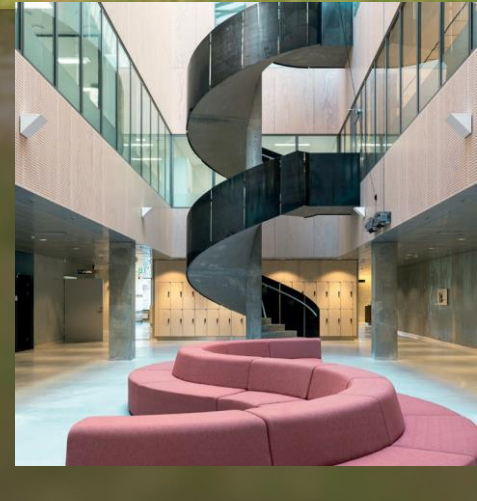
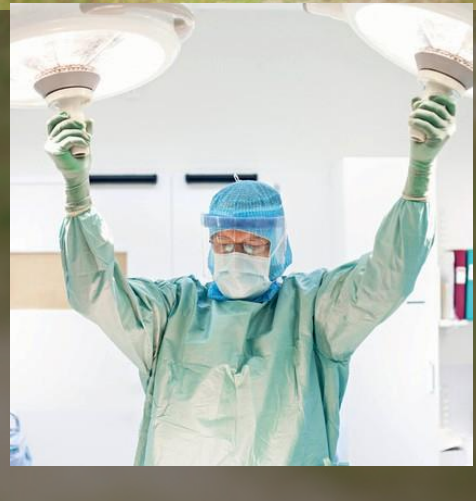


Green Bond Framework

september 2024



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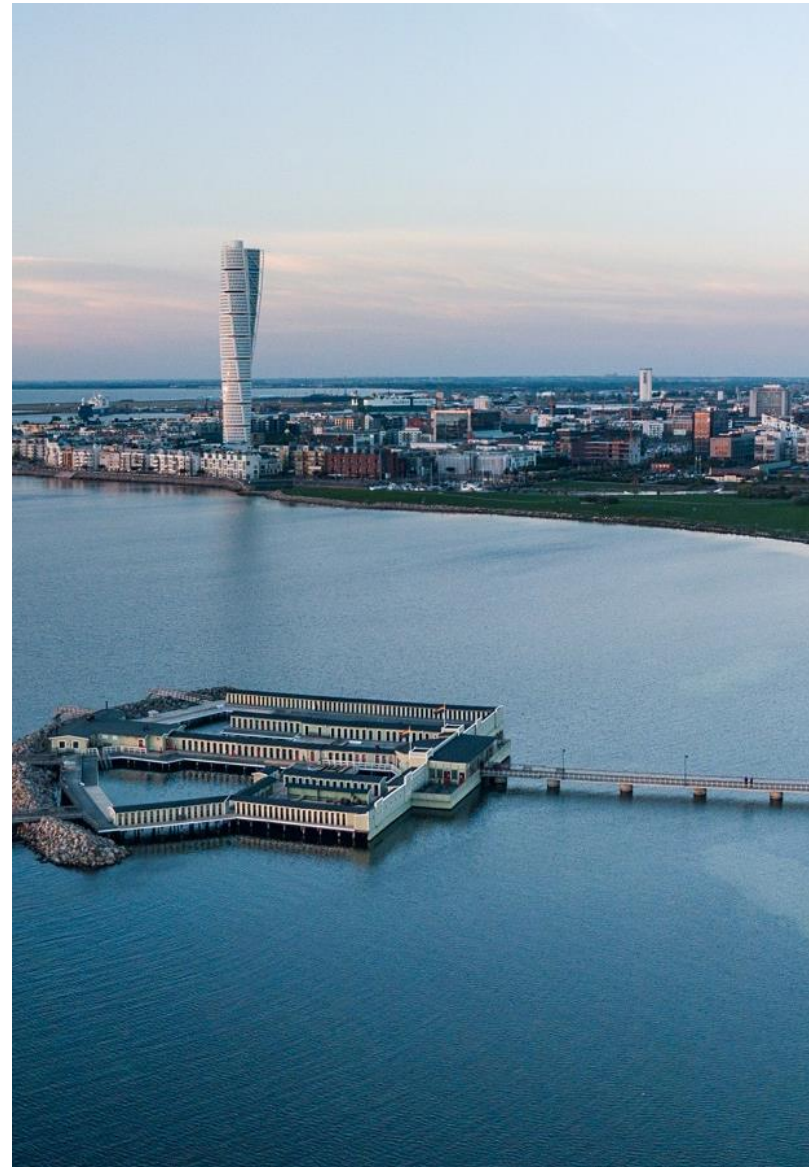
Introduction

Developing Region Skåne

Region Skåne is responsible for overseeing healthcare, dental care public transport, culture and regional development. The county has a population of approximately 1.42 million residents and Region Skåne employs a workforce of ~40,000.

