



SEPTEMBER 2024

Green Bond Investor report

 Arbejdernes Landsbank

About this report

This Green Bond Investor Report provides an overview of Arbejdernes Landsbank's Eligible Green Asset Portfolio and the allocation of funds. It also provides details of the estimated avoided emissions the included lending activities have achieved.

We sincerely thank all our investors for your contribution to channel capital to investments that contribute to the sustainable development and green transition in the society and reduce the derived negative impacts, including the financed greenhouse gas emissions.

Arbejdernes Landsbank launched its first Green Bond Framework in August 2023. The Framework has been developed in accordance with the 2021 ICMA Green Bond Principles. Sustainalytics has provided a second-party opinion on the Arbejdernes Landbank's Green Bond Framework and has concluded, that the framework is credible, impactful and align with the four core components of the Green Bond Principles 2021.

Arbejdernes Landsbank have issued two green bonds with a total volume of approximately DKKbn 3.2 since the launch of our Green Bond Framework in August 2023. The first bond, a DKKm 1,000 Senior Preferred, was issued in September 2023. The second, a EURm 300 senior non-preferred, was issued in March 2024. Both bonds have attracted strong investor interest and have been well received by the market.

Since Q2 2023, we have seen continued growth in green electric car loans granted to our

customers through AL Finans. The total volume of loans to Green Transportation grew from DKKbn 2.0 to DKKbn 2.6.

The total volume of Green Buildings in the AL Eligible Green Asset Portfolio has increased from DKKbn 2.0 to DKKbn 2.3 since Q2 2023. Please note that Arbejdernes Landbank from December 2023 have chosen to exclude *'buildings built after a certain year'* in the top 15 %, in accordance with the European Commission's Q&A on interpretation and implementation of the EU Taxonomy Regulation. This means, that we have excluded around DKKm 500 from the Green Buildings category, which explains the decrease in the Eligible Green Asset Portfolio in Q4 2023. The total volume of the Eligible Green Asset Portfolio from Arbejdernes Landsbank Group's balance sheet grew from DKKbn 4.0 to around DKKbn 4.4 since Q2 2023. It is our aim to enable an inclusion of more categories from our Green Bond Framework in the longer run. 35 per cent of the portfolio was new financing and 65 per cent was refinancing of existing projects.

The AL Group has for several years, focused on actions that support the reduction of greenhouse gas emissions among our customers and in our own operations. Among several green initiatives and targets for Arbejdernes Landsbank, one of the overall goals is to offer attractive loans, to make it more attractive to customers to make more sustainable choices. We have also increased dialogues with the largest customers regarding ESG considerations including their transitions plans.

Read more about Arbejdernes Landsbank's overall goals and green initiatives here:

- [Responsibility & Sustainability Report 2023](#)
- [Report with alle the Group's climate targets \(Danish\)](#)

Key quantitative data

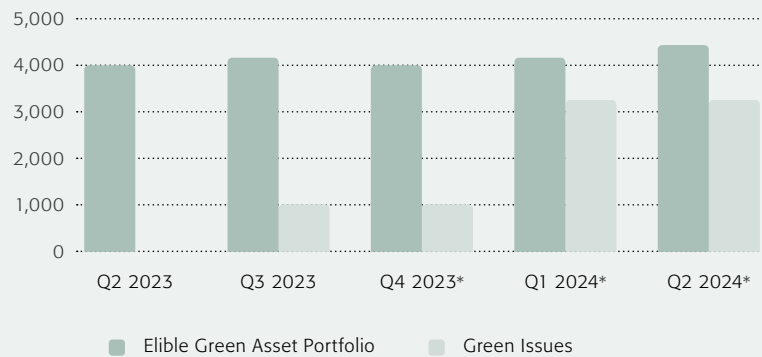
Eligible Green Asset Portfolio distribution

- Q2 2024



Eligible Green Asset Portfolio and Green Issues

- DKKm



*Please note that Arbejdernes Landsbank from December 2023 has excluded 'buildings built after a certain year' in the top 15%, which is in accordance with the European Commissions Q&A on interpretation and implementation of the EU Taxonomy Regulation.

