

Second-Party Opinion Region Skåne Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Region Skåne Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds - Green Buildings, Clean Transportation and Renewable Energy - are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 9 and 11.



PROJECT EVALUATION AND SELECTION Region Skåne has established a Green Bond Committee which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. Region Skåne also has internal ESG policies and instructions to address environmental and social risks, which apply to all allocation decisions made under the Framework. Sustainalytics considers the project selection process and the risk management system in line with market practice.



MANAGEMENT OF PROCEEDS Region Skåne's Finance department will be responsible for the management of proceeds using a portfolio approach and will track their allocation through a green pool. Region Skåne intends to allocate proceeds within 12 months of each issuance. Pending full allocation, unallocated proceeds will be placed in Region Skåne's liquidity reserves temporarily. This is in line with market practice.



REPORTING Region Skåne will report on the allocation of proceeds and corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include the total amount of outstanding green bonds, the share of financing versus refinancing, the breakdown of eligible projects by category, a description of selected eligible projects and the share of unallocated proceeds, if relevant. Sustainalytics views Region Skåne's allocation and impact reporting commitments as aligned with market practice.

Evaluation Date	September 26, 2024
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Issuer Location	Kristianstad, Sweden
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Introduction

Region Skåne is the administrative body of Skåne county, the southernmost county of Sweden. With two head offices located in Kristianstad and Malmö, Region Skåne oversees healthcare, dental care, public transport, culture and regional development in Skåne, which comprises 33 municipalities and has a population of approximately 1.4 million residents.^{1,2}

Region Skåne has developed the Region Skåne Green Bond Framework dated September 2024 (the "Framework"), under which it intends to issue green bonds, including senior unsecured bonds, public and private placements,³ and use the proceeds to finance or refinance, in whole or in part, existing and future projects that support Region Skåne's strategic long-term objectives under its Environmental Programme.⁴ The Framework defines eligibility criteria in the following areas:

1. Green Buildings
2. Clean Transportation
3. Renewable Energy

Region Skåne engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).⁵ The Framework will be published in a separate document.⁶

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent⁷ opinion on alignment of the Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with representatives of Region Skåne to understand the sustainability impact of its processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Region Skåne's representatives have confirmed that: (1) they understand it is the sole responsibility of Region Skåne to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with it.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Region Skåne.

Sustainalytics' Second-Party Opinion assesses alignment of the Framework with market standards but provides no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the issuer.

¹ Region Skåne, "Skåne – facts and key trends", (2017), at: https://utveckling.skane.se/siteassets/publikationer/skane_facts-and-key-trends.pdf

² Region Skåne, "Invest in Skåne", (2023), at: <https://investinskane.com/en/why-skane/skane-sweden-by-the-numbers>

³ Region Skåne has communicated to Sustainalytics that private placements will be limited to debt placements.

⁴ Region Skåne, "Environmental Programme for Region Skåne 2030", at:

https://www.skane.se/siteassets/organisation_politik/styrandedokument/environmental-programme-for-region-skane-2030.pdf

⁵ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

⁶ The Region Skåne Green Bond Framework is available on Region Skåne's website at: <https://www.skane.se/om-region-skane/detta-gor-region-skane/ekonomi-och-uppfoljning/finansinformation/grona-obligationer/>

⁷ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee their realized allocation towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Region Skåne has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Region Skåne Green Bond Framework