Region Skåne strives to develop a greener and sustainable region, providing *Quality of life* and *Belief in the future* for Skånes residents. In all regional development, Region Skåne aims to align with social, economic and environmental sustainable development goals in the UN's 2030 Agenda.

Region Skåne issued its first Green bond in 2016 and has since then become one of the largest issuers of Green bonds on the Swedish bond market. Region Skåne is also a signatory of the *Nordic Public Sector Issuers Position Paper on Green Bonds Impact Reporting*.



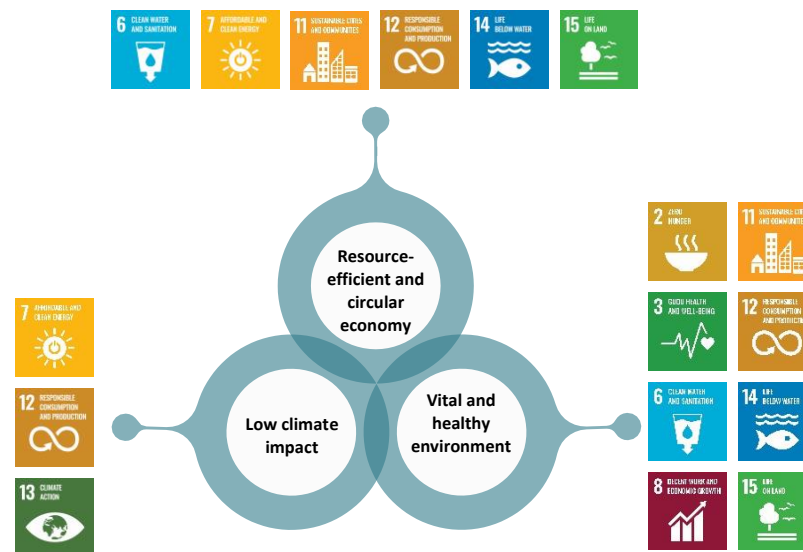
Environmental Programme for Region Skåne 2030

Environmental Programme for Region Skåne 2030 is designed to provide a flexible and robust strategy for reduced environmental impact. In 2021, the regional council adopted the Environmental Programme declaring a direction for the Region Skåne’s internal environmental work leading up to 2030. In addition, the Environmental Programme interacts with Energy strategy for Region Skåne 2030.

The Environmental Programme encompass both the *Environmental Policy* and long-term strategic *environmental objectives* divided into three focus areas to be met by the end of 2030:

1. *Resource-efficient and circular economy*
2. *Low climate impact*
3. *Vital and healthy environment*

An excerpt of the Environmental Policy and the environmental objectives especially relevant to Green Bond Framework follows.



Region Skåne's environmental policy

According to the environmental policy, Region Skåne shall prevent, reduce and limit the negative environmental impact while strengthening positive environmental impact. To accomplish this, Region Skåne aims to:

- Consider environmental, social and economic impacts in decisions and procurement
- Drive a transition within the supply chain by requiring suppliers to meet relevant and proportionate sustainability criteria and standards
- Optimize resource use and minimize waste by moving towards a circular economy
- Implement energy efficiency improvements as part of the efforts to ensure a stable electricity system
- Set requirements to ensure energy efficient new buildings, renovations and refurbishments as well as external leases
- Purchase renewable and fossil-free energy to enable all operations to be fossil fuel free
- Achieve low greenhouse gas emissions within the allowed emission limits to achieve the 1.5 degree goal of the Paris Agreement and to become climate neutral by 2045
- Phase out hazardous substances in the supply chain
- Integrate environmental criteria in investments
- Lead in transparency and compliance with environmental laws, aiming for continuous improvement



Selected strategic objectives towards 2030

Resource-efficient and circular economy

- Region Skåne shall increase the use of reused and recycled priority materials in construction.

