



Landshypotek Bank

# Sustainability Report 2025

With passion for a richer life countryside



# Sustainability Report

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# Sustainability at Landshypotek in 2025

2025 was an eventful year for sustainability at Landshypotek Bank. A brief description of the main events of the year follows:

- All employees have received sustainability training and extra sustainability and climate courses have been provided to the bank's farm and forestry account managers and to mortgage officers.
- The bank has updated its green bond framework, to the effect that the framework enables important investments in Sweden's farming and forestry. In 2025, the bank issued SEK 6 billion in green covered bonds that exclusively finances sustainable farming and forestry in Sweden.
- The bank adopted an updated climate transition plan that sets out how the bank will reduce its climate impact, both in the credit portfolio and in the bank's own operations.
- The bank has set emission reduction targets for 2030 within its own operations. The targets include reducing emissions from business travel.
- The bank has continued working with sustainability-related risks in the credit portfolio. These risks were considered when preparing the bank's new business strategy from now to 2030. The bank is developing a new sustainability score for farming and forestry customers, which will be a key tool, not least for meeting the new requirements for managing sustainability-related risks.
- The bank has arranged several, internal and external, seminars and information meetings on sustainability.
- Despite all the twists and turns surrounding the CSRD/ESRS, Landshypotek Bank has continued its sustainability reporting and intends to keep doing so each year going forward.

## About the bank and its lending

### Our lending

- Landshypotek finances some 640,000 hectares of arable land and around 110,000 hectares of pasture, corresponding to about 25 percent of Sweden's pasture and arable land.
- The average age of farming and forestry customers is 60 and for mortgage customers the average is 52.
- Landshypotek lends on farm properties in 280 municipalities and finances housing in 286 municipalities.

### How we work

- Since 2023, Landshypotek has halved the number of flights. We flew 154 times in 2025 and aim to reduce this further.
- Rail travel by employees totalled almost 260,000 km in 2025, equivalent to just over six circumnavigations of the Earth.

### Our employees

- Some 90 percent of Landshypotek's employees used their wellness allowance in 2025.
- Our employees are engaged – both when working and in leisure time. More than 40 percent of our employees have a side activity, including in farming and forestry, sports and community associations, and tenant-owners' associations.



# Responsibility for people, the environment and society

ESRS 2 SBM-1 Strategy, business model and value chain

The foundation of the cooperatively owned Landshypotek Bank was laid back in 1836, when the country's farmers joined together to ensure access to capital to develop the growing farming and forestry sectors in Sweden. Today, we are the market leader for Swedish banks when it comes to lending for the purchase of agricultural properties and investments in farms around the country, plus a growing challenger in the mortgage market. Landshypotek also offers secure savings accounts.

Landshypotek Bank is owned by 31,000 farming and forestry loan customers, organised as members of Landshypotek Ekonomisk Förening. They are represented by around 120 elected representatives, who are themselves farmers or who are otherwise involved in agriculture and forestry. The bank's surplus is distributed to members as an annual dividend, meaning it is reinvested in the development of Swedish farming and forestry.

By only providing financing for farming, forestry and housing in Sweden, with collateral in the form of pledged property, the bank's lending operations are naturally limited. As a result of the above, the bank does not finance the extraction of fossil fuels such as coal, natural gas or oil. Card and transaction services as well as securities trading are not part of Landshypotek's product offering. Operations are represented in 21 branches across the country, from Skellefteå in the north to Lund in the south.

The bank finances its lending by issuing bonds in Swedish kronor, the majority of which are covered bonds. The bank has issued SEK 12 billion in green covered bonds that exclusively finances sustainable farming and forestry in Sweden. The bank also has a liquidity reserve, which comprises interest-bearing securities, either

covered bonds in SEK issued by Nordic credit institutions or securities issued by Swedish municipalities, regions or Kommuninvest. The bank has decided that 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.

The bank's sustainability report pertains to the period from 1 January to 31 December 2025. The bank has chosen to report in a manner inspired by the European Sustainability Reporting Standards (ESRS). The Sustainability Report includes the bank's double materiality assessment which was reviewed in 2025 (see Appendix 1). The double materiality assessment analysed the bank's impacts, risks and opportunities in own operations as well as upstream and downstream in the bank's value chain. The double materiality assessment identified the bank's material sustainability areas and the bank's policy documents, actions and targets are described per topical area.