Sustainalytics is of the opinion that the Region Skåne Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Clean Transportation and Renewable Energy – are aligned with those recognized by the GBP.
 - Region Skåne will not finance operational expenditures under the Framework and has therefore not defined a look-back period.
 - Under the Green Buildings category, Region Skåne may finance or refinance non-residential buildings according to the following criteria:
 - New buildings built after 31 December 2020 that: i) have primary energy demand (PED) at least 30% lower than the threshold set in the national nearly zero-energy buildings (NZEB) requirements; or ii) are certified or expected to be certified to Miljöbyggnad Silver⁸ or above. In addition to the above criteria, buildings that are larger than 5,000 m² will be tested for airtightness and thermal integrity upon completion, and will have life cycle global warming potential (GWP) calculated for each stage of the building's life cycle. Sustainalytics views positively Region Skåne's criteria of setting a PED threshold 30% lower than the NZEB requirements. Sustainalytics further notes that Region Skåne will assess the buildings' physical climate risks.
 - Existing buildings built before 31 December 2020 with an energy performance certificate (EPC) A or those in the top 15% of the national building stock based on operational PED. Sustainalytics notes that Region Skåne will assess the buildings' physical climate risks.
 - Major renovations leading to at least a 30% improvement in primary energy savings within three years and validated through an EPC upon completion of the renovation. Region Skåne has confirmed to Sustainalytics that such investments will be limited to renovation expenditures. Region Skåne will also assess the buildings' physical climate risks for such projects.
 - Energy efficiency measures targeting a minimum 25% energy savings in the buildings, including the installation, replacement and maintenance of the following:
 - Energy-efficient ventilation, heating, windows, doors, air-conditioning (HVAC) and lighting, including light controls and light fittings.
 - Renewable energy technology including heat pumps, energy storage units, and heat exchangers and recovery systems.
 - Sustainalytics notes that Region Skåne may finance both electric heat pumps and absorption heat pumps. Region Skåne has confirmed: i) the exclusion of absorption heat pumps driven by fossil fuels; ii) the exclusion of heat pumps that use refrigerants with high global warming potential; and iii) that all heat pumps will have a refrigerant management system in place, which includes measures to quantify, monitor and minimize leakages, such as installation of leak detection alarm systems, regular leak detection inspections, and equipment maintenance and cleaning.

⁸ Miljöbyggnad: <https://www.sgbc.se/certifisering/miljobyggnad/>

- Instruments and devices for measuring, regulating and controlling the energy performance of buildings. Region Skåne has confirmed to Sustainalytics that gas meters will be excluded from financing.
- Region Skåne has confirmed to Sustainalytics that technologies, products and systems that are primarily powered by fossil fuels, intended for or provide energy efficiency improvements to processes that are inherently carbon intensive will be excluded from financing. Sustainalytics views positively the inclusion of a 25% energy efficiency threshold for the installation of energy efficiency measures.
 - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Clean Transportation category, Region Skåne may finance or refinance projects according to the following criteria:
 - Zero emissions public transport, including trains, trams and buses.
 - Zero emissions passenger vehicles, including electric and hydrogen fuelled vehicles.
 - Infrastructure enabling zero emissions transport modes, such as electric vehicle charging stations. Region Skåne has confirmed to Sustainalytics that parking facilities and roads will be excluded from financing.
 - Infrastructure and installations for zero emissions public transport, including public transport depots.
 - Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Renewable Energy category, Region Skåne may finance or refinance renewable energy projects and related infrastructure, including:
 - Electricity and heat production from solar photovoltaics and onshore wind power plants.
 - Renewable energy storage facilities, such as batteries.⁹
 - Sustainalytics considers investments under this category to be aligned with market practice.
- The Framework excludes financing of companies and activities operating in the following industries: i) fossil fuel exploration, exploitation, extraction, production or sale; ii) pornography; iii) gambling; iv) alcohol; v) tobacco; and vi) weapons. Companies that have violated any of the principles in the United Nations Universal Declaration of Human Rights¹⁰ are also excluded from the financing under the Framework. Sustainalytics considers that this exclusionary list strengthens the Framework.
- Project Evaluation and Selection:
 - Region Skåne has established a Green Bond Committee (the "GBC") which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The GBC consists of representatives from Region Skåne's Finance, and Sustainability and Environment departments, as well as Energy and Sustainability experts from Regionfastigheter, the property developer in Region Skåne, and Skånetrafiken, the public transport authority of Region Skåne.
 - Region Skåne has internal ESG policies and instructions to address environmental and social risks. The GBC ensures that eligible projects under the Framework will comply with the internal ESG policies and instructions as well as applicable Swedish law, guidelines, standards and regulation. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with the requirements of the GBP. For additional detail see Section 2.
 - Based on the established process for project evaluation and selection and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Region Skåne's Finance department will be responsible for the management of proceeds through a portfolio approach and will track their allocation using a green pool.
 - Region Skåne intends to allocate proceeds within 12 months of each issuance. Pending full allocation, unallocated proceeds will be placed temporarily in Region Skåne's liquidity reserves as cash or short-term interest-bearing instruments.
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:

⁹ Region Skåne has communicated to Sustainalytics that it will not finance pumped hydro storage facilities.