Low climate impact

- Reduce the climate impact of the construction phase by at least 40% by the end of 2030 compared to 2019 levels
- Region Skåne shall have 100% fossil-fuel-free and transport by the end of 2030 within transport services conducted by both Region Skåne and its providers
- If feasible, installations for generating renewable electricity are to be installed on properties owned by the region

Vital and healthy environment

- By the end of 2030, there are to be no intentionally added substances of very high concern in the products and goods used in Region Skåne's operations and found in Region Skåne's premises, both owned and leased, unless there is a documented decision on exemption. Exempted products found within operations are to be used and handled safely.
- Region Skåne shall proactively strive to reduce the use of substances of very high concern in priority areas of its supply chains

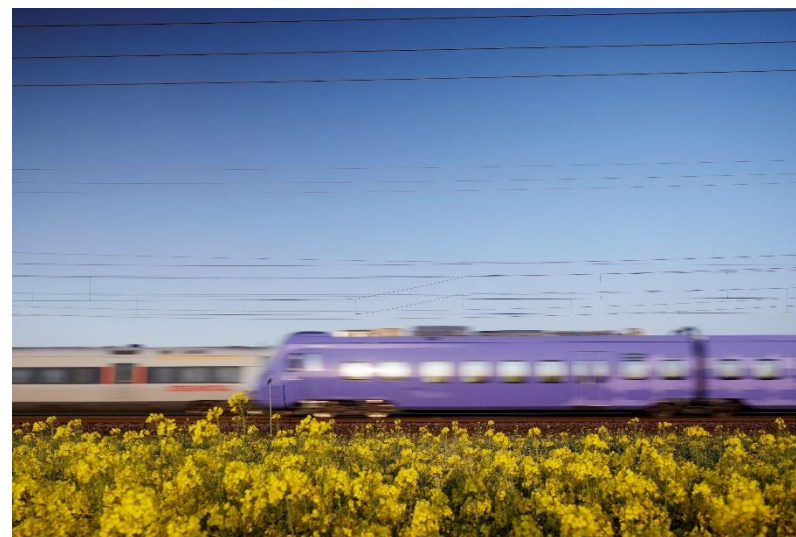
Please visit [Skane.se](https://www.skane.se) to read the Environmental Programme and its contents in full.

Sustainability highlights

A sustainable transport system

Region Skåne's public transport authority Skånetrafiken plays an important role to achieve Region Skåne's ambitious climate goals to become climate-neutral and fossil fuel-free by 2030. Since 2018 all public transport is fossil fuel-free. Still, Skånetrafiken works systematically to electrify the bus fleet, use renewable fuels, and promote public transport as an alternative to travelling by car. The overall goals are to reach 40% market share in terms of modes of transport by 2030.

Skånetrafiken's sustainability program governs the sustainability work and includes three focus areas with associated targets which are followed up annually with the help of actions plans and reporting metrics. The focus areas are the following, representing the climate (1), health (2) and social perspective (3).



1. Climate neutrality and energy efficiency

Skånetrafiken strives for all electric powered vehicles to comply with the Swedish Society for Nature Conservation's label "Good Environmental Choice" (In Swedish: "Bra Miljöval"). Biogas or hydrogen will be used when electrical vehicles is not a feasible option. Biodiesel may only be used if no other alternative is available. The targets within this area are to:

- Reduce CO2e emissions from trains and buses for public transport as well as from special public transport
- Make public transport more energy efficiency

2. Clean air, minimised noise, and no hazardous chemicals

Skånetrafiken works actively to reduce noise, exhaust gases and dangerous chemicals that arise in traffic. This is done, among other things, by transitioning towards an electric powered vehicle fleet, incorporating conditions in procurements that new vehicles must have good exhaust gas and noise systems, as well as using all eco-labelled interior fabrics to prevent high levels of dangerous chemicals. The goals within this area are:

- All new traffic procured with combustion engines must meet the latest emission (including pollution) standards
- Noise from bus traffic shall be reduced. All buses used in traffic must meet the accepted thresholds for external noise
- Our traffic shall not give rise to exposure to particularly dangerous chemicals

3. Responsibility in the supply chain and in local communities

Skånetrafiken applies Region Skåne's Code of Conduct to all suppliers and subcontractors. Annually, Skånetrafiken carries out supplier audits by independent auditors to ensure compliance with the sustainability requirements in its agreements. Audits are an important tool for follow-ups and continued development of Skånetrafiken's sustainability work together with its suppliers. In addition, Skånetrafiken, has ordered two reports from ETI (Ethical Trade Initiative) Sweden to investigate the risks of violations of human rights and forced labour in the supply chain related to the manufacturing of electric buses, batteries and trains. The reports are a good starting point for ongoing risk management.