**ESRS 2 GOV-1** The role of the administrative, management and supervisory bodies

**ESRS 2 GOV-2** Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

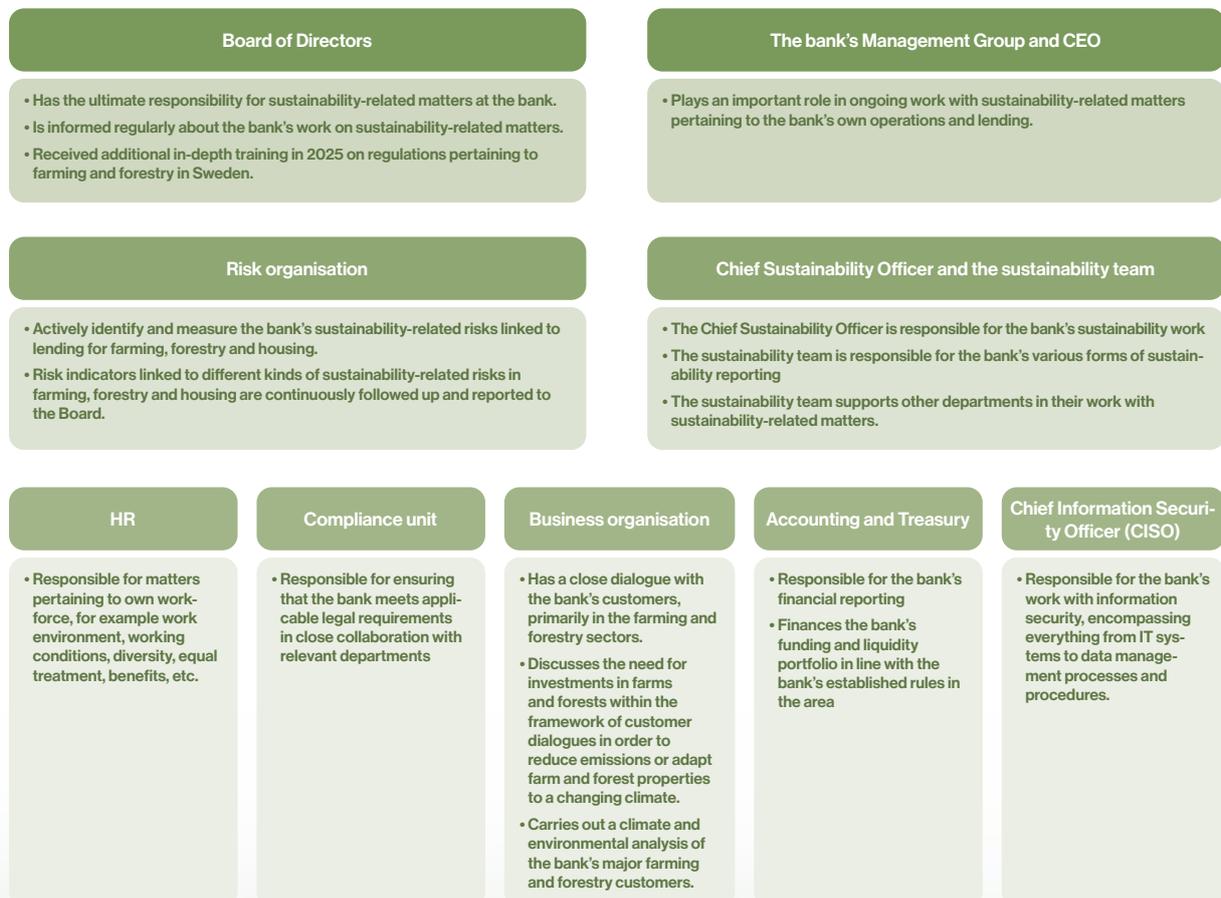
## Governance of sustainability-related matters at Landshypotek Bank

The Board has the ultimate responsibility for sustainability-related matters at Landshypotek Bank. The Board of Directors has delegated responsibility for sustainability-related matters to the CEO who, in turn, has delegated responsibility to the Chief Sustainability Officer.

**ESRS 2 GOV-3** Integration of sustainability-related performance in incentive schemes

The bank does not apply any form of variable remuneration linked to sustainability-related matters.

Formal responsibility for sustainability-related matters lies with the Chief Sustainability Officer, but the bank has a stated ambition for sustainability to be integrated into every level of operations. The size of the bank means that all departments need to work with sustainability-related matters every day. A description of how different parts of the bank work with sustainability is presented in the diagram below:



# Material sustainability areas

ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

In 2025, the bank reviewed its double materiality assessment to identify the bank's material sustainability areas. The bank's material sustainability areas comprise climate change, biodiversity, our employees and business conduct. A more detailed description of the different steps in the double materiality assessment is provided in an appendix at the end of the sustainability report.

## Climate change

Climate change is a challenge for all parts of society. As a bank, Landshypotek's direct impact on the climate is very limited. The primary sources of emissions are energy consumption at the bank's premises and business travel, since many of the bank's farming and forestry customers live in locations that can only be reached by car. The bank's largest climate impact is indirect, in the form of the credit portfolio and especially in lending to farming and forestry.

Landshypotek Bank finances farming, forestry and living in the countryside. Farming and forestry are two unique sectors in the climate transition, since they are already affected by a changing climate. At the same time, these sectors will play a key role in the climate transition to net zero emissions by producing food and biogenic raw materials. The bank's lending to the farming and forestry sector also means that the bank's financed emissions are markedly different from those of other Swedish banks. Swedish forests and arable and pasture land are already today sequestering a considerable amount of carbon. The bank thus finances GHG removals through its lending. At the same time, agriculture accounts for approximately 15 percent of Sweden's total emissions and significant amounts of fossil fuel are used within Swedish farming and forestry.

