



Landshypotek Bank

Impact Report:

Green Bonds

18 May 2026

This report has been prepared under Landshypotek Bank's Green Bond Framework, which was published on 9 September 2025. The report is the eighth in the series.

Stockholm, 18 May 2026

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Chief Executive Officer

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Summary

Proportion of Landshypotek Bank's total outstanding senior and covered bonds that are green: 12.2 %

Proportion of Landshypotek Bank's issued covered bonds that are green: 12.8 %



Sustainable forestry in the green covered pool

Number of forest properties: 2,585

Forest land area: 517,000 hectares

Largest forest property: 16,240 hectares

Average size of a green forest property: 200 hectares



Sustainable agriculture in the green covered pool

Number of crop producers applying precision farming: 136

Arable land area under precision farming: 16,194 hectares

Average area under precision farming: 119 hectares

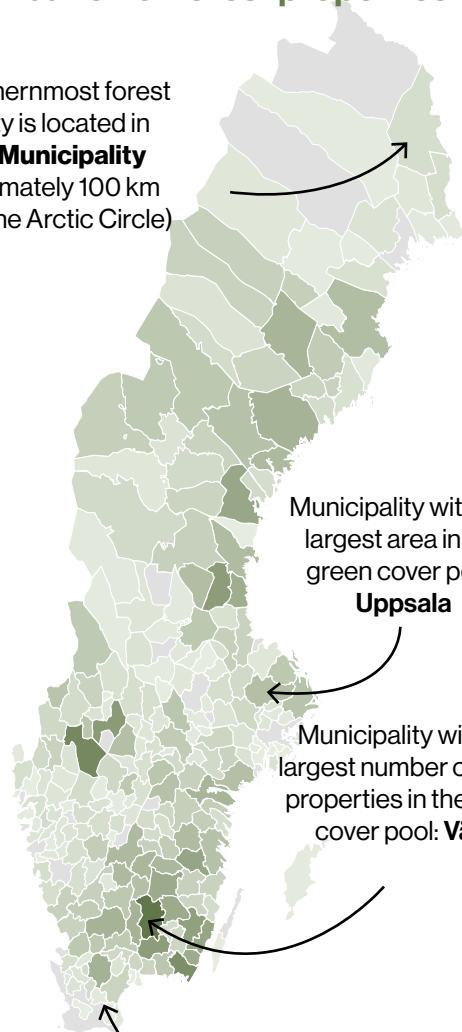
Number of KRAV-certified farms with ruminants: 183

Pasture area grazed by KRAV-certified ruminants: 2,902 hectares

Average pasture area per farm: 16 hectares

Distribution of forest properties

The northernmost forest property is located in **Pajala Municipality** (approximately 100 km north of the Arctic Circle)



Municipality with the largest area in the green cover pool: **Uppsala**

Municipality with the largest number of forest properties in the green cover pool: **Växjö**

The southernmost forest property is situated in Tomelilla Municipality

238 of 291

Number of municipalities represented with forest properties in the green covered pool

For Swedish forestry and farming since 1836

Landshypotek Bank has been financing Swedish agriculture and forestry since 1836. The bank is owned by Landshypotek Economic Association, whose members—borrowers within the agricultural and forestry sectors—thereby own the bank. All profits generated by the bank are either reinvested in the business or distributed to the association's members—Sweden's farmers and forest owners.

In 2018, Landshypotek was the first issuer to launch a green covered bond financing sustainable Swedish forestry. In 2025, Landshypotek updated its Green Framework to also enable investments in Swedish agriculture. Financing sustainable Swedish agriculture and forestry is fully aligned with Landshypotek's mission—to make a meaningful contribution to a sustainable society based on what people achieve through their businesses across the country, every day.

Landshypotek's Green Bond Framework

Landshypotek developed its first Green Framework in the spring of 2018. In 2025, Landshypotek updated the framework to include investments in sustainable Swedish agriculture. The framework has been reviewed and assessed by S&P Global Ratings, which assigned it the second-highest rating, "Medium Green." Under the framework, Landshypotek may issue both covered and unsecured bonds. Proceeds from green bonds are intended to finance sustainable agriculture and forestry, renewable energy, or energy-efficient buildings. To date, only the category of sustainable agriculture and forestry has been utilized.

In 2018, Landshypotek issued its first green covered bond. In 2019, an additional green covered bond was issued, which was subsequently tapped in 2020. In April 2023, Landshypotek refinanced the first green bond through a new green covered bond fully dedicated to financing sustainable forestry. In October 2025, Landshypotek issued a further green covered bond, where approximately 75 percent of the proceeds are used to finance sustainable forestry and the remaining approximately 25 percent finance sustainable investments in Swedish agriculture. The bond partly refinanced the bond issued in 2019 and 2020. This report covers the impact of the green bonds issued in 2023 and 2025, respectively. The total issued volume of these two green bonds amounts to SEK 12.0 billion.

This report relates solely to the reporting of underlying projects that meet the framework's criteria for sustainable agriculture and forestry. As in previous years, the report also includes surplus assets to ensure that the value of the assets exceeds the issued volume. The total asset pool covered by this report amounts to just under SEK 14 billion.

Issue Green Bonds

Issue date: 25 April 2023

Tenor: 5 years

Issue volume: 6 billion SEK

Maturity date: 25 April 2028

Bond type: Covered bond

Coupon: 3.60 %

ISIN: SE0015810965

Framework: Published 24 April 2018

Climate impact per SEK 1 million invested: approximately 226 ton CO₂

Issue date: 21 October 2025

Tenor: 5.2 years

Issue volume: 6 billion SEK

Maturity date: 16 December 2030

Bond type: Covered bond

Coupon: 2.59 %

ISIN: SE0013362472

Framework: Published 9 September 2025

Climate impact per SEK 1 million invested: approximately 176 ton CO₂

A word from our Chief Sustainability Officer

Landshypotek Bank is now publishing its eighth impact report. We summarize a year marked by continued geopolitical uncertainty, an intense debate on climate and energy policy, and growing recognition of the importance of a robust and resilient agricultural and forestry sector in Sweden. At a time when global supply chains are being questioned and the security situation in Europe is evolving, interest in Swedish primary production—agriculture and forestry—has strengthened. For the Bank, 2025 has been a year in which the role of financing in the transition has become even clearer, both from a climate perspective and in light of Sweden's long-term preparedness, while biodiversity has also risen more prominently on the agenda.

