example, machinery and vehicle maintenance facilities, electric charging points as well as biofuel and green hydrogen fuelling stations, including related infrastructure[17].

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15 Investing in fossil-free energy and heating is beneficial for the climate as it significantly reduces reliance on fossil fuels, thereby lowering greenhouse gas emissions and mitigating climate change. Technologies such as geothermal heating, solar panels, and wind power harness renewable resources, promoting sustainable energy production. Additionally, bioenergy and biochar production facilities contribute to waste reduction and improve soil health, further supporting ecological balance.

16 Life-cycle GHG emissions from the production will be lower than 100gCO_2e/kWh.

17 Clean transportation is vital for reducing greenhouse gas emissions and air pollution, contributing to better public health and helping combat climate change. Specifically for farming and forestry, clean transportation lowers the environmental footprint of these sectors, which are often resource-intensive. It also enhances operational efficiency and reduces costs, promoting sustainable practices while supporting the health and well-being of workers and surrounding communities.

6.5 Green Buildings

UN SDGs

Affordable and clean energy (7), Sustainable cities and communities (11), Responsible consumption and production (12) and Climate action (13)

ICMA GBP Category

Green Buildings

EU Taxonomy Objective

Climate Change Mitigation

EU Taxonomy

7.1 Construction of new buildings

7.2 Renovation of existing buildings

7.7 Acquisition and ownership of buildings

Eligibility Criteria

Loans financing or refinancing:

- New buildings (constructed after 31 December 2020) designed to achieve a net Primary Energy Demand (PED) that is at least 10% lower than the level required by the Swedish building regulation (BBR).
- Existing buildings (constructed before 31 December 2020) that either (i) have an Energy Performance Certificate of class A, or (ii) qualify within the top 15% of the national or regional building stock, expressed as PED and demonstrated by adequate evidence, such as a specialist study or relevant statistics.
- Major renovations that either (i) lead to a reduction in energy use of at least 30% compared to the pre-investment situation, or (ii) comply with the minimum energy performance requirements of the national building regulation for major renovations[18].

6.6 Energy Efficiency

UN SDGs

Affordable and clean energy (7) and Climate action (13)

ICMA GBP Category

Energy Efficiency

EU Taxonomy Objective

Climate Change Mitigation

EU Taxonomy

7.3 Installation, maintenance and repair of energy efficiency equipment

7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

Eligibility Criteria

Loans financing or refinancing investments in energy efficiency improvements:

- Replacement of windows (with better insulation)
- Insulation of roofs
- Additional insulation of facades or attics
- Replacement of lighting in production facilities (e.g. LED lighting)
- Installation of more energy efficient systems for heating and ventilation
- Investments to reduce production loss by optimizing harvest, post-harvest and/or storage facilities.

[18] Energy efficiency in buildings is pivotal as it significantly reduces energy consumption, leading to lower operational costs and decreased environmental impact. By optimising energy use, these buildings contribute to sustainability and help in mitigating climate change through reduced greenhouse gas emissions. Furthermore, energy-efficient buildings enhance the overall comfort and health of occupants by maintaining optimal indoor conditions.

7 Process for evaluation and selection

Sustainability is integrated into the bank's operations and decision-making. Environmental impacts and sustainability risks related to the customers' operations are essential components of the bank's credit approval process and are closely intertwined with other financial risks. Long-term sustainable production and management results in lower risks for both the bank and its customers. The bank's internal policies and guidelines support accurate assessments of customers' operations and associated risks, and relevant employees are trained in sustainability analysis.

Landshypotek Bank's valuation policy requires the identification of environmental and climate factors that could affect the future market value of properties, including for example physical climate risks and restrictions from nature or water protection areas. Biodiversity is considered in credit assessments through a separate climate and environmental analysis for all legal entities and farmers above a defined size threshold.

