

Region Skåne

Green Bonds Framework

11 July 2016

EARMARKED ACCOUNT

An amount equal to the net proceeds of the issue of the Green Bonds will be credited to a Special Account that will support Region Skåne's Eligible Projects as defined below. As long as the Green Bonds are outstanding and the Special Account has a positive balance, at the end of every fiscal quarter, funds will be deducted from the Special Account and added to Region Skåne's lending pool in an amount equal to all disbursements from that pool made during such quarter in respect of Eligible Projects. Until disbursement to Eligible Projects, the special account balance will be placed in liquidity reserves.

ELIGIBLE PROJECTS

“**Eligible Projects**” means a selected pool of projects funded, in whole or in part, by Region Skåne that promote the transition to low carbon and climate resilient growth and as determined by Region Skåne.

Eligible Projects include projects that target (a) mitigation of climate change, including investments in low-carbon and clean technologies, such as energy efficiency and renewable energy programs and projects or (b) adaptation to climate change, including investments in climate-resilient growth.

Eligible Projects:

- Sustainable buildings:
 - New buildings with at least 25% less energy use per m² than required by applicable regulations (Boverkets byggregler, BBR) and preferably a minimum certification of Miljöbyggnad silver
 - Major renovation of buildings leading to a reduced energy use per m² of at least 25%
- Sustainable public and cargo transportation (non-fossil)
- Adaptation measures in buildings and infrastructure
- Renewable energy (wind, solar, geothermal and bioenergy and biogas from waste).
- Energy efficiency measures leading to improvements of at least 20%

Region Skåne's will not finance nuclear or fossil fuel projects through its Green Bonds.

Region Skåne's Green Bonds can be used to finance new projects and to refinance Eligible Projects in accordance with the Green Bonds Framework. The ambition is to use the majority of the Green Bond proceeds to finance new projects¹.

SELECTION OF ELIGIBLE PROJECTS

Eligible Projects will be selected in consensus by the Finance Department and the Environmental Department (i.e. both parties have a veto).

¹ New projects are defined as projects that have been finalized within one year before the time of issuance of the Green Bond and forward.

TRANSPARENCY

To enable investors to follow the development and provide insight to prioritised areas, Region Skåne will provide an annual investor letter to investors including 1) a list of projects financed 2) a selection of project examples with impact reporting and 3) a summary of Region Skåne's Green Bond development. Management of proceeds will be part of the annual ISO 14001 certification. The investor letter will be made publically available on Region Skåne's web page. Furthermore, the principle of free access to public records is applied which enables both investors and potential investors generous insight.

FRAMEWORK UPDATE

This framework will be reviewed on a yearly basis and updated when required.

Green Bond Project Selection Process Flowchart