During the year, Landshypotek Bank updated its Green Framework to also enable the financing of sustainable investments in Swedish agriculture. In connection with the update, the Bank issued a green bond of SEK 6 billion. Investor interest was strong, reflecting a clear demand for investments that contribute to sustainable Swedish agriculture and forestry. Green bonds thus continue to be a key instrument for the Bank in channeling capital to investments that enhance the climate benefits of Sweden's agricultural and forestry sector and promote biodiversity.

We are seeing how the debate on the role of forestry and agriculture in society is evolving. Increasingly, the importance of a robust, productive and resilient agricultural and forestry sector is being highlighted to address both climate change and a more uncertain global environment. The ability to produce food, renewable raw materials, and climate-smart products in Sweden is increasingly viewed as a strategic asset. In this context, long-term and predictable conditions are crucial for farmers and forest owners to have the confidence to invest, develop, and transition their operations.

We note with satisfaction that growth in Swedish forests and carbon sequestration have increased after several years marked by the effects of drought and forest damage. This demonstrates both the long-term resilience of forests and the importance of active and responsible forest management.

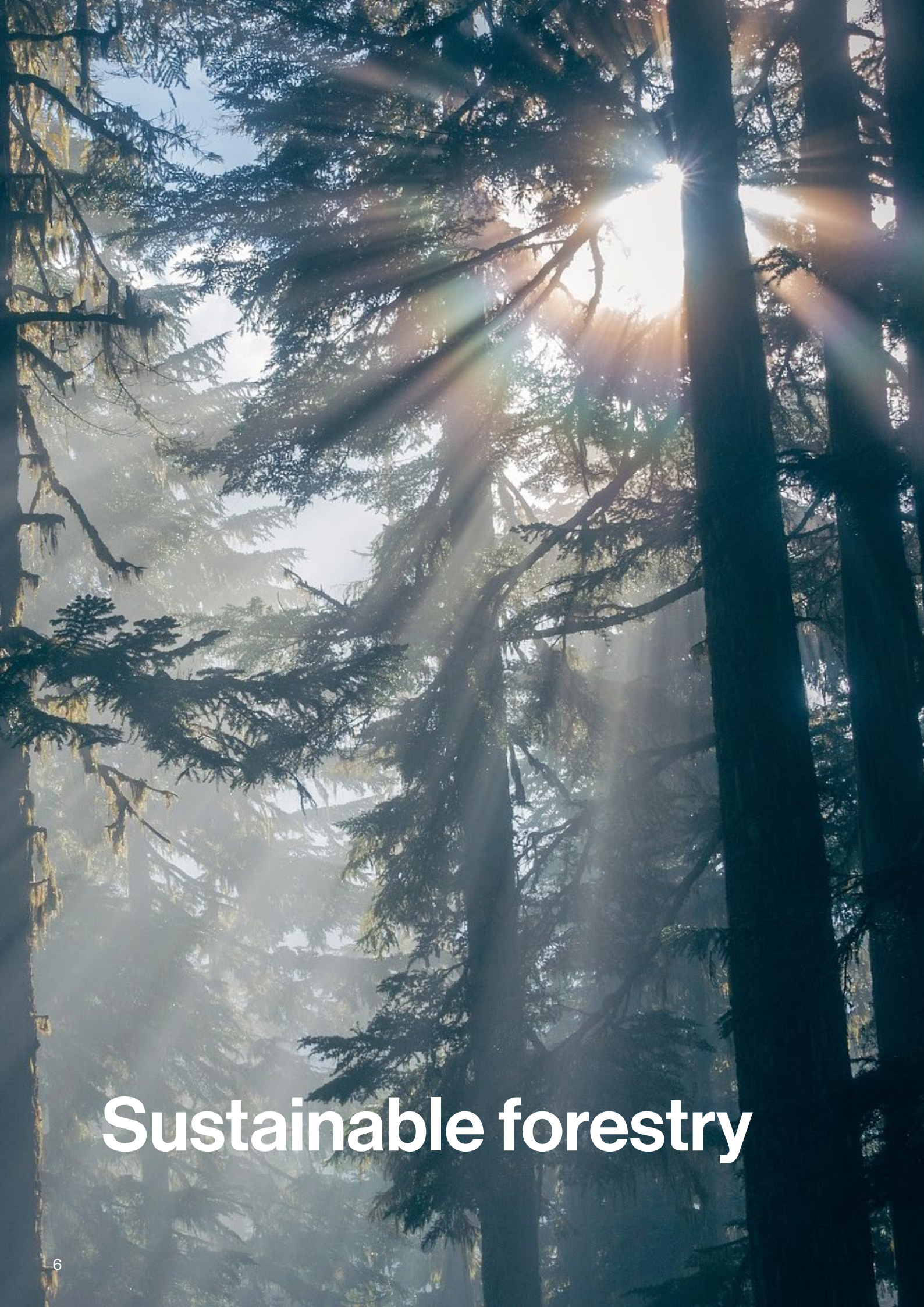
At the same time, significant uncertainties remain regarding how new regulations will be implemented



in Sweden. The Nature Restoration Regulation is a clear example, with five expert authorities recently presenting a proposal for a national restoration plan. Depending on how the plan is ultimately designed, it may have far-reaching consequences for Swedish agriculture and forestry.