7.1 Evaluation and selection of Green Loans

As with all Landshypotek activities, Green Loans are evaluated through the general corporate governance principles, policies, laws and regulations. The process for Green Loan evaluation and selection is a two-step process:

i. Landshypotek Bank Account Managers record all the necessary data for each loan. A list of loans, including the financed amount and relevant data, is extracted to ensure compliance with the associated Green Loan criteria.
ii. The list of suggested loans is presented to the Green Bond Committee, which is solely responsible for the decision to acknowledge a loan as green, in line with the applicable Green Loan eligibility criteria of this Framework. Approved Green Loans will be tracked using a dedicated "Green Register". A decision to allocate net proceeds will require a consensus decision from the participating members of the Green Bond Committee, at least three out of four members of the Green Bond Committee need to take part of the decision. The final list and decision are documented and filed.

The Green Bond Committee consists of:

- Chief Executive Officer
- Chief Financial Officer
- Chief Sustainability Officer
- Head of Corporate Banking

The Green Bond Committee convenes every 6 months or when otherwise considered necessary. For the avoidance of doubt, the Committee holds the right to exclude any Green Loan already funded by green bond net proceeds if the Green Loan no longer meets the eligibility criteria defined in the Framework. If the Green Loan is redeemed early, or for other reasons loses its eligibility, funds would then follow the procedure under Management of Proceeds until reallocated to other eligible Green Loans.

7.2 Annual review

Landshypotek Bank's independent and internal risk management department is responsible for, at least annually, control and review that the allocations of Green Bond net proceeds are made in accordance with the Green Bond Framework.

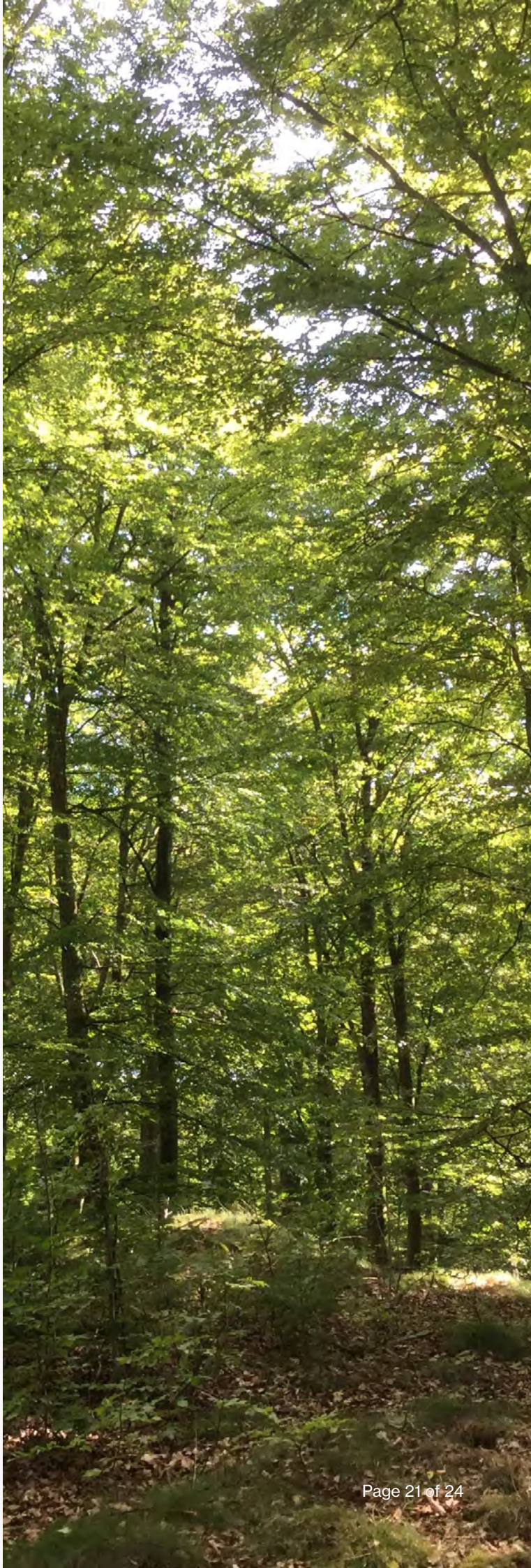
8 Management of Proceeds

8.1 Tracking of proceeds

Landshypotek Bank will use a Green Register to track the Green Loans and the Green Bond net proceeds. The purpose of the Green Register is to ensure that an amount equal to the Green Bond net proceeds only support the financing of Green Loans, or to repay any Green Bonds outstanding. Landshypotek intends to always have full allocation of proceeds from Green Bonds, at least be fully allocated within 24 months of issuance. The balance of proceeds is adjusted as relevant, at least on an annual basis, to match allocations to eligible Green Loans financed during this period.