The main emissions sources in agriculture comprise land use, animals' digestive processes, and the use and processing of manure. The farming sector is the largest source of Sweden's total GHG emissions, specifically methane and nitrous oxide. Both have a

stronger greenhouse effect than carbon dioxide, but they also break down more quickly in the atmosphere (particularly methane). Since emissions for the sector are based on biological processes, they can vary substantially over regions, times and production methods. There is therefore considerable uncertainty associated with the calculations. This is particularly true for nitrous oxide emissions from nitrogen fertiliser in arable land. Swedish forests and arable and pasture land, in contrast, sequester considerable quantities of carbon. Every year, Swedish forests and land absorb greenhouse gases corresponding almost to Sweden's entire GHG emissions.

### Climate-related risks linked to farming and forestry

Farming and forestry are already affected by a changing climate. Adaptation of the sector will be essential for ensuring food production and the supply of biogenic raw materials. The farming and forestry sectors require long-term use of land. Identifying potential climate-related risks for land use, whether in the near future or

in the coming decades – will be an important component of the bank’s risk management. The bank has performed an analysis of the primary climate-related physical risks for the farming and forestry sectors. The analysis shows that the risks vary across the country and will impact different operations in different ways. The actions that are best suited for any given activity depend on circumstances arising from geographical conditions and the type of activity in question.

In addition to physical climate-related risks, the bank also follows the progress of regulations that can entail consequences for the use of fields and forests (“transition risks”). This includes the EU Nature Restoration Regulation (2024/1991) and other legal acts in Sweden that impact how land can be used in farming and forestry, now and in the future. The EU’s Land Use, Land Use Change and Forestry regulation (the LULUCF directive) can also entail consequences for how forests in Sweden are used. The bank’s analysis indicates that transition risks are the largest short-term sustainability-related risks for the bank. Changes in regulations can directly impact farming and forestry customers’ operations and thus impact their repayment capacity and the value of their properties.

#### ESRS E1-1 Transition plan for climate change mitigation

#### ESRS E1-2 Policies related to climate change mitigation and adaptation

### The bank’s climate transition plan

The Board of Directors of Landshypotek Bank has adopted a transition plan that sets the direction and ambition for the bank’s operations in the face of a changed climate. The bank’s transition plan includes the credit portfolio for farming, forestry and housing as well as own operations. The bank has chosen to focus its efforts on the transition plan for agriculture. The bank’s lending to agriculture has the greatest climate impact, which is why the bank aims to work actively with its farming and forestry customers to phase out fossil fuel in Swedish farming and forestry. Phasing out fossil fuels requires investment in various solutions, including biogas facilities, solar panels and improving the energy efficiency of farm buildings. This is something that the bank can finance – and already finances today – and there are good opportunities for the bank to help finance investments to remove fossil fuels from Swedish agriculture in the near future.

#### ESRS E1-3 Actions and resources in relation to climate change policies

### Actions

The bank took several actions in 2025 to reduce its climate impact, in own operations as well as in the credit portfolio:

- All employees received annual sustainability training from the bank and in-depth sustainability and climate courses have been provided to the bank’s account managers and mortgage officers.
- The bank has updated its green bond framework, to the effect that the framework enables important investments in Sweden’s farming and forestry. In 2025, the bank issued SEK 6 billion in green covered bonds that exclusively finances sustainable farming and forestry in Sweden.
- The bank adopted an updated climate transition plan that sets out how the bank will reduce its climate impact, both in the credit portfolio and in the bank’s own operations.
- The bank has set emission reduction targets for 2030 within its own operations. The targets include reducing emissions from business travel. An overview was conducted of the bank’s travel guidelines to clearly prioritise rail for business travel.

#### ESRS E1-4 Targets related to climate change mitigation and adaptation

### Targets

The bank already has a long-term target of achieving net zero emissions by no later than 2045. In line with the agricultural industry’s roadmap, the bank is also working toward making Swedish agriculture fossil-free by 2030. Neither the bank nor its customers can achieve these targets on their own, however. Political guidance with clear financial incentives is necessary if Swedish farmers are to make the transition. To ensure the bank’s contribution to the long-term overall objectives, the bank has developed a number of goals in its transition plan. They address five different key areas: the offering, customer engagement, funding, expertise and climate-related risks.

## Offering

**Goal 2030:** The bank is to maintain a competitive finance offering to customers for climate change mitigation and adaptation.

The customer pricing model applied by the bank applies the same approach to climate-related risks as for other risks.

## Customer engagement

**Goal 2030:** Each year until 2030, the bank is holding specialised training sessions for farming and forestry customers focused on the climate risks and climate transition of agriculture as well as the bank's role in the transition.

**Goal 2030:** The bank's account managers hold ongoing dialogues with customers in the professional farmer segment to provide relevant advice about the need for a climate transition, adaptation measures and future investment needs.

## Funding

**Goal 2030:** By 2030, the volume of green bonds issued will increase 50 percent from 2024's level of SEK 11.5 billion.

## Expertise

**Goal 2030:** Until 2030, the bank's employees are receiving annual training in this area.

**Goal 2030:** At least once every other year until 2030, the Board, management, risk function and business organisation will undergo in-depth training initiatives on relevant matters linked to the climate transition for Sweden's agriculture and housing.

## Climate-related risks

**Goal 2030:** Climate-related risks are integrated in all aspects of the bank's risk management, from ongoing customer dialogues to customer pricing.