Environmental real estate and energy operations

Regionfastigheter develops Region Skåne's properties, managing over 1.2 million square meters of its own properties and is also responsible for the property maintenance, reconstruction, and new construction of Region Skåne's premises.

Regionfastigheter contributes to Region Skåne's Environmental Programme in several ways:

- Reducing the *climate impact* of the construction phase by at least 40% by the end of 2030 compared to 2019 levels. One example is using climate-improved concrete
- Focus on increasing the use of *reused and recycled materials*. As an example, storage for construction parts to be reused have been set up and construction parts, materials, installation components and furniture in storage are registered in a database for easy access. These products will also be available externally on a circular marketplace for the building and real estate sector in Sweden
- New construction aims to comply with the requirements for *Miljöbyggnad Silver*. Miljöbyggnad is a Swedish system for environmental certifications of buildings which is owned, issued, and developed by the Sweden Green Building Council. Buildings are thoroughly assessed within four areas: energy and climate, indoor environment, outdoor environment and circular construction. This means that buildings with Miljöbyggnad safeguards both the environment and people

- Keep a *logbook* in construction projects and set requirements in procurements not to use building materials with environmentally and health hazardous substances
- Installations for renewable energy production. Solar cells shall be installed on roofs where possible for renewable energy production. Region Skåne also owns six wind turbines which produce ~60 GWh renewable power to the grid per year. This production amounts to almost 40% of Region Skåne's electricity use

Further, Energy Strategy for Region Skåne 2030 establishes energy efficiency improvement goals for Region Skåne, for properties owned by the region. Between 2014 – 2023 Region Skåne has invested SEK ~450 million in energy efficiency measures. The result is a reduction in energy use by ~22%, corresponding to 60 million kWh per year.

Additional highlights

Miljöfordonsdiagnos 2023 – Region Skåne won the competition Environmental vehicle diagnosis 2023, that ranks how municipalities' and regions' vehicle fleets stand against Sweden's national environmental goals of reduced GHG emissions by 2030. Region Skåne was ranked the best region in terms of having the most environmentally friendly vehicle fleet and as the only region with 100% fossil-free passenger cars. Region Skåne has won the competition 10 years in a row.

Good governance

Environmental management systems, ISO 14001 & 50001

The Environmental Programme for Region Skåne 2030, which guides the internal environmental work, is governed by the *ISO 14001 environmental management system*. It is the single largest public sector ISO 14001 certification in Sweden, encompassing ~37,000 employees, 16 organisations at ~50 different locations in Skåne. The environmental management system also ensures that any environmental impacts that have not been assigned targets in the environmental programme are properly managed and it even governs how legislation and other binding requirements linked to environmental legislation are handled. In addition, Regionfastigheter holds a certified *ISO 50001* energy management system.

Sustainability driven public procurement

Region Skåne implements *environmental criteria* in all tenders, and chooses environmentally friendly goods, products, services and technologies wherever possible with consideration for quality, patient safety and economics. Through its large purchasing power, the sixth biggest public sector purchaser in Sweden in monetary terms, Region Skåne uses procurement demands as a tool to drive environmentally friendly products and services forward. The procurement process is steered through a procurement policy, a guiding instruction for the procurement policy, and a code of conduct.

Region Skåne's supplier code of conduct aims to ensure that procured suppliers have policies and processes in place to identify, prevent, limit and remedy negative impacts on people, the environment and society in their own operations and in the supply chains. These conditions are based on the UN Global Compact on Business and Human Rights, the UN's Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO's Tripartite Declaration on Multinational Enterprises and Social Policy.



Environmental, social and governance policies

Region Skåne's E&S governing documents define minimum standards for all its activities and have designated responsible officials whose task is to ensure compliance. Application of these policies will identify and manage perceived environmental and social risks associated with the Eligible Projects. Examples of relevant ESG policies:

- [Anti-Corruption Policy incl. policy with regards to anti-bribery](#)
- [Climate and Energy Strategy for Skåne 2030](#)
- Code of Conduct for Suppliers – based on Global Compact's 10 principles
- Energy Strategy for Region Skåne 2030
- Guidelines for Region Skåne's meetings and business trips
- Guidelines for phasing out substances that are hazardous to the environment and health
- [Procurement Policy](#)
- [Policy for Region Skåne's Nature and Recreation Work](#)
- [Policy for Equal Rights and Opportunities](#)
- Regional action plan for medicines and the environment
- [Skåne's Food Strategy 2030 – smart foods](#)
- [Supplier Code of Conduct](#)
- Sustainable resource use – guidelines for waste prevention
- [The Environmental Programme for Region Skåne 2030 \(incl. Environmental Policy¹\)](#)