In the proposed national restoration plan, there is currently limited information on how restoration measures will be financed—a critical issue for Swedish landowners. Prompt action from the government is needed to provide clarity and long-term predictability. Landshypotek Bank remains committed to representing the perspective of Swedish farmers and forest owners. Through our green bonds and our updated Green Framework, we aim to continue enabling investments that contribute to a more climate-adapted agricultural and forestry sector in Sweden while also promoting biodiversity.

Martin Kihlberg
Chief Sustainability and Public Affairs Officer



Sustainable forestry

Landshypotek's green bonds finance sustainable Swedish forestry

The foundation of sustainable forestry is photosynthesis. Photosynthesis is the natural process by which plants absorb carbon dioxide from the atmosphere and convert it into energy. Some of the carbon dioxide is released directly through respiration, but a large share is stored in the plant or tree. As the tree grows, a portion of the carbon is also allocated to the soil through the roots. Through active forest management and cultivation, growth increases, which in turn enhances carbon sequestration and results in greater climate benefits. When forests are harvested, forest biomass is extracted for further use.

Forest biomass has a wide range of applications. The carbon stored can be released back into the atmosphere through combustion, but it can also be retained in long-lived products such as buildings. When forest biomass replaces fossil-based materials or materials with high energy use in extraction, a substitution effect arises. This substitution effect is often greater than the primary benefit from carbon sequestration in growing forests, but it is difficult to quantify precisely, as it depends on the types of products produced, their lifespan, and the materials they replace. An average value for the substitution effect in Sweden is approximately 470 kg CO₂ per harvested cubic metre (m³sub)¹.

A growing forest absorbs carbon dioxide from the atmosphere. The greater the forest growth, the more carbon is stored, meaning that carbon sequestration in Swedish forests varies depending on their location. Site productivity—defined as the land's natural capacity to produce timber—is determined by soil conditions, climate, moisture availability, and aspect. Site productivity is expressed in cubic metres of standing volume per hectare and year. In Sweden, there are significant geographical variations in site productivity.

Calculations of growth and climate benefits

Within the scope of this report, the locations of the forest properties financed and refinanced by the Bank's green bonds have been divided into three geographical regions—the southern deciduous forest region (10.5 m³sub/ha/year), the southern coniferous forest region (8.1 m³sub/ha/year), and the northern coniferous forest region (4.4 m³sub/ha/year). Based on forest data for 2025 from the Swedish National Forest Inventory (SLU), the average site productivity for the three regions has been established. The average site productivity has subsequently been used as the growth rate for calculating changes in growing stock. To estimate the carbon sequestration of the forest properties financed by Landshypotek, the following formula has been applied:

Total carbon sequestration (tonnes) = change in growing stock (m³sub) × BEF × CF

BEF (Biomass Expansion Factor) = conversion factor used to estimate total biomass expressed as dry weight

CF (Carbon Fraction) = carbon content in dry wood

For the calculations, BEF has been set at 0.75, representing a weighted average of pine and spruce, and CF has been set at 0.51. To convert carbon sequestration into carbon dioxide sequestration, the following formula has been applied:

Total carbon dioxide sequestration (tonnes) = carbon sequestration (tonnes) × (molecular weight of CO₂ / molecular weight of C)

In 2025, the growing stock in the financed projects increased by approximately 3.6 million m³sub (5 percent of growth occurred in the southern deciduous forest region, 74 percent in the southern coniferous forest region, and 21 percent in the northern coniferous forest region). The total net growth of the properties financed by the green bonds is estimated at approximately 720,000 cubic metres over the past year. Assuming that 80 percent of the growing stock is harvested and replaces other materials, a substitution effect of 1.4 million tonnes of avoided carbon emissions is achieved. At the same time, the remaining forest provides a net carbon dioxide sink of 1.0 million tonnes. This corresponds to an annual carbon dioxide sequestration and substitution effect of approximately 2.4 million tonnes of CO₂.

The projects have an average loan-to-value ratio of 34 percent, meaning that approximately 0.8 million tonnes of CO₂ can be attributed directly to the financing and 2.4 million tonnes of CO₂ indirectly (where the entire forest stock is included in the calculation). The calculations are based on site productivity, i.e., growth at the point where mean annual increment reaches its maximum.

¹ Lundmark, T., Bergh, J., Hofer, P., Lundström, A., Nordin, A., Poudel, B.C., Sathre, R., Taverna, R., och Werner, F. (2014) Potential Roles of Swedish Forestry in the Context of Climate Change Mitigation, *Forests* 2014, 5(4), 557-578.

Development and calculation methodology

A growing forest is a biological process in which forest growth and carbon uptake vary from year to year. Compared with last year's report, the amount of carbon dioxide sequestered and avoided per SEK 1 million invested has increased from approximately 220 tonnes of CO₂ to 226 tonnes of CO₂ for the bond fully financing sustainable forestry. For the bond issued in October 2025, which also finances sustainable agriculture, the climate impact is approximately 176 tonnes of CO₂ per SEK 1 million invested. The calculations are based on the underlying green assets, which always exceed the issued volume. The Bank chooses to base its calculations on the underlying green assets rather than the issued volume because the green pool is dynamic and changes over time. This means that the impact per invested million may vary from year to year. Figure 13 shows how the green pool and the issued volume have evolved over time. The Bank has also compiled information on the development of the green cover pool over time in a table, including underlying assumptions, which is presented in Appendix 1.

Biodiversity

For a forest property to be included in the Bank's green pool, it must either be certified under PEFC or FSC, or have at least 5% broadleaved trees and set aside at least 5% of its area for conservation purposes. The Bank has developed these criteria to promote active and resilient forest management that contributes to strengthening biodiversity. The impacts on biodiversity are complex and difficult to quantify in precise terms; however, the Bank is able to calculate the total area set aside for conservation within the green pool. Based on the requirement of at least 5% conservation set-aside, this corresponds to approximately 5% of the total area of 517,000 hectares. This means that at least

around 25,000 hectares of forest land are designated for conservation within the properties that serve as underlying collateral in the green pool. The actual area may be even larger, as many forest owners choose to set aside more than the minimum level required under the Bank's Green Framework..