**Goal 2030:** The bank's management of climate-related risks is based on appropriate decision data.

## Emissions reporting – Scope 1, 2 and 3

The bank's direct climate impact arises mainly from the bank's premises, business travel and purchased goods and services. As the bank's customers are spread across Sweden, its operations require a considerable amount of business travel, especially when many customers can only be reached by car. The bank has no Scope 1 emissions, as the bank has no manufacturing operations and owns no vehicles.

Scope 2 emissions are calculated for: district heating, district cooling and electricity consumption at office premises. The electricity consumption calculations are based on actual data for a number of offices. Individual electricity consumption measurements are lacking for other offices and emissions data is calculated using the per FTE data for those offices with actual electricity consumption data. The use by all the bank's offices of electricity from renewable energy sources has helped reduce climate impact in 2025. Emissions from heating and cooling consumption are calculated using the per FTE data for those offices with actual data on such emissions.

Scope 3 includes emissions from business travel by rail, car and air as well as from hotel nights, purchased IT equipment and the operation of server halls. The Scope 3 calculations are based on real data from the bank's server hall and travel suppliers and pertain to employee mileage allowances for business travel by car. In 2025, the bank has adopted emission reduction targets for business travel. By 2030, the bank aims to halve the number of business flights compared with 2024. Moreover, by 2030, emissions from business travel by car will be reduced 37 percent compared with 2023, which is in



	2025	2024	Change (%)
<b>Scope 1 – GHG emissions</b>			
Gross Scope 1 GHG emissions (tCO <sub>2</sub> e)	0	0	0
<b>Scope 2 GHG emissions</b>			
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	32.7	42.1	-22%
<b>Significant Scope 3 GHG emissions</b>			
Total gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> e)			
Purchased goods and services	3.4	2.6	+31%
Business travel	41.0	53.9	-24%
<b>Total GHG emissions</b>			
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	77.1	98.6	-21.8%

line with the Swedish national climate target. While the bank prioritises digital meetings, given the spread of the bank's customers across the entire country, some business travel is required. Wherever possible, rail must be used for business travel. However, some customers, especially in Swedish farming and forestry, can only be reached by car and, accordingly, the bank is also working on solutions to promote fossil-free transportation.

The bank's Scope 3 emissions exclude emissions from the use of software, including AI. That said, AI is used at the bank and the bank is aware that its use entails an environmental cost.

### Scope 3 – Emissions and removals financed by the bank

The bank's lending to farming, forestry and housing means that the bank finances GHG emissions as well as removals in these sectors. The bank conducted a portfolio analysis to calculate the carbon footprint of its credit portfolio to farming, forestry and living in the countryside. The analysis is based on standardised data adapted to the bank's credit portfolio. The bank's analysis has entailed the use of a number of assumptions, including the average number of livestock units in different farming activities, GHG emissions from cultivated land and the energy consumption for different farming activities. The findings show that the bank's credit portfolio has a positive climate impact, in other words, that the underlying

properties, with associated activities and operations, in the bank's credit portfolio together sequester more carbon dioxide than they emit.

The bank has issued a total of SEK 12 billion in green covered bonds that exclusively finances sustainable farming and forestry in Sweden. According to the bank's most recent impact report, the climate impact of projects financed amounts to just under 2.5 million tonnes of CO<sub>2</sub> in terms of carbon sequestration in growing forests as well as in substitution benefit.

### Taxonomy reporting

The bank's Taxonomy reporting is included in an appendix to the Sustainability Report. The bank has lending to forestry and homeowner mortgages that are encompassed by the EU Taxonomy regulation. At present, agriculture is not encompassed by the Taxonomy. Taxonomy-eligible operations are assessed on whether they are environmentally sustainable pursuant to certain criteria. The technical criteria are in place for forestry and mortgages.

The bank obtains energy rating data for housing in the mortgage portfolio from the National Board of Housing, Building and Planning. The bank then conducts an analysis to determine that no significant harm is being done to the other environmental objectives before it can determine what proportion of its lending on houses meets all the criteria in the Taxonomy.

		Financed emissions/removals in terms of loan-to-value ratio (tCO <sub>2</sub> e)	Financed substitution benefit in terms of loan-to-value ratio (tCO <sub>2</sub> e)
Land use	Removal in growing forests	-1,900,000	<b>-1,150,000</b>
	Removal in arable and pasture land	-71,000	N/A
	Emissions from arable land	+460,000	N/A
	Emissions from pasture	+15,000	N/A
	Emissions from organogenic soils	+330,000	N/A
<b>Land use</b>		<b>-1,540,000</b>	
Emissions from farming operations	Milk production	+560,000	N/A
	Beef production	+100,000	N/A
	Poultry	+22,000	N/A
	Pigmeat production	+27,000	N/A
	Arable farming	+65,000	N/A
	Forestry	+2,000	N/A
<b>Emissions</b>		<b>+776,000</b>	
<b>Housing</b>		<b>+3,000</b>	<b>N/A</b>
<b>Buildings</b>		<b>+24,000</b>	<b>N/A</b>
<b>Total emissions and removals</b>		<b>-737,000</b>	
<b>Total emissions and removals with substitution benefit</b>		<b>-1,887,000</b>	

Efforts are ongoing, together with other Swedish banks and forestry stakeholders, on the application of the technical criteria for assessing the environmental sustainability of forestry according to the Taxonomy. The bank is currently unable to report whether its lending to forestry meets the technical criteria. The reporting template does not allow for detailed information on lending to SMEs as lending to SMEs (including micro-enterprises) is not included in the Taxonomy reporting. The bank only lends to individuals, sole traders, micro, small and medium-sized enterprises and is therefore excluded from the GAR calculations.