¹⁰ United Nations, "Universal Declaration of Human Rights", at: <https://www.ohchr.org/en/universal-declaration-of-human-rights>

- Region Skåne will report on the allocation of proceeds and the corresponding impact in an investor report, which will be published on its website on an annual basis until full allocation.
- Allocation reporting will include: i) the total amount of outstanding green bonds; ii) the share of financing versus refinancing; iii) the breakdown of eligible projects by category; iv) a description of selected eligible projects; and v) the share of unallocated proceeds, if relevant. Additionally, Region Skåne may appoint an independent external verifier to review the allocation of the proceeds.
- Where available, impact reporting will include relevant environmental impact metrics, such as: i) annual GHG emissions avoided (in tCO₂e); ii) annual energy avoided for new buildings compared to the relevant building code (in MWh); iii) number of installed charging stations for electric vehicles; iv) annual renewable energy generation (in MWh); and v) installed renewable energy capacity (in MW).
- Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Region Skåne Green Bond Framework aligns with the four core components of the GBP.

Section 2: Sustainability Mandate of Region Skåne

Contribution to Region Skåne's sustainability mandate

In November 2021, Region Skåne established an Environmental Programme based on the UN 2030 Agenda¹¹ and Sweden's national environmental objectives.^{12,13} The programme outlines the Skåne Region's strategy for sustainable development through an environmental policy¹⁴ and defines its long-term objectives for 2030 in key sectors such as healthcare, construction and building, and transport. To further support its sustainability commitments, Region Skåne has set out a regional development strategy, Open Skåne 2030, with a focus on promoting energy efficiency measures, reducing environmental impact and advancing sustainable practices in different sectors.¹⁵

Regarding the construction and building sector, Region Skåne is committed to reducing the climate impact of the construction phase by at least 40% by the end of 2030, compared to 2019 levels.¹⁶ To achieve this goal, Region Skåne has defined the following measures: i) employing sustainable construction materials, such as slag or climate-improved concrete;¹⁷ ii) increasing the use of reused and recycled materials or construction components;¹⁸ and iii) ensuring new constructions meet the requirements of Miljöbyggnad Silver certification.¹⁹

For the transport sector, Region Skåne has set two main targets: i) achieving 100% fossil fuel-free land transport by the end of 2030;²⁰ and ii) ensuring that public transport accounts for at least 40% of all motorized traffic.²¹ Region Skåne has also established a Transport Strategy for 2050, supporting various initiatives aimed at decarbonizing its transport system including: i) expanding of infrastructures for renewable fuels; ii) improving accessibility to public transport; iii) expanding railway system capacity; iv) increasing cycling lanes; and v) strengthening the energy efficiency of freight transportation.²²

Additionally, Region Skåne has developed a Climate and Energy Strategy for 2030, with targets to reduce energy use in Skåne by 20% by 2030, compared to 2005 levels, and to meet 80% of the energy needs in

¹¹ United Nations, "Transforming our world: the 2030 Agenda for Sustainable Development", at: <https://sdgs.un.org/2030agenda>

¹² Naturvårdsverket, "Swedish environmental objectives", at: <https://www.naturvardsverket.se/en/om-miljoarbetet/swedish-environmental-objectives/>

¹³ Region Skåne, "Environmental Programme for Region Skåne 2030", (2021), at: https://www.skane.se/siteassets/organisation_politik/styrandedokument/environmental-programme-for-region-skane-2030.pdf

¹⁴ Region Skåne, "Region Skånes miljöpolicy", (2021), at: https://www.skane.se/siteassets/organisation_politik/styrandedokument/rs_miljopolicy_220221.pdf

¹⁵ Region Skåne, "Det öppna Skåne 2030", at: <https://utveckling.skane.se/regional-utveckling/regional-utvecklingsstrategi/det-oppna-skane-2030/>

¹⁶ Region Skåne, "Environmental Programme for Region Skåne 2030", (2021), at: https://www.skane.se/siteassets/organisation_politik/styrandedokument/environmental-programme-for-region-skane-2030.pdf

¹⁷ Region Skåne, "Hållbart miljöarbete på byggområden", at: <https://www.skane.se/om-region-skane/bygg-och-fastighetsutveckling/hallbart-miljoarbete-pa-byggomraden/>

¹⁸ Region Skåne, "Environmental Programme for Region Skåne 2030", (2021), at: https://www.skane.se/siteassets/organisation_politik/styrandedokument/environmental-programme-for-region-skane-2030.pdf

¹⁹ Region Skåne, "Riktlinjer för byggprojekt och fastighetsförvaltning", at: <https://www.skane.se/om-region-skane/gora-affarer-med-oss/riktlinjer-for-byggprojekt-och-fastighetsforvaltning/#303975>

²⁰ Region Skåne, "Environmental Programme for Region Skåne 2030", (2021), at: https://www.skane.se/siteassets/organisation_politik/styrandedokument/environmental-programme-for-region-skane-2030.pdf

²¹ Region Skåne, "Strategi för ett hållbart transportsystem i Skåne 2050", (2017), at: <https://utveckling.skane.se/publikationer/publikationer/strategi-for-ett-hallbart-transportsystem-i-skane-2050/>

²² Ibid.