Forest lingo

Biomass Expansion Factor (BEF) = Conversion factor used to estimate total biomass expressed as dry weight.

Site productivity = The land's natural capacity to produce timber, expressed in m³sub/ha/year

Carbon Fraction (CF) = Carbon content in dry wood.

FSC = Forest Stewardship Council

PEFC = Programme for the Endorsement of Forest Certification

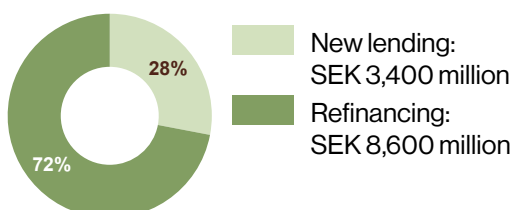
Net change in growing stock = Change in standing growing stock in m³sub, i.e., growth minus harvest.

Cubic metres standing volume (m³sub) = A unit measuring the volume of standing timber, including the entire stem above normal stump height. Branches, stumps, and roots are not included.

Expression of carbon dioxide impact = This bond generates two types of CO₂ effects—a reduction effect and an avoidance effect. As forests grow, carbon dioxide is sequestered, reducing the amount of CO₂ in the atmosphere. When forests are harvested and forest biomass replaces other materials, emissions are reduced and/or avoided through substitution, and carbon may also be stored in products.

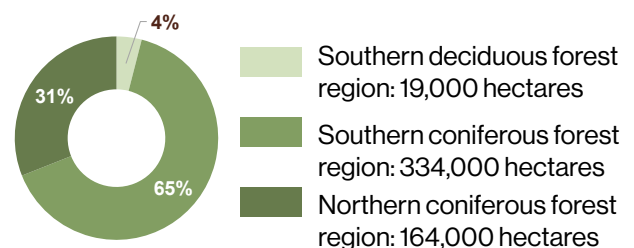
Breakdown of refinancing and new lending for forestry assets since the latest issuance

Share of asset pool (%)



Geographical distribution of forest properties

Share of asset pool (%)





Sustainable Agriculture

Sustainable Agriculture

In 2025, Landshypotek updated its Green Framework to also cover investments in sustainable Swedish agriculture. The framework includes four project categories related to sustainable agriculture, focusing on measures that contribute to reduced climate impact and enhanced biodiversity. In October 2025, Landshypotek issued a green bond in which approximately 25 percent of the assets, corresponding to around SEK 1.5 billion, were allocated to investments in precision farming and KRAV-certified production with ruminants. In this section, the Bank presents the impacts of these investments in terms of climate and biodiversity.

Sustainable agriculture I – crop production applying precision farming methods to optimise fertiliser use based on crop needs

Precision farming is an important measure that helps reduce the environmental and climate impact of crop production. Through precision farming, farmers adjust fertiliser application to the specific needs of the crop in order to avoid leaving excess nutrients in the soil that may be leached. This benefits biodiversity both in the fields and in nearby aquatic environments. Precision farming also contributes to reduced nutrient and chemical leakage and more efficient use of resources in the field. In addition, greenhouse gas emissions are reduced in several ways. Smaller quantities of mineral fertilisers are required compared with conventional fertilisation methods, resulting in lower emissions from fertiliser production. Improved alignment of nitrogen application also contributes to lower nitrous oxide emissions from cultivated land. Precision farming can further enhance soil health, supporting both productivity and increased carbon sequestration in soils.

According to Landshypotek's Green Framework, financing of precision farming is permitted if the activity meets the requirements for EU support for precision farming measures. This support is administered by the Swedish Board of Agriculture. The Bank has verified which agricultural enterprises have applied for and received support for precision farming in 2025. Eligible farmers must prepare a crop production plan, a nutrient balance, and soil mapping for the arable land where precision farming is to be implemented, enabling optimised fertiliser application.

Fact box – key concepts in precision farming

The crop production plan is a tool used to plan fertiliser application based on crop nutrient requirements, in order to avoid leaving unused nutrients in the soil after harvest. This typically results in an optimised—often lower—application rate of mineral fertilisers and/or manure on fields. A lower application rate reduces the need for mineral fertilisers and thereby lowers emissions from their production.

Applying optimised amounts at the right time also leads to reduced emissions of nitrous oxide, ammonia, and nitrogen oxides.

Optimised application can also result in higher yields and increased carbon sequestration in agricultural soils through larger root systems, which over time improve soil organic matter and soil health. This, in turn, enhances the resilience of agricultural land—for example, to variations in precipitation—and increases productivity.

The nutrient balance shows how efficiently nitrogen, phosphorus, and potassium are used in production, and whether a surplus or deficit of nutrients arises. It is calculated as the difference between the amount of nutrients added and the amount removed through crop and livestock production. The calculation is performed per hectare of arable land used in production and should also include nitrogen inputs from fixation, for example through the cultivation of legumes. Soil mapping is carried out to determine how much phosphorus and potassium the soil can supply for crop uptake. It also provides information on soil pH, which forms the basis for assessing lime requirements and the availability of phosphorus to crops.

Nutrient analysis of slurry must be conducted by farmers applying slurry (from their own livestock or from other holdings). The analysis determines the concentrations of ammonium nitrogen, phosphorus, and potassium, enabling fertiliser applications to be optimised according to crop needs.

Drainage wells with surface inlets in fields where precision farming is applied must be surrounded by vegetated buffer zones to reduce the risk of plant protection products being transported into water bodies. The buffer zone must be at least 2 metres wide around the entire well, consist predominantly of grass, and remain undisturbed until the end of the year.