# Biodiversity and ecosystems

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**SBM-3** Material impacts, risks and opportunities and their interaction with strategy and business model

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**ESRS 2 IRO-1** Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

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Farming and forestry have a major impact on biodiversity and are simultaneously the only sectors that can create biodiversity. Farming and forestry are therefore two key sectors in efforts to halt biodiversity loss and to promote biodiversity in the country. As a bank, while we have no direct control over how our customers use the land or forest, we expect our customers to follow applicable legislation regarding biodiversity. Sweden has well-established regulations governing how land may be used, and many of these regulations also aim to support biodiversity. The bank expects Swedish authorities to conduct the checks established that ensure our customers are following applicable legislation.

**E4-2** Policies related to biodiversity and ecosystems

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## Actions

The bank has prepared a position paper that sets out the bank's approach to biodiversity through its lending.

**E4-4** Targets related to biodiversity and ecosystems

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The bank does not currently have any biodiversity targets.

**E4-5** Impact metrics related to biodiversity and ecosystems change

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A contributing factor to the bank's decision is the lack of an established measurement method for biodiversity. The bank thus deems it inappropriate to set targets when there is no data available to thoroughly analyse the current situation.

**M4-3** Actions and resources related to biodiversity and ecosystems

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The bank implements its overall strategy in this area through various policies. According to Landshypotek's valuation policy, environmental and climate factors that could positively or negatively impact the future market value of the property must be stated. This includes factors that could impact the ability to use a farm or forest property, for example restrictions due to nature or water protection areas. Biodiversity is also taken into consideration when granting credit through a separate climate and environmental analysis. This is applied to all legal entities and farmers beyond a certain size threshold. The analysis looks at environmental and climate risks that impact the customer's repayment capacity, providing an indication of which actions the customer is taking to create positive benefits and to minimise negative impacts on the environment and climate.

# Our employees

The bank's main asset is a thriving workforce, which is also a prerequisite for achieving its strategic plan and long-term sustainability. Each employee at Landshypotek Bank accounts for almost half a percent of the bank, so the commitment of each employee to us as an employer, to their workplace and to their tasks is critical for our performance. Accordingly, we attach considerable importance to commitment and to understanding how the bank has evolved. The bank has a significant impact on its employees, since it is the primary employer for many employees. The bank's impact extends over the short and medium term and can be positive as well as negative, depending on the bank's working conditions and work environment. Accordingly, sustainable management of its own workforce is integral to the bank's sustainability efforts, which are based on promoting positive impacts while systematically identifying, preventing and managing the risk of negative impacts.

The bank's positive impact includes offering secure employment where employees can influence ways of working and decision-making processes. The bank's size means that employees have the opportunity to take on a broad range of work tasks, which leads to skills development and internal mobility. The bank's potential negative impact primarily pertains to risks linked to stress and mental illness as a result of an excessive workload. The bank's size can mean that employees may need to juggle many tasks at the same time. While this can lead to more stimulating work, it can also increase the need to prioritise and thus the risk of unhealthy workloads. The bank's negative impacts are minimised through actions taken in line with the bank's policy document in the area that aims to ensure comfortable and sustainable employment.

## ESRS S1-1 Policies related to own workforce

### The bank's policy document for the area

The bank's relationship with its employees is based on everyone being of equal value and the bank strives to maintain an equitable relationship between individuals and groups. The bank works continuously with activities with employees and managers to:

- Promote job satisfaction, efficiency and continuous development
- Support every employee's participation, engagement and desire to take responsibility
- Be an attractive workplace with openness and diversity

The bank's work with employees is based on the policy documents that regulate working conditions, the work environment and similar matters. These policies are:

- HR Policy
- Remuneration Policy
- Landshypotek's Code of Conduct
- Guidelines for handling threats and violence
- Instructions for reporting discrimination and unequal treatment
- Security Policy
- Work environment and diversity guidelines

### Diversity, inclusion and equal treatment

The bank interprets diversity as being about similarities and differences, and not just pertaining to gender equality or the grounds of discrimination (gender, gender identity or expression, ethnicity, age, religion/belief, sexual orientation and disability). The employees' education, family circumstances, childhood environment, values, interests, experiences, etc., are all of equal relevance. For the bank, a diverse workforce is a success factor that contributes differing perspectives, broader skills and more diversified decision-making. The bank believes that the key to creating an inclusive work environment where employees have opportunity to perform based on their abilities lies in openness, respect and acceptance of differences.

The bank aims for a gender balance of 40/60 across all employees and all management positions. The bank as a whole has long had an even gender distribution that it works actively to maintain. The bank has established gender balance targets for managers, Bank Management and for the Board of Directors, presented in the table on page 13.