CO₂e impact and key indicators of green loans

Categories	Eligible Green Asset Portfolio	Annual emission avoided		Impact
		DKKm	tCO ₂ e	tCO ₂ e/DKKm
 Green Buildings	1,802	218	0.1	
 Clean Transportation	2,619	15,881	6.1	
Total	4,421	16,099		
Disbursed amount with CO₂e impact	4,421			
Impact tCO₂e per DKKm			3.6	

Methodology

Key reporting principles

Arbejdernes Landsbank's reporting on environmental impact is guided by the ICMA's Harmonized Framework for Impact Reporting Handbook (June 2024), and the Nordic Public Sector Issuers' Position Paper on Green Bond Impact Reporting 2024.

The reported distribution and impact are based on the status of the Green Asset Register as of 30 June 2024. The full-year impact is accounted for regardless of when an asset is included in the Green Asset Register.

Impact methodology



Calculation methods, assumptions and relevant baselines are specified below. It should be noted that calculation of environmental impact is subject to uncertainties which cannot be totally eliminated.

Only impact resulting from Arbejdernes Landsbank's share of the financing is reported on. Arbejdernes Landsbank reports on the share of the project's total investment cost that has been financed with proceeds from the green bond.

The reported impact is based on amounts disbursed and outstanding for a project.

Estimated data on avoided emissions

For green buildings, where Arbejdernes Landsbank are unable to obtain the actual energy consumption, we estimate the expected energy demand based on building type, ECP label, area and heating source, corresponding to the FIDA CO₂ model. The estimated avoided emissions for green buildings are calculated on Group level. Avoided emissions for clean transportation only includes AL Finans' portfolio.

	Calculation of emissions avoided	Parameters and assumptions
 Green Buildings	(Expected annual energy demand for reference building (kWh) – (Expected annual energy demand for financed building (kWh)) * Emission factor of heating source (gCO ₂ e/kWh)	Emission factors: <ul style="list-style-type: none"> Electricity: 197 gCO₂e/kWh (Source: The Danish Energy Agency) District heating: 65 gCO₂e/kWh (Source: The Danish Energy Agency) Natural gas: 204 gCO₂e/kWh (Source: The Danish Energy Agency) Fuel Oil: 281 gCO₂e/kWh (Source: The Danish Energy Agency) Baseline energy demand: Green buildings are benchmarked against the minimum requirements set by the building code BR08, which corresponds to a national EPC B label. The energy factors from building code BR18 is used for all buildings.
 Clean Transportation	(Alternative fuel-based emission factor (gCO ₂ e/km) – vehicle specific emission factor (gCO ₂ e/km)) * annual kilometers	Alternative fuel-based transportation: 137.43 gCO ₂ e/km (Source: Danish Center for Environment and Energy (DCE)) Vehicle-specific emissions: 27.74 gCO ₂ e/km (Source: Danish Center for Environment and Energy (DCE)) Average driving distance for Danish electric cars (Source: DCE): <ul style="list-style-type: none"> Electric vehicles: 16,851 km/year

Clean Transportation

AL Group have set two goals on electrical car loans. Electric cars shall make up 50 per cent of AL Finans’ portfolio by 2025. 95 per cent of new cars loans in AL Finans should be electric cars by 2030.

These goals should be achieved by helping our customers to choose electric vehicles by offering loans it favourable terms, by developing new products and services to make it easier to choose an electric car over petrol and diesel cars.

Key data

Total amount disbursed (DDKm)	Number of electrical cars financed
2,619	10,140
Annual GHG emission avoided (tCO₂e)/year	Total share of new electrical car loans in the car loan portfolio in AL Finans
15,881	42 %

UN SDG mapping and environmental objective



Green Buildings

AL Group have initially focused our goals and actions towards loans for owner-occupied housing¹. The Group has set a reductions target of 75 % in emission intensity for owner-occupied housing (kg CO₂e/m²) in 2030 compared to 2022. In 2024, we have contacted our customers who have oil and gas boilers and presented options for switching to another form of heating. In addition, we have collected data for the homes that have not yet registered what kind of heating they use. By 2025, the share of oil and gas boilers must be below or in line with the Danish Energy Agency's projections.