Calculation of the climate impact of precision farming

At present, there is no generally accepted standard method for quantifying the climate impact of precision farming. At the same time, several expert assessments suggest that the technology can help reduce the use of mineral fertilisers without negatively affecting yield levels. For example, the Swedish Climate Policy Council estimates that 5–10 percent of nitrogen fertilisation can be reduced while maintaining yields, and the same range is reported by Greppa Näringen—a national advisory programme run jointly by the Swedish Board of Agriculture, the Federation of Swedish Farmers (LRF), and the County Administrative Boards, with the aim of reducing the climate and environmental impact of agriculture through knowledge-based advisory services. Other actors, such as Lantmännen, estimate that the impact of precision farming, combined with additional measures—such as optimised nitrogen application and plant breeding—could amount to around 25 percent. In light of the uncertainties in available estimates, Landshypotek has chosen to calculate the climate impact in a conservative manner. The Bank lacks detailed information on yield levels per farm and year and therefore relies on area-based data. The analysis is based on the area of arable land that received support for precision farming activities in 2025, according to data from the Swedish Board of Agriculture. To ensure linkage to the green bond, the Bank verifies that these areas correspond to the arable land pledged as collateral, as some farmers

cultivate larger areas than those included in the Bank’s cover pool. Within the scope of the issued bond, the Bank has identified 136 operations that meet the EU requirements for support for precision farming and thereby also the Bank’s criteria under the Green Framework. These operations together comprise approximately 16,000 hectares of arable land. To estimate the climate impact, the Bank first established a baseline using average Swedish levels of nitrogen application per hectare and average carbon dioxide emissions per kilogram of nitrogen produced.² This provides a measure of ongoing carbon dioxide emissions associated with average mineral fertilisation per hectare of arable land. The Bank has subsequently estimated the reduction in nitrogen application per hectare using different efficiency assumptions, in line with the ranges indicated in expert assessments. This approach enables the Bank to derive a range for the reduction in carbon dioxide emissions attributable to precision farming. The results are presented in tabular form to illustrate how the estimated climate impact varies depending on the assumptions applied. It should be noted that these calculations only cover reduced carbon dioxide emissions associated with lower use of mineral fertilisers. Potential changes in nitrous oxide (N₂O) emissions have not been quantified, as these are influenced by a number of local factors—such as soil type, weather conditions, and cropping systems—and therefore cannot be reliably estimated within the scope of this report.

Climate effect - precision farming	Nitrogen application per hectare	CO ₂ -emissions (kg)	CO ₂ -reduction	Hectares of arable land in green covered pool	Reduced emissions tCO ₂
Fertiliser application (nitrogen) per hectare of arable land (kg)	110	440	-	-	-
5% reduction in fertiliser application (kg) as a result of precision farming	104,5	418	22	16 194	356
10% reduction in fertiliser application (kg) as a result of precision farming	99	396	44	16 194	712

² Landshypotek uses fertiliser producer Yara’s climate declaration which details the greenhouse gas emissions per produced kiologram of nitrogen.



Sustainable agriculture II – KRAV-certified ruminants and biodiversity

In its updated Green Framework, Landshypotek has included a project category that enables the financing of loans to KRAV-certified farms with ruminants. Through this category, the Bank aims to promote grazing livestock and the preservation of open pasturelands with high ecological value. Grazing ruminants play a central role in the Swedish landscape and are important both for food production and for maintaining well-functioning ecosystems

Grazing animals are essential for keeping landscapes open and preventing overgrowth, thereby creating habitats for a wide range of species. On grazed land, no single plant species can dominate, as vegetation is continuously kept in check, allowing many species to coexist within a limited area. Ruminants also contribute to seed dispersal and create patches of bare soil through trampling, enabling new plants to establish. Well-managed Swedish semi-natural pastures are among the most species-rich environments in the country and, in the most valuable areas, can contain up to around 40 plant species per square metre³. This high biodiversity is the result of long-term management without fertilisation or

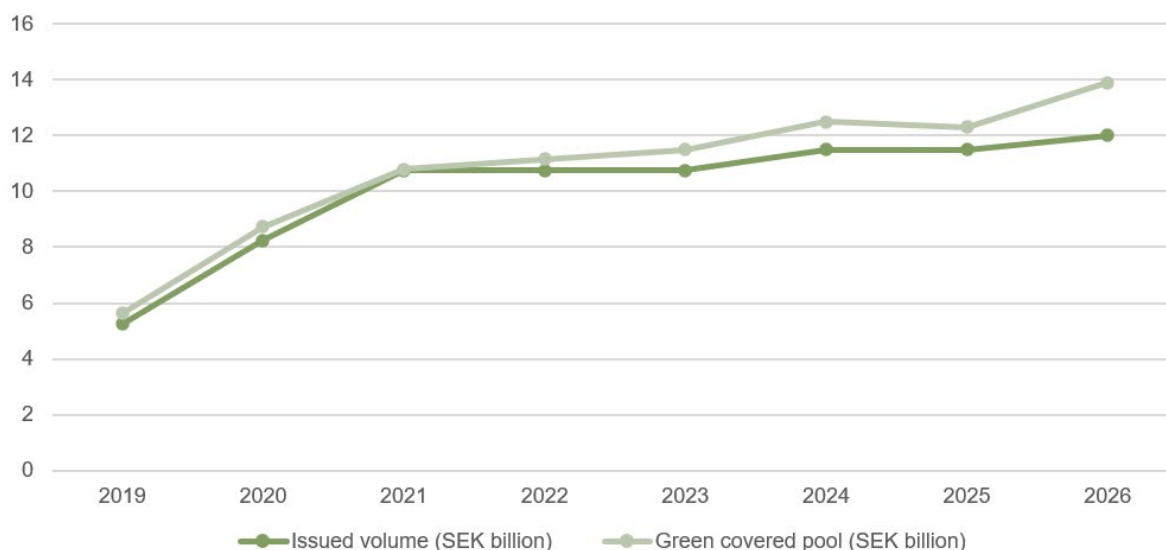
soil disturbance and provides habitats for a wide range of plants, insects, birds, fungi, and lichens, many of which are red-listed. In popular science contexts, these pastures are sometimes referred to as “Sweden’s Amazon,” as species richness per unit area is comparable to tropical rainforests, although the species composition is entirely different.