The bank's work with diversity and equal treatment aims to create a work environment that supports and celebrates diversity, through the creation of equal rights, obligations and opportunities for all. The same opportunities for employment, information, training and development at work apply for all employees. Work with diversity and equal treatment must be naturally integrated into operations and diversity aspects should be naturally taken into account when the bank designs the organisation, allocates tasks, recruits, sets salary, promotes, develops skills and works with the work environment. Accordingly, it is of central importance that the bank actively identifies, averts and prevents all forms of harassment and discrimination. Work in this area includes conducting annual employee surveys on the work environment, including one on the theme of inclusion, discrimination and experiences of victimisation. We work actively with the survey findings to continue jointly developing the bank and to maintain a safe and respectful workplace.

## Training and skills

Skills development is important for the bank's competitive ability and strengthens its employer brand. Skills development is to be continuous and is to be based on the requirements of the operating environment as well as the bank's purpose, vision, strategies and goals. All employees have worked actively with self-leadership training in 2025.

The bank attaches great importance to providing a structured work and social induction to new employees, to build confidence in the role and facilitate participation, both within their own department and in the bank as a whole. Managers are responsible for ensuring that every employee receives a satisfactory introduction. The same responsibility also applies for reintegrating employees who are returning to service after parental leave, extended sick leave or leave of absence for example.

**ESRS 1S1-2** Processes for engaging with own workforce and workers' representatives about impacts

Employee appraisals are performed regularly to develop and discuss individual goals, skills development plans and any issues. Goals are also followed up in connection with annual salary discussions. The bank strives for fair and equal pay, where skills, responsibilities and performance comprise key criteria for assessment.

## Dialogues and employee commitment

During the year, employee commitment at the bank was evaluated in many ways. In the spring, each employee responded to questions based on a commitment index called the sustainable employee engagement (SEE) index.

Evaluating SEE captures the motivation of employees and the prerequisites they have for offering their best for the organisation. It also captures the extent to which employees feel self-fulfilled and recognise personal development in their work, which is positive both for the individual and for the organisation. SEE provides an indication of the extent to which employees understand their organisation's overall objectives and how their own contributions meet these objectives. The SEE index consists of nine questions in three areas: motivation, leadership and strategic management. The results of this year's survey show that we have healthy prerequisites for sustainable employee engagement as employees have provided average value scores of over four on a scale of one to five.

We measure the bank's employee net promoter score (eNPS) by posing the question "How likely are you to recommend Landshypotek Bank as an employer to a friend?" Our eNPS measurements are historically strong. The results of the latest eNPS measurement amounted to 45 (41), which is a very favourable result and far above the average in Sweden, indicating a positive attitude and feeling toward the bank as a workplace.

## Remuneration and compensation (incl. benefits)

**ESRS S1-11** Social protection

**ESRS S1-15** Work-life balance metrics

As a bank employee in Sweden, all employees are entitled to certain statutory rights, including the right to join a trade union, the right to parental leave and sick pay in the event of an extended absence. Landshypotek Bank strives to be an attractive and responsible employer with competitive employment terms and conditions, and a good work environment. The employees are offered loans at favourable terms, profit sharing and subsidised lunches, for example. Employees of Landshypotek are offered a generous wellness allowance, which was taken up by some 90 percent of employees in 2025.

**S1-8** Collective bargaining coverage and social dialogue

**SBM-2** Interests and views of stakeholders

**ESRS S1-2** Processes for engaging with own workforce and workers' representatives about impacts

**S1-4** Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

All of the bank's employees are covered by collective agreements with the Financial Sector Union of Sweden and the Swedish Confederation of Professional Associations (SACO). Each of the two unions have appointed their own representative on the bank's Board.

#### ESRS S1-10 Adequate wages

The bank strives to achieve sound and fair pay scales that ignore background and gender. The bank adheres to the legislation in this area, which entails the bank conducting a structured annual salary mapping within the organisation with the aim of identifying, addressing and preventing unfair pay gaps between genders. The bank adopts structured measures in the event that the analysis reveals that unfair pay gaps are present.

#### KPI reporting for own workforce

Various KPIs related to own workforce are presented in the following table. It is important to note that Landshypotek Bank only has operations in Sweden and must therefore comply with applicable legal requirements in terms of parental leave and pension provisions.

#### ESRS S1-6 Characteristics of the undertaking's employees

Gender and age distribution	Target	2025	2024	Change
<b>Number of employees – total</b>		<b>246</b>	<b>236</b>	<b>+10 (+4%)</b>
Men	60/40	112 (46%)	112 (47%)	0 (0%)
Women	60/40	134 (54%)	124 (53%)	+10 (+8%)
<b>Managers</b>				
Men	60/40	17 (52%)	12 (48%)	+5 (+42%)
Women	60/40	16 (48%)	13 (52%)	+3 (23%)
<b>Management group</b>				
Men	60/40	5 (62%)	6 (75%)	-1 (-17%)
Women	60/40	3 (38%)	2 (25%)	+1 (+50%)
<b>The Board – bank</b>				
Men	60/40	4 (57%)	5 (71%)	-1 (-20%)
Women	60/40	3 (43%)	2 (29%)	+1 (+50%)
<b>Age</b>				
<30	N/A	21 (9%)	20	+1 (+5%)
30–49	N/A	143 (58%)	140	+3 (+21%)
50>	N/A	81 (33%)	76	+5 (+7%)