Skåne from renewable sources.²³ To support these goals, Region Skåne plans to increase the production and consumption of solar energy, geothermal energy, biogas and biofuels.²⁴ It also aims to install renewable power plants on properties owned by Region Skåne and to develop more efficient district heating systems.^{25,26} The expansion of renewable energy capacity is further supported by the Roadmap for Skåne's Electricity Supply 2030, which targets a 50% share of self-sufficiency in electricity output compared to 15% in 2023.²⁷ Specifically, the roadmap proposes a six-fold increase in installed electricity output focusing on energy sources such as solar and wind, cogeneration plants, as well as energy storage solutions.²⁸

Sustainalytics is of the opinion that the Region Skåne Green Bond Framework is aligned with Region Skåne overall sustainability mandate and initiatives and will further its actions on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that proceeds from the instruments issued under the Framework will be directed towards eligible projects expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects may include issues involving: i) land use and biodiversity loss associated with large-scale infrastructure projects; ii) emissions, effluents and waste generated during construction; iii) occupational health and safety (OHS); iv) community relations; and v) corruption and bribery.

Sustainalytics is of the opinion that Region Skåne is able to manage or mitigate potential risks through implementation of the following:

- Regarding risks related to land use and biodiversity loss, projects financed in the EU are expected to comply with Directive 2014/52/EU,²⁹ which requires projects that are likely to have significant environmental effects to be adequately assessed before approval. It also requires such projects to have in place adequate measures to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats. For land-intensive projects, the directive mandates land use-related impacts to be identified, described and assessed through an environmental impact assessment. Large-scale projects must also limit impacts on land and soil, including organic matter, erosion, compaction and sealing. Additionally, projects in the EU must follow the EU Habitats Directive and Birds Directive,³⁰ which are part of the EU's Biodiversity Strategy for 2030³¹ and require EU Member States to conserve the diversity of their wild flora and fauna, with a special focus on threatened and endemic species. Furthermore, Region Skåne has implemented a policy for its nature and recreation work. The policy requires the protection of natural areas and species, and the preservation of land and water biological diversity through cooperation with administrative bodies and municipalities during the planning phase of projects.³²
- With regard to emissions, effluents and waste generated in construction, the EU regulation on construction and demolition waste requires companies in the EU to carry out waste management without endangering human health or causing harm to the environment.³³ Additionally, Region Skåne has established a Supplier Code of Conduct, which promotes: i) waste minimization; ii) storage, transportation and disposal of waste while protecting people and the environment; iii) efficient water use; and iv) reduction or elimination of endangering emissions.³⁴ Region Skåne also manages its environmental systems in line with ISO 14001:2015,³⁵ which

²³ Region Skåne, "Ett klimatneutralt och fossilbränslefritt Skåne Klimat- och energistrategi för Skåne", (2018), at: https://catalog.lansstyrelsen.se/store/18/resource/DM_2018__18

²⁴ Ibid.

²⁵ Ibid.

²⁶ Region Skåne, "Environmental Programme for Region Skåne 2030", (2021), at:

https://www.skane.se/siteassets/organisation_politik/styrandedokument/environmental-programme-for-region-skane-2030.pdf

²⁷ Region Skåne, "Färdplan för Skånes elförsörjning 2030", (2023), at: <https://utveckling.skane.se/publikationer/publikationer/fardplan-for-skanes-elforsorjning-2030/>

²⁸ Ibid.