Key data

Total amount disbursed (DDKkm)

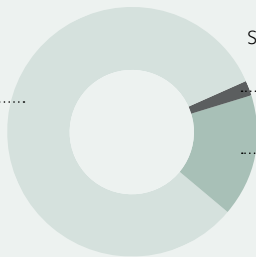
1,802

Annual GHG emission avoided (tCO₂e)/year

2,052

Outstanding amount disbursed

Privat rental
82%



Social, cultural and education
2%

Office and retail
16%

UN SDG mapping and environmental objective



¹ where owners have a direct opportunity to make decisions regarding eg. energy, renovations and change of heating method.

Arbejdernes Landsbank Green Bond Issuance

Arbejdernes Landsbank have since the launch of the Green Bond Framework issued two green bonds. The first bond, a DKKm 1,000 Senior Preferred, was issued in September 2023. The second, a EURm 300 senior non-preferred, was issued in March 2024.

ISIN DK0030527106

Status	Preferred Senior	Issue size	DKKm 1000
Rating	A2 by Moody's	Coupon	3M Cibar + 160 bps
Issue date	22-09-2023	Listing	Nasdaq Copenhagen
Maturity date	22-09-2028	Framework	GBF2023

ISIN DK0030537840

Status	Non-Preferred Senior	Issue size	EURm 300
Rating	Baa 1 by Moody's	Coupon	4,875% (MS + 220 bps)
Issue date	14-03-2024	Listing	Nasdaq Copenhagen
Maturity date	14-03-2029	Framework	GBF2023



Independent auditor's assurance report on green bond allocation reporting

To the shareholders of Aktieselskabet Arbejdernes Landsbank

As agreed, we have performed an examination with a limited assurance, as defined by the International Standards on Assurance Engagements, on Aktieselskabet Arbejdernes Landsbank Group's green bond loan allocations specifically as presented in the illustrations on page 3, column "Eligible Green Asset Portfolio" in the table on page 4, "Total amount disbursed (DKKm)" on pages 6-7 and issued bonds information on page 8 in the Green Bond Investor Report 2024 for the period ended 30 June 2024 (the green bond loan allocations).

In preparing the green bond loan allocations, Aktieselskabet Arbejdernes Landsbank Group applied the allocation criteria as defined in the Aktieselskabet Arbejdernes Landsbank's Green Bond Framework (the Green Bond Framework). The green bond loan allocations need to be read and understood together with the Green Bond Framework, which Management is solely responsible for selecting and applying. The absence of an established practice on which to derive, evaluate, and measure the green bond loan allocations allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Green Bond Investor Report 2024, and accordingly, we do not express an opinion on this information.

Management's responsibilities

Aktieselskabet Arbejdernes Landsbank's Management is responsible for selecting the Green Bond Framework criteria, and for presenting the green bond loan allocations in accordance with the Green Bond Framework, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the green bond loan allocations, such that it is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion based on our examinations on the presentation of the green bond loan allocations in accordance with the scope defined above.

We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation to obtain limited assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

Description of procedures performed

In obtaining limited assurance over the green bond loan allocations, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance.

The procedures performed in connection with our examination are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

As part of our examinations, we performed the below procedures:

- Interviewed those in charge of the green bond loan allocations to develop an understanding of the process for the preparation of the green bond loan allocations and for carrying out internal control procedures.
- Performed analytical review of the data and trends to identify areas of the green bond loan allocations with a significant risk of misleading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.
- Based on inquiries we evaluated the appropriateness of the Green Bond Framework criteria used, their consistent application and related disclosures in the green bond loan allocations. This includes the reasonableness of estimates made by management.
- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.
- In connection with our procedures, we read the other sustainability information in the Green Bond Investor Report 2024 and, in doing so, considered whether the other sustainability information is materially inconsistent with the green bond loan allocations or our knowledge obtained in the review or otherwise appear to be materially misstated.

In our opinion, the examinations performed provide a sufficient basis for our conclusion.

Conclusion

Based on our examinations and the evidence obtained, nothing has come to our attention that causes us to believe that the information in the illustrations on page 3, column "Eligible Green Asset Portfolio" in the table on page 4, "Total amount disbursed (DKKm)" on pages 6-7 and issued bonds information on page 8 in the Green Bond Investor Report 2024 for the period ended 30 June 2024 (the green bond loan allocations) has not been prepared, in all material respects, in accordance with the criteria as set out in Aktieselskabet Arbejdernes Landsbank's Green Bond Framework.

Copenhagen, 19 September 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen
State Authorised
Public Accountant
mne33748



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