At the same time, it is very difficult to quantify the exact impact on biodiversity from the individual projects financed by the Bank. In addition to plant species, semi-natural pastures support a rich fauna of pollinating insects, birds, and other organisms that depend directly on grazing land. According to the Swedish Species Information Centre, more than a quarter of Sweden’s red-listed species are associated with agricultural landscapes, including meadows and pastures⁴. Through Landshypotek Bank’s green bonds, approximately 2,900 hectares of pastureland are managed, contributing to the promotion of biodiversity and to long-term sustainable agricultural systems.

3 The Swedish Environmental Protection Agency, the Swedish Society for Nature Conservation, and the World Wide Fund for Nature have repeatedly highlighted the high biodiversity of Swedish pastures. For further information, see: Swedish Environmental Protection Agency, Meadows and pastures; Swedish Society for Nature Conservation, Grazing animals create rich natural environments; World Wide Fund for Nature, Semi-natural pastures and biodiversity.

4 Swedish University of Agricultural Sciences, Red-listed species in Sweden 2025

Development of green covered pool and issued volume (2019-2026)



Selection process for green assets

Landshypotek Bank has established a Green Committee that determines which assets may be financed by green bonds issued under the framework. The Green Committee has held three meetings since the previous impact report to decide on eligible green assets. As amortisations and redemptions occur continuously throughout the year, it is important that the Committee convenes regularly to ensure that the volume of green assets attributable to the bonds at all times exceeds the outstanding bond volumes. As of 31 March 2026, the volume of green assets linked to the bonds amounted to SEK 13.9 billion.

Review

According to the framework, Landshypotek's independent credit risk function is required, at least annually, to review, among other things, whether the allocation of proceeds from the Bank's green bonds is carried out in accordance with the framework. The annual internal review of the Bank's green pool indicated that, for a small number of properties, documentation could be somewhat improved. These cases were addressed by the Bank's Green Committee. During the year, the Bank has enhanced the manual handling of green collateral, which is expected to improve quality going forward.

In accordance with the Bank's updated framework, an external review of the allocation of assets from the green bond issued in October 2025 has been carried out. The assurance report from the audit firm KPMG is available in Swedish on the [bank's website](#).

EU Taxonomy reporting

The Bank is working on the implementation of the EU Taxonomy for forestry. At present, the Bank is not in a position to report the share of its lending to forestry that meets the technical screening criteria. The Bank notes that it is challenging for individual forest owners—who constitute the majority of the Bank's customers—to meet the technical screening criteria, largely due to administrative constraints. At present, there is also no established methodology for conducting a group-level assessment of forest properties' compliance with the screening criteria. Agriculture is not currently covered by the EU Taxonomy.

Sustainable Development Goals



Goal 13: Climate Action

Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Landshypotek's contribution: Sustainable forestry both sequesters carbon dioxide and can replace fossil fuels used for energy, transport, and other products. This reduces both the concentration of carbon dioxide in the atmosphere and overall greenhouse gas emissions, thereby strengthening resilience and adaptive capacity to climate-related hazards and natural disasters. Through its criteria in the Green Framework—such as requiring a certain share of broadleaved trees—the Bank also increases the resilience of individual forests to natural disturbances such as fires, storms, and pest outbreaks.

The Bank's financing of Swedish agriculture through green bonds also contributes to reducing climate impact. By supporting investments in more resource-efficient farming methods, improved nutrient management, and technologies that reduce greenhouse gas emissions, the Bank strengthens the agricultural sector's climate performance. The financing also enables measures that enhance carbon sequestration in soils, such as the cultivation of catch crops and perennial crops, as well as investments in renewable energy at the farm level. Together, these efforts help reduce the climate footprint of agriculture and improve its ability to adapt to a changing climate.



Goal 15: Life on Land

Target 15.1: By 2030, ensure the conservation, restoration and sustainable use of terrestrial and freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

Target 15.2: Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Landshypotek's contribution: The Swedish Forestry Act stipulates that forests are a renewable resource that must be managed to provide a sustainable yield, while taking into account nature conservation, cultural heritage, reindeer husbandry and other interests, and it also requires replanting following harvesting. In addition to requiring compliance with legislation, the Bank's framework includes criteria such as a green forest management plan, allocating at least 5 percent of the area to conservation, and targets for a share of broadleaved trees, while certification under FSC or PEFC ensures equivalent or stricter standards. Together, these measures promote long-term sustainable forest management in line with international agreements implemented in Swedish legislation.

Through its financing of Swedish agriculture via green bonds, the Bank also contributes to strengthening biodiversity and preserving ecosystems on arable land and pasture. Investments in measures such as improved soil health, reduced nutrient leakage, and sustainable crop rotations support a more resilient and species-rich agricultural landscape. The financing also enables restoration of pastureland, buffer strips, and other conservation measures that benefit pollinators and help preserve valuable habitats over time.



Voices on sustainable forestry and farming

The importance of sustainable agriculture and forestry—for the climate, biodiversity, and national resilience

Global warming and the loss of biodiversity are two of the greatest societal challenges of our time. Sustainable agriculture and forestry play a central role in efforts to mitigate climate change and to adapt society to a changing climate. Growing forests sequester carbon dioxide, and renewable, biogenic raw materials can replace fossil-based alternatives. Swedish agriculture supplies the country with food and other raw materials that are more important than ever in a time marked by geopolitical uncertainty.