¹ The Energy Policy is integrated with the Environmental Policy

- [The Strategy for a Sustainable Transport System in Skåne 2050](#)
- [The Open Skåne 2030](#)
- [Work environment policy](#)
- [Whistle blower function](#)



The Green Bond Framework

Framework update

This marks the third version of Region Skåne's Green Framework (the "Green Bond Framework" or the "Framework"). The first Framework was launched in 2016 and the second version in 2021. Thus, this updated Framework replaces the previous Framework versions from 2021, including 2016. The main changes in this updated Framework include:

- Streamlining the number of Eligible Project Categories from six to three (i.e. *Green buildings, Clean transportation and Renewable energy*) to focus on the major investment areas for the next 5 years
- Adjusting and tightening of select Eligibility Criteria across all Eligible Project Categories to best reflect the evolution of regulation and market standards such as the EU Taxonomy Regulation and ICMA Green Bond Principles
- The previous category for "Energy efficiency" has been merged with "Green buildings"

These changes are made to further support Region Skåne's strategic objectives outlined in the Environmental Programme as well as provide investors with more clarity and transparency regarding the intended financing through Region Skåne's green bonds.

This Framework reflects recent market trends and best practices and is developed in accordance with ICMA's Green Bond Principles ("GBP")² and follows the core components and recommendation of external review:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework is primarily applicable for the issuance of Green Bonds under various formats including public and private placements.

The terms and conditions of the underlying documentation for each issued Green Bond shall provide a reference to this Framework. This Framework may over time be updated, however new versions will have no implications for the Green Bonds that have been issued under this Framework.

² The Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)

EU Taxonomy

Region Skåne understands the importance of uniform requirements for activities to be considered environmentally sustainable and strives to align the Use of Proceeds of the Framework with the EU Taxonomy to the extent possible. Therefore, the Eligible Project categories have been mapped to applicable EU Environmental Objectives and where possible, applicable Eligibility Criteria have been designed to reflect the technical screening criteria set out in the EU Taxonomy Delegated Act as at the time of this Framework publication.

Region Skåne wants to be at the forefront in the transition to low-carbon and resilient societies and believes it is important that the Framework supports the achievement of Region Skåne's *environmental objectives* outlined in the Environmental Programme. Thus, some applicable Eligibility Criteria are designed to go beyond the EU Taxonomy's technical screening criteria, as an example, construction of new buildings has a higher threshold for Primary Energy Demand compared to the EU Taxonomy.

In addition, Region Skåne strives to ensure that *No Significant Harm* affect the EU Environmental Objectives on a best effort basis. Eligible Projects will comply with *Minimum Safeguards* defined as procedures and policies implemented by Region Skåne to the extent possible.



Use of Proceeds

Allocation of net proceeds

An amount equivalent to the net proceeds from Region Skåne's Green Bonds shall be used to finance or re-finance, in whole or in part, investments that provide environmental benefits ("*Eligible Projects*") and fulfil the criteria in the following table. The Framework does not apply any look-back period to capital expenditures³. Note that according to Swedish legislation the public sector is required to apply conservative accounting principles. That is, Region Skåne is required to use the book value for its fixed assets on the balance sheet and not the market value.

New financing and refinancing



New financing is applicable to ongoing Eligible Projects and budgeted investments in the limit of 2 years after the reporting year. Refinancing is applicable to Eligible Projects completed prior to the reporting year.



Exclusions

The proceeds from Green Bonds will not be used to finance companies or projects operating in exploration, exploitation, extraction, production or sale of fossil energy, to those that operate in the areas of pornography, gambling, alcohol, tobacco or arms industries, or to companies or projects that have violated any of the principles in the UN Convention on Human Rights.