²⁹ European Parliament, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

³⁰ European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", (2009), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02009L0147-20190626>

³¹ European Commission, "Biodiversity strategy for 2030", at: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en

³² Region Skåne, "Policy för Region Skånes natur och rekreationsarbete", (2009), at:

https://www.skane.se/siteassets/organisation_politik/styrandedokument/policy-for-region-skanes-natur-och-rekreatjonsarbete.pdf

³³ European Commission, "Directive 2008/98/EC on waste", (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32008L0098&from=EN>

³⁴ Region Skåne, "Uppförandekod för leverantörer", (2024), at:

https://www.skane.se/siteassets/gora_affarerer/dokument/ih_2f_8n_oppforandekod_sv.pdf

³⁵ ISO, "ISO 14001 - Environment Management Systems", at: <https://www.iso.org/standards/popular/iso-14000-family>

encompasses different environmental aspects, including resource usage, waste management and monitoring of environmental performance.³⁶

- To manage occupational health and safety risk, EU Directive 89/391/EEC³⁷ related to workers' health and safety establishes minimum safety and health requirements. The directive requires employers to implement necessary measures to prevent occupational risks, improve working conditions, provide adequate instructions and training, among other health and safety provisions at the workplace. Moreover, Region Skåne's suppliers are required to comply with its Supplier Code of Conduct, which mandates suppliers to implement appropriate measures to prevent accidents, provide regular OHS training to employees, and designate a management representative for OHS responsibilities.³⁸
- Regarding community engagement, Region Skåne follows Directive 2014/52/EU,³⁹ which requires public consultation for projects likely to have significant environmental effects, ensuring that public opinions, comments and objections are considered. Additionally, the Swedish Environmental Code⁴⁰ requires that an environmental impact statement be made publicly available, allowing the public to review and provide feedback. Similarly, the Planning and Building Act sets out guidelines for public participation in physical planning so that all stakeholders can express their views.⁴¹ Furthermore, Region Skåne also developed the Skånepanelen a platform to gather residents' inputs on Region Skåne's operations.⁴²
- To prevent corruption and bribery, Region Skåne's Anti-corruption Policy applies to all its employees⁴³ on matters of anti-bribery and anti-corruption. It mandates that companies in Skåne comply with the Swedish Anti-Corruption Institute's code.^{44,45} Additionally, Region Skåne's Supplier Code of Conduct requires suppliers to avoid involvement in bribery, embezzlement, abuse of office, laundering of criminal proceeds, fraud or obstruction of justice, in addition to providing regular training on business ethics.⁴⁶ Furthermore, Region Skåne established a whistleblower function, allowing individuals to report workplace misconduct anonymously, including financial crimes, corruption and offences against individuals.⁴⁷

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Region Skåne has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of financing green buildings in Skåne

The buildings sector accounted for 35% of the energy-related emissions in the EU in 2021.⁴⁸ The EU has committed to reduce GHG emissions from buildings by 60% compared to 2015 in line with its pledge to cut overall GHG emissions by 55% by 2030 compared to 1990 levels.^{49,50} Similarly, in Sweden the buildings sector is a substantial contributor to the national carbon footprint, accounting for approximately 34% of

³⁶ Region Skåne, "Hållbart miljöarbete på byggområden", at: <https://www.skane.se/om-region-skane/bygg-och-fastighetsutveckling/hallbart-miljoarbete-pa-byggomraden/>

³⁷ European Commission, "Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01989L0391-20081211&qid=1691606114488>

³⁸ Region Skåne, "Uppförandekod för leverantörer", (2024), at: https://www.skane.se/siteassets/gora_affarer/dokument/ih_2f_8n_uppforandekod_sv.pdf

³⁹ European Parliament, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

⁴⁰ Government Offices of Sweden, "The Swedish Environmental Code", at: <https://www.government.se/legal-documents/2000/08/ds-200061/>

⁴¹ Sveriges Riksdag, "Plan- och bygglag", (2024), at: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/plan-och-bygglag-2010900_sfs-2010-900/

⁴² Region Skåne, "Regionplan för Skåne 2022–2040", at: <https://utveckling.skane.se/regional-utveckling/verksamhetsomraden/regional-fysisk-planering/regionplan-for-skane-20222040/#338233>

⁴³ Region Skåne, "Samlad antikorrupsionspolicy för Region Skåne", (2023), at: https://www.skane.se/siteassets/organisation_politik/styrandedokument/samlad-antikorrupsionspolicy-for-region-skane.pdf

⁴⁴ Ibid.