#### ESRS S1-7 Characteristics of non-employees in the undertaking's own workforce

Full-time, part-time and non-employee workers in the undertaking's own workforce	2025	2024	Change
<b>Number of employees – total</b>	<b>259</b>	<b>250</b>	<b>+9 (+4%)</b>
Full-time employees	243	229 (92%)	+14 (+6%)
Part-time employees	3	7 (3%)	-4 (-57%)
Non-employee workers in the undertaking's own workforce	13	14 (6%)	-1 (-7%)

#### ESRS S1-14 Health and safety metrics

Sick leave, employee turnover, employee commitment	2025	2024	Change
Sick leave – short term	1.19	1.05	+13%
Sick leave – long term	0.6	1.48	-59%
Employee turnover	10.5%	6%	+75%
Concluded employment	27	15	+12 (+80%)
New employment	39	50	-11 (-22%)
Employee commitment, eNPS	45	44	+1

# Business conduct

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Responsible business conduct is critical to us as a bank. We lay the foundations for running the bank responsibly by clearly structuring, monitoring and controlling our operations. This is a precondition for creating high levels of trust in us and what we do. Real success entails creating a culture in daily operations whereby every employee understands what is right and wrong. We achieve this through an organisation that welcomes dialogue and changed ways of working, and that identifies, investigates and counters any corruption or other moral dilemmas.

The bank's operations are primarily focused on two key areas: lending and borrowing. Sound and sustainable lending is central to the bank. The bank wants to contribute to our customers' financial security. The framework and approach for granting credit are set by the bank's credit regulations. The bank's Sustainability Policy stipulates that the bank is to work with responsible borrowing to ensure responsible investments by integrating sustainability aspects in its investment decisions.

The Board's governance, ambitions and targets in business conduct are set out in several policy documents. This area is essential for conducting banking operations with a high level of trust among the bank's stakeholders and marks all of the bank's activities.

#### ESRS G1-1 Business conduct policies and corporate culture

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The following policy documents address the Board's governance, ambitions and targets in the area:

- Remuneration Policy
- Ethics Policy
- Code of Conduct
- Insider Policy
- Customer Complaints Policy
- Conflict of Interest Policy
- Compliance Policy
- Policy for Counteracting Money Laundering and Financing of Terrorism
- Internal Governance and Control Policy
- Board Diversity Policy
- Outsourced Operations Policy
- Code of Conduct for Suppliers
- Eligibility Policy
- Risk Policy.

## Results of the double materiality assessment

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

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The double materiality assessment analyses the bank's impacts, risks and opportunities in business conduct. It is clear that the bank has a significant impact on its prevailing corporate culture. Responsible business conduct is not only relevant in terms of sustainability, but is essential for conducting banking operations with a high level of trust among the bank's stakeholders. The double materiality assessment indicated that the overall risk profile for matters pertaining to business conduct are generally low as a result of the bank's structure and internal governance and control processes.

## Training and whistle-blower systems

All of the bank's employees undergo annual training in ethics, conflicts of interest and corruption. All lending is subject to duality controls and the whistle-blower function is open to anyone who, in a work-related context, becomes aware of information or irregularities of public interest. Business ethics are included in various employee training courses, including induction training for new employees and annual training in business ethics. The bank's managers and compliance function can always be contacted and consulted in any case of uncertainty. There were no reports made in the whistle-blowing system in 2025.



## Corruption and bribery

The bank has zero-tolerance for corruption. Objectivity and correct conduct are therefore fundamental in all the bank's business relationships.

### ESRS G1-3 Prevention and detection of corruption and bribery

The bank regularly conducts – at least once per year – a risk analysis concerning the bank's corruption risks and conflicts of interest. The risk analysis identifies the likelihood and consequence of the risk materialising and, on the basis of this analysis, appropriate actions are designed where necessary.

The bank's and its employees' commitments in farming and forestry comprise a major advantage and strength, but may also entail a risk of conflicts of interest and bias. Employees must always notify and await approval from their line manager and the bank's compliance department prior to starting any ancillary activities. All ancillary activities reported are followed up annually.

In the event of identification of a conflict of interest or bias, the case is always handled by an independent employee of the bank, as stated in the bank's Conflict of Interest Policy. All conflicts of interest must be reported to the bank's compliance department for documentation. The bank's incident reporting system is used when a risk exists of any negative impact on the bank's internal and external processes, customers and regulatory compliance.

### ESRS G1-4 Incidents of corruption or bribery

The bank had no incidents of corruption or bribery in 2025.