8.2 Temporary holdings and exclusions

The balance of unallocated green bond net proceeds will be held in the liquidity reserve and be managed in line with Landshypotek Bank's liquidity portfolio policy. Investments in the liquidity portfolio may not include operations with a focus on fossil fuel (coal, oil, oil sands and gas), weapons, pornography (the production of pornographic material), gambling (gambling and betting operations), tobacco or in companies that systematically violate international conventions and human rights.



9 Reporting

To enable the monitoring of performance and provide insight into prioritised areas, Landshypotek Bank will annually provide investors with a report describing the allocation of the Green Bond net proceeds and the environmental impact financed with Green Bonds (the Green Bond Report).

In the event of thematic green bond issuance, such reporting may be performed separately.

9.1 Allocation reporting

i. A summary of Green Bond developments.
ii. Nominal amount of outstanding Green Bonds.
iii. Relative share of new financing versus refinancing.
iv. Amounts allocated to each Green Loan Category.
v. The amount of unallocated proceeds.
vi. A summary of the independent and internal risk management review of Green Loan eligibility performed under the Green Loan evaluation and selection process.
vii. Additional information that may be of relevance, such as reporting in relation to the EU Taxonomy Regulation.

9.2 Impact reporting

The impact reporting aims to disclose the positive environmental impact of the Green Loans financed under this Framework. The report will, to the extent feasible, also contain relevant descriptions of methodology, baselines and assumptions used in the impact calculations.

Given the large number of Green Loans and considering the General Data Protection Regulation ("GDPR"), the bank intends to show an aggregation of the Green Loan volume and impact of the Green Loans financed with green bonds. The impact assessment is provided with the reservation that not all related data can be obtained and that calculations therefore will be made on a best effort basis.

The bank's lending to agricultural and forestry in Sweden presents certain challenges when it comes to impact reporting. In comparison to other sectors, Swedish farmers and foresters have very limited resources when it comes to emissions reporting. Thus, to perform impact calculations, the bank will often need to rely on proxy values in relation to e.g. CO_2e avoided or sequestrated for an activity. This data is extrapolated based on the activity and/or area financed and Landshypotek's share of financing. For forestry, the aggregated annual absorption of CO_2e (tonnes) is calculated using the average geographic growth rate per area (North, Middle, and South in Sweden), proportionate to the aggregated Green Loan volume per area. Similar methods are applied for assessing the impact of precision farming compared to traditional farming activities, low carbon fertilisers versus fossil-based fertilisers, and assessing biodiversity benefits of grazing fields over the alternative.

Landshypotek participates in several national and private initiatives aimed at enhancing data availability at the farm level to improve impact calculations and benchmarking within the agriculture sector.

The impact assessment will, if feasible and applicable, measure the following impact indicators:

- Annual CO_2e emissions sequestrated/avoided/reduced
- Annual energy use avoided/reduced (kWh)
- Annual renewable energy generation (kWh)
- Biodiversity, maintained or added value (e.g. number of hectares grazed and number of species)
- Adaptation benefits as applicable (e.g. hectares with improved resilience)

10 External Review

10.1 Second Party Opinion

S&P Global Ratings has provided a second party opinion to this Framework, verifying its credibility, impact and alignment with the ICMA Green Bond Principles, June 2025 (including Appendix I June 2022).

10.2 Post-issuance review

An independent external party, appointed by Landshypotek Bank, will on an annual basis, at least until full allocation, provide a review confirming that an amount equal to the Green Bond net proceeds has been allocated to Green Loans.

10.3 Publicly available

The Green Bond Framework and the second party opinion will be publicly available on the bank's website www.landshypotek.se, together with the annual Green Bond Report and the post-issuance review once published.


Landshypotek Bank
For a richer life in the countryside