⁴⁵ Swedish Anti-Corruption Institute, "Code to prevent corruption in business", (2020) at: <https://www.institutetmotmutor.se/wp-content/uploads/2020/10/IMM-Code-to-prevent-corruption-in-business.pdf>

⁴⁶ Region Skåne, "Uppförandekod för leverantörer", (2024), at: https://www.skane.se/siteassets/gora_affarer/dokument/ih_2f_8n_uppforandekod_sv.pdf

⁴⁷ Region Skåne, "Välkommen till Region Skånes visselblåsartjänst", at: <https://report.whistleb.com/sv/RegionSkane>

⁴⁸ European Environment Agency, "Greenhouse gas emissions from energy use in buildings in Europe", (2023), at: <https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emissions-from-energy?activeAccordion=546a7c35-9188-4d23-94ee-005d97c26f2b>

⁴⁹ European Commission, "Stepping Up Europe's 2030 climate ambition", (2020), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0562>

⁵⁰ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1603122220757&uri=CELEX:52020DC0662>

its total energy consumption and 22% of its GHG emissions in 2021.⁵¹ Sweden has set a target to reduce total GHG emissions by 59% by 2030 compared to 2005, ultimately achieving net zero by 2045.⁵² To reach this target, one focus area in Sweden is decarbonizing the buildings sector and promoting energy-efficient construction and retrofits.⁵³

Region Skåne has set a target to become climate neutral by 2045.⁵⁴ It recognizes the role of buildings in its decarbonization efforts and forecasts that energy use in the housing and property sector can be reduced by 20% by 2030 compared to a 2005 baseline, through energy-efficient measures and the phasing out of oil and natural gas for heating.⁵⁵ To achieve its targets, Region Skåne has committed to: i) supporting the installation of grid-connected solar systems on property roofs; ii) developing high energy performance public buildings that source renewable energy; iii) fostering knowledge and collaboration to reduce energy use and climate impact in the property sector; and iv) supervising property energy consumption. As of 2023, Region Skåne had allocated SEK 603 million (EUR 53 million) to the development of green buildings.⁵⁶ Furthermore, Region Skåne is a member of the Local Roadmap for a Climate Neutral Construction and Civil Engineering Sector by 2030 (LFM30), an initiative aimed at making the construction and civil engineering sector climate-neutral by 2030.^{57, 58}

In view of the above, Sustainability is of the opinion that Region Skåne’s financing of green buildings is expected to contribute to the decarbonization of the building stock in Skåne and more broadly contribute to Sweden’s emissions reduction goals.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Region Skåne Green Bond Framework are expected to advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Region Skåne has developed the Region Skåne Green Bond Framework, under which it may issue green bonds including senior unsecured bonds, public and private placements, and use the proceeds to finance

⁵¹ Boverket, “Miljöindikatorer – aktuell status”, (2024), at: <https://www.boverket.se/sv/byggande/hallbart-byggande-och-forvaltning/miljoindikatorer--aktuell-status/>

⁵² International Energy Agency, “Sweden”, at: <https://www.iea.org/countries/sweden>

⁵³ Government of Sweden, Ministry of the Environment and Energy, “Sweden’s draft integrated national energy and climate plan”, (2020), at: <https://www.government.se/contentassets/e731726022cd4e0b8ffa0f8229893115/swedens-draft-integrated-national-energy-and-climate-plan/>

⁵⁴ Region Skåne, “Environmental Programme for Region Skåne 2030”, (2021), at: https://www.skane.se/siteassets/organisation_politik/styrandedokument/environmental-programme-for-region-skane-2030.pdf

⁵⁵ Region Skåne, “Ett klimatneutralt och fossilbränslefritt Skåne Klimat- och energistrategi för Skåne”, (2018), at: https://catalog.lansstyrelsen.se/store/18/resource/DM_2018_18

⁵⁶ Region Skåne, “Region Skåne Investerarrapport 2023”, (2023), at: https://www.skane.se/siteassets/organisation_politik/ekonomi_uppfoljning/ekonomirapporter/investerarrapport-2023.pdf

⁵⁷ LMF30, “Tillsammans utvecklar vi en klimatneutral bygg- och anläggningssektor i Malmö”, at: <https://lfm30.se/bakgrund/>

⁵⁸ Region Skåne, “Hållbart miljöarbete på byggområden”, at: <https://www.skane.se/om-region-skane/bygg-och-fastighetsutveckling/hallbart-miljoarbete-pa-byggomraden/>

projects in the following categories: Green Buildings, Clean Transportation and Renewable Energy. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The Framework outlines a process for tracking allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics is of the opinion that Region Skåne Green Bond Framework is aligned with the overall sustainability strategy of Region Skåne and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11. Additionally, Sustainalytics is of the opinion that Region Skåne has adequate measures in place to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Region Skåne is well positioned to issue green bonds and that Region Skåne Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

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