In Swedish agriculture and forestry, active and long-term land management for the production of food and biogenic raw materials is combined with measures that promote biodiversity. Through, for example, diversified cropping systems, the inclusion of broadleaved species, conservation set-asides, and consideration of ecosystem functions, production and environmental stewardship can go hand in hand. Such a holistic approach is crucial to preserving ecosystem services and ensuring long-term productivity.

A viable agricultural and forestry sector is also of great importance for Sweden's capacity for self-sufficiency and preparedness in a time of increasing geopolitical uncertainty. Domestic production of food, energy, and bio-based raw materials contributes to greater self-reliance and reduced dependence on global value chains. Sustainable agriculture and forestry therefore represent not only a climate and environmental issue, but also a strategic resource for long-term societal stability and resilience.

In this year's impact report, we meet customers whose farms and forests are financed by Landshypotek Bank's green bonds. Read more on the following pages about how they manage agriculture and forestry—for the climate, biodiversity, and national preparedness.



In the forest with Staffan and Martin in Tingsryd

In Tingsryd, just outside Växjö in Småland, Staffan and his son Martin manage 514 hectares of productive forest land. Forestry has been part of the family for several generations, and together they work purposefully to develop a productive and resilient forest that continues to thrive over time. The forest is managed in accordance with a forest management plan, with the ambition to remain at the forefront by implementing the right measures at the right time.

Can you tell us about your forest holdings?

“Absolutely. Today, we have total forest holdings of 603 hectares, of which 514 hectares are productive forest land. The forest is divided into different plots, and we occasionally acquire additional land when something suitable becomes available,” says Martin.

Can you tell us about the history behind your forest?

“My father inherited the forest from his parents—they were six siblings. Now my son is involved as the third generation. In addition to that, we have gradually expanded the area through acquisitions,” says Staffan.

“My two sisters were also involved previously, but we bought out their shares as they did not share the same interest in forestry. Now my father and I own the forest,” Martin adds.

Would you like to describe how you manage your forest today?

“We try to manage it as productively as possible. After harvesting, we replant immediately, and after five years we carry out a first thinning, mainly removing birch undergrowth. After that, we usually carry out a pre-commercial thinning before the first commercial thinning, and then we thin the forest at around 20 years of age. After that, we let the forest grow for another five to seven years before the next thinning,” they explain.

“By carrying out thinning and selective felling, the trees are given space and the conditions to grow and reach their full potential. If everything goes well and we avoid storms, pest attacks, or similar disturbances, we usually carry out final harvesting when the forest is around 60–65 years old,” says Martin.

Have you certified your forest?

“Yes, we are dual-certified—both PEFC and FSC,” says Staffan.

Why did you choose to certify?

“It’s both for conservation and for economic reasons. Around 6.1 percent of our land is set aside as NO or NS forest. To obtain certification, at least 5 percent must be allocated to conservation. Certification also means we receive approximately SEK 40 more per cubic metre for all timber we harvest,” says Staffan.

“Certification is very important for the industry. Timber without certification is difficult to sell—consumers demand it. During certified harvesting, living trees must be retained, along with high stumps and deadwood for insects and birds. Certain tree species, such as particularly valuable broadleaved species—asp, goat willow, rowan and noble hardwoods—must not be felled. There are many rules that need to be followed,” Martin adds.

Do you have any other business activities besides forestry?

“No, forestry is what we live off and always have. We are independent entrepreneurs carrying out different types of forestry work,” says Staffan.

What activities have you carried out in the forest over the past year?

“We’ve planted, cleared, thinned, carried out final felling, and prepared the land. We’ve also extracted logging residues, which means collecting branches and tops after harvesting; these are then chipped and used for district heating. We have also carried out site preparation using an excavator on wet areas, so the seedlings we plant are raised slightly above ground level,” says Martin.

Have you noticed any effects of climate change in your forestry?

“Yes, lower precipitation means we are now planting more pine instead of spruce. Today, we plant roughly 60 percent pine and 40 percent spruce. Pine has a deeper root system, making it less sensitive to drought and less dependent on precipitation than spruce,” says Staffan.

“In the past, the problems were more related to wet soils; now it’s more about water shortages,” says Martin.

“The risk of forest fires is something I believe will increase. There will be more fires—it’s unfortunately just a matter of time. Storms are another risk; the



2005 storm affected us, and we had about 15,000 cubic metres brought down, but it was manageable,” says Staffan.

“We manage the forest differently today than we did in the past. There’s less old, tall forest—we’ve tried to adapt our forest management to better withstand storms and a changing climate,” says Martin.

“There is a lot of research being conducted on new tree species and more resilient varieties, so hopefully effective solutions will emerge going forward, should we need to adapt our forests further,” Staffan adds.

Do you have any future plans for the forest?

“The idea is to keep things moving forward. We follow our forest management plan and aim to stay at the forefront, taking action when the forest is no longer growing optimally,” says Martin.

“And we’re always happy to acquire additional properties if they are well located,” adds Staffan.

“But you also have to be careful not to take on more than you can manage. It has to work both practically and financially,” Martin adds.

What do you think is the best thing about owning a forest?

“The freedom. Seeing it grow, knowing that you are managing it and passing it on to the next generation in good condition. It’s not about buying and selling quickly—this is something that is meant to last,” says Staffan.

“I enjoy watching it grow. What you planted when you were younger has now become a forest—that’s quite something. It’s also rewarding to see how the value of the forest has increased; that’s something you notice more clearly today than before,” Martin concludes.

FACT BOX

Municipality: Tingsryd

Certification: FSC and PEFC

Total land area: 603 hectares

Productive forest land: 514 hectares

Pine: 21 %

Spruce: 57 %

Broadleaved: 21 %

Noble hardwoods: 1 %

Average site index: 7.9

NO/NS (set-aside for conservation): 6.1 %



At Näsby Farm with Carl-Fredrik

At Näsby Farm, just outside Linköping in Östergötland, Carl-Fredrik runs a crop production business together with his brother Gustav. They took over the family farm and the joint operating company following a generational transition in 2002 and have since expanded from farming approximately 225 hectares to 700 hectares, spread across owned land and leased acreage. In addition to crop production, they also rent out residential properties, both in the countryside and several apartments in Linköping. This work is mainly carried out during the agricultural off-season, particularly in winter. They also own forest land and manage pasture areas.