## Prevention of money laundering

Money laundering, terrorism financing and breaching sanctions are three areas that are not explicitly addressed in the ESRS. However, these three areas comprise serious threats to society in Sweden and the rest of the world, and combating them is therefore of particular concern to the bank. The bank does not tolerate and does not participate in money laundering, terrorism financing or breaching sanctions. The bank does not enter into new or expanded business relationships without sufficient know your customer (KYC) data or where it is deemed that the risk cannot be managed through mitigation measures. KYC data must be continuously updated and action taken in business relationships where the customer fails to provide KYC data within a reasonable time. The Board and CEO are ultimately

responsible for the bank's operations taking necessary actions, for the bank's internal rules complying with external regulatory requirements and that said rules are appropriate, well implemented and complied with in operations. To ensure an efficient organisation is in place to prevent money laundering and terrorism financing, and to ensure compliance with applicable sanction regulations the bank has appointed the following roles and functions: Designated Supervisor, Central Function Manager, the AML and Anti Financial Crime function, and an authorised decision-maker for independent review. The latter is a senior officer of the bank tasked with developing, implementing and maintaining strategies, procedures and controls of an adequate standard to ensure the bank complies with applicable sanction regulations. Read more about Landshypotek Bank's risks and risk management in Note 2.

## Management of relationships with suppliers

### ESRS G1-2 – Management of relationships with suppliers

Any partner that the bank enters into legal agreements with must meet the requirements of the bank's Code of Conduct for suppliers. It includes requirements in areas such as regulatory compliance, sustainability and IT security. A counterparty assessment must be performed prior to the bank entering an agreement with a supplier. The bank uses responses from the counterparty assessment to determine whether the counterparty can meet the bank's requirements for suppliers.

## Political influence and lobbying activities

### ESRS G1-5 Political influence and lobbying activities

Landshypotek is a member of several organisations, including the Swedish Bankers' Association and the Federation of Swedish Farmers. The bank acts mainly through its membership of other organisations. In 2025, together with the Swedish Forestry Society (Föreningen Skogen), the bank arranged a seminar on how Swedish forestry owners are impacted by geopolitical concerns and various regulations. In December, the bank arranged an in-house seminar on how farmers are responding to society's rising expectations. The bank also participated in seminars during Almedalen Week and at Borgeby Fältdagar on the use of fields and forests in Sweden. Additionally, the bank has engaged in various studies, such as on farming's climate transition and financing possibilities for Swedish farming.

## Appendix 1 Execution of the double materiality assessment

The bank updated its double materiality assessment in 2025. The goal of the double materiality assessment is to identify the bank's material sustainability areas.

### Analysis of the bank's impacts, risks and opportunities

The bank assesses which impacts and which risks and opportunities exist within the various areas addressed by the topical standards in the original ESRS. The bank's impacts (negative or positive, actual or potential) are assessed based on severity, scope, irremediable character and likelihood. Severity, scope and irremediable character are assessed on various scales from 0 to 5, and likelihood on a scale from 1 to 5. The bank is deemed to have a material impact on an area if it is important (3), significant (4) or critical (5) in combination with a likelihood that is high (4) or very high (5), leading to an overall assessment of significant or critical.

### Financial materiality

Risks and opportunities are assessed based on the potential financial impact and likelihood of the risk or opportunity. Risks and opportunities are assessed based on the potential financial impact, if the risk or opportunity were to occur, on a scale from 1 to 5. An area deemed to be financially material if the financial impact is high (4) or very high (5) in combination with a likelihood that is high (4) or very high (5).

### The time period for the analysis of risks and opportunities

The bank analyses risks and opportunities from different time horizons. For topical standards under the environmental section (E1-E5), the bank analyses risks and opportunities from a short-term perspective (2011–2040) and a medium-term perspective (2041–2070). The bank has chosen these time horizons since climate- and environment-related risks are expected to have the greatest impact in the longer term. For other topical standards (S1 to S4 and G1), the bank applies shorter time horizons. The bank analyses risks and opportunities based on short-term (1–2 years), medium-term (3–4 years) and long-term (10+ years) perspectives, since risks and opportunities pertaining to own workforce and business conduct are significantly more acute in nature for the bank to manage.

### Dialogue with external stakeholders

Previously, the bank held a dialogue with external stakeholders to obtain input for the work with the double materiality assessment (DMA). The DMA update focused primarily on the bank's own assessments of impacts, risks and opportunities, and the bank did not engage in dialogue with external stakeholders when updating the DMA.

### Continued work with the double materiality assessment

Pursuant to the requirements in the ESRS, the bank will annually review its double materiality assessment.

## Appendix 2 General information about the 2025 sustainability report

### Management of risks linked to sustainability reporting

The bank's sustainability reporting entails a certain amount of risk arising from human error or incomplete data. The bank has implemented certain internal controls for the sustainability reporting processes in order to minimise these risks. The bank's sustainability report is

reviewed internally by various departments to ensure that the information is presented accurately. Data collection from suppliers is reviewed against historic data to detect any discrepancies or gaps. The bank's sustainability report is subject to review by the bank's external auditors.

## Taxonomy

2025 SEK	Total value	Climate Change Mitigation (CCM)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
Turnover	44,071,253,726	38.4%	1.92	0	0	0	38.4%	1.92%	0	0	0
CapEx			0	0	0	0		0	0	0	0
OpEx			0	0	0	0		0	0	0	0

2024 SEK	Total value	Climate Change Mitigation (CCM)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
Turnover	39,897,000,000	35.9	1.87	0	0	0	35.9	1.87	0	0	0
CapEx			0	0	0	0		0	0	0	0
OpEx			0	0	0	0		0	0	0	0