What do you grow?

“Our main crop is winter wheat, followed by winter oilseed rape, and then various spring crops. Broadly speaking, we grow about 70 percent winter wheat, 10–15 percent winter oilseed rape, and the remainder consists of spring crops such as oats, barley, peas, and alsike clover.

Since we have a relatively dry early summer climate, we often prioritise winter crops. They have deeper root systems and tolerate drought better than spring crops. At the same time, there are risks associated with winter survival—for example, this year we had temperatures down to around -25°C , and there are patches where the crop has winter-killed. In those cases, we have to re-sow in the spring, which becomes costly.”

You apply precision farming in your crop production—could you explain what precision farming entails?

“The foundation of precision farming is applying the right input in the right place to achieve the best possible result. Our fields vary significantly—from heavy clay soils with high potential to lighter soils



and sandy areas with lower potential and greater sensitivity to drought.

If you apply the same inputs everywhere, you won't achieve the same outcomes. That's why we try to tailor our inputs to the specific conditions and productivity of the soil. We have soil samples from all our fields, and based on these we manage, for example, liming as well as phosphorus and potassium applications. These are applied using GPS-controlled variable rate maps, so that different parts of the fields receive different amounts. We also aim to optimise nitrogen application, which we plan to refine further. It is also possible to vary seeding rates, but we are currently limited by our seed drill—something we may explore in the future."

Do you notice any difference since you started using precision farming?

"Yes, we notice a difference. Yields become more even, and we also save on inputs. With GPS guidance, the machines switch on and off with precision, which reduces overlap and waste. This applies to both fertilisers and crop protection products—you want to avoid applying more than necessary."

Could you describe what a typical year looks like in your crop production?

"We start in the autumn, in August–September, with winter sowing. We prepare the soil through ploughing or cultivation and create a good seedbed. Nutrients are applied at the time of sowing, and we control weeds to ensure a clean crop going into the winter.

During the winter, the crop is dormant. When spring arrives in March, growth resumes, and we gradually apply nutrients and carry out weed control. Throughout spring and early summer, we monitor the crops closely—if diseases or pests appear, we need to act.

Around Midsummer, the crop enters the maturation phase. At that point, there is little more we can do, and the weather becomes the key factor—the ideal is moderate warmth and rainfall. Harvest takes place in

August; most of the crop is then stored and dried so it can be sold at favourable times during the winter.

Every year is different, so we try to learn and manage risk. While we work in annual cycles, we also follow a six-year crop rotation, so our approach is long-term. This is not about quick returns—we follow a plan over time."

What are your plans for the future?

"We are constantly working to optimise and improve. A lot of the focus is on drainage and soil structure, so that crops don't become waterlogged. We also engage in some complementary activities, including feed handling during the winter months."

How is climate change affecting your operations?

"We're seeing more extreme weather—longer dry periods and more intense rainfall. This affects both yields and the timing of sowing and harvesting.

At the same time, there are some positive aspects. We can now grow crops here that previously were only viable further south. Sweden still has a relatively favourable growing climate compared with many parts of Europe. In addition, a lot of breeding and research is underway to develop crops that can withstand tougher climate conditions, which is encouraging."

Finally, what do you enjoy most about working in crop production??

"It's the feeling of following something from seed to harvest. You take responsibility, care for the crop, and hope it turns out as well as possible. It doesn't always go as planned, but that annual cycle—the variation and the uncertainty—is also what makes it exciting. Every year is different, and every farm is different. It's challenging, but that's also what makes this profession so rewarding."

FACT BOX

Municipality: Linköping

Arable land under cultivation: 700 hectares

Winter wheat: 70 %

Winter oilseed rape: 10-15 %

Spring crops: 15-20 %



Appendix I

The green covered pool's development over time

The table below presents the development of the green cover pool over time. Figures up to the 2025 impact report relate to Landshypotek's green bonds, which have been fully allocated to financing sustainable forestry. In October 2025, Landshypotek issued a green bond that finances both sustainable agriculture and forestry. The Bank therefore reports two different values for impact per SEK 1 million invested, as the bond issued in 2023 exclusively finances sustainable forestry, while the bond issued in October 2025 finances both sustainable agriculture and forestry.

The table shows that the area of certified forest has decreased slightly since the first impact report. This decrease is partly due to the fact that the Bank does not always require certification documentation in connection with lending, which means that information on certification is not always provided to the Bank in a structured manner. However, the Bank requires a valid forest management plan when extending credit, which enables it to identify forest properties that meet the criteria for sustainable forestry in accordance with the Bank's framework.

Impact report	Issued volume (SEK billion)	Green covered pool (SEK billion)	Buffer (SEK billion)	Felling rate (%)	Uptake (m ton)	Substitution Effect (m ton)	Uptake and substitution effect (m ton)	Effect per invested million (t CO2)	Area certified forest (hectares)
2019	5,25	5,63	0,38	0,75	0,7	0,7	1,4	267	203 419
2020	8,25	8,73	0,48	0,75	0,9	1,1	1,97	240	207 176
2021	10,75	10,79	0,04	0,75	1,0	1,6	2,6	250	199 397
2022	10,75	11,16	0,41	0,75	1,0	1,7	2,7	260	193 892
2023	10,75	11,5	0,75	0,80	0,7	1,5	2,2	240	184 786
2024	11,5	12,5	1	0,80	0,9	1,9	2,7	230	181 433
2025	11,5	12,3	0,8	0,80	1,1	1,4	2,48	220	181 642
2026	12	13,9	1,9	0,80	1,0	1,4	2,38	226 resp. 176	168 744