³ Note as a Region no operational expenditures are eligible under the Framework

Eligible Project categories (ICMA GBP & UN SDGs)	Eligibility Criteria	Example of projects	EU Environmental Objectives and examples of EU Taxonomy activities
<p>Green buildings</p>  	<p>New buildings (built after 31 Dec 2020) Buildings that have or will have:</p> <ul style="list-style-type: none"> • Primary Energy Demand (PED) at least 30% lower than the threshold set for Nearly Zero-Energy Building (NZEB⁴) according to national building regulations or • Meet the requirements of at least Miljöbyggnad Silver • Additional criteria for buildings larger than 5000 sqm: the building undergoes robust process for air-tightness and thermal integrity, upon completion and the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle • In addition, Region Skåne will identify physical climate related risks of the building <p>Existing buildings (built before 31 Dec 2020)</p> <ul style="list-style-type: none"> • Buildings with an Energy Performance Certificate (EPC) A or within top 15% of the national building stock expressed as operational PED and demonstrated by adequate evidence⁵ • In addition, Region Skåne will identify physical climate related risks of the building <p>Major renovations</p> <ul style="list-style-type: none"> • Primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation • In addition, Region Skåne will identify physical climate related risks of the building 	<p>New and modern Healthcare buildings</p> <p>FORTH, the Future of Orthopaedics, is a new healthcare building for high-tech orthopaedic healthcare. Including the new service building for goods and logistics, the buildings will make up approximately 24,000sqm. They will be built with climate-improved concrete and cast-in-place constructions and to meet the requirements for Miljöbyggnad Silver.</p>	<p>Climate change mitigation</p> <p>7.1. Construction of new buildings 7.2. Renovation of existing buildings 7.3. Installation, maintenance and repair of energy efficiency equipment 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.6. Installation, maintenance and repair of renewable energy technologies 7.7. Acquisition and ownership of buildings</p>

	<p>Energy efficiency measures</p> <p>The Green Finance Committee will only include investments where a minimum on 25% energy saving is targeted and a minimum negative climate impact and potential rebound effect is achieved. The investments target installation, replacement, maintenance of energy efficient measures including:</p> <ul style="list-style-type: none"> • Energy efficient ventilation, heating windows, doors, air-conditioning (HVAC) and lighting incl. light controls and light fittings • Renewable energy technology such as heat pumps, storage units and heat exchangers/recovery systems • Instruments and devices for measuring, regulating and controlling the energy performance of buildings 		
<p>Clean transportation</p>  	<p>Passenger and public transport</p> <ul style="list-style-type: none"> • Zero-emissions public transport (e.g., trains and trams, buses) or zero-emissions passenger vehicles (e.g., electric and hydrogen) <p>Infrastructure</p> <ul style="list-style-type: none"> • Infrastructure that is required for zero-emissions transport modes (e.g., electric charging points) • Infrastructure and installations that are dedicated to zero-emissions public transport including public transport depots 	<p>Public transport – passenger trains</p> <p>Investments to increase capacity on existing and new tracks for passenger trains.</p> <p>Public transport – bus depots</p> <p>Investments in bus depots which aims to serve 500 buses.</p>	<p>Climate change mitigation</p> <p>6.1. Passenger interurban rail transport</p> <p>6.3. Urban and suburban transport, road passenger transport</p> <p>6.5. Transport by motorbikes, passenger cars and light commercial vehicles</p> <p>6.13. Infrastructure for personal mobility, cycle logistics</p> <p>6.15. Infrastructure enabling low carbon road transport and public transport</p>

⁴ In Sweden, thresholds set for NZEB is implemented through the BBR 29 requirements.

⁵ The report by the Swedish Property Federation (Fastighetsägarna in Sw.), CIT Energy Management will be used for determining top 15%. Region Skåne can also seek guidance from other appropriate external benchmarks to determine the top 15% if such report is issued by a national government or industry specialist.

<p>Renewable energy</p>  	<p>Electricity and heat production and related infrastructure from the following sources:</p> <ul style="list-style-type: none"> • Solar power (photovoltaics) • Wind power (onshore) <p>Storage facilities</p> <ul style="list-style-type: none"> • Storage facilities (including batteries) of renewable energy 	<p>Wind power production</p> <p>Investments in wind power production. Region Skåne owns six wind turbines which together produce ~60 GWh per year which corresponds to ~50% of Region Skåne's electricity use in self-owned real estates and operations within.</p>	<p>Climate change mitigation</p> <p>4.1. Electricity generation using solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power</p> <p>4.10. Storage of electricity</p>
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Process for Project Evaluation and Selection

The evaluation and selection process for Eligible Projects is a key process in ensuring that the amount equivalent to the net proceeds of the Green Bonds is allocated to projects that fulfil the Eligibility Criteria of the Framework.

Green Bond Committee

The selection of Eligible Projects is managed by a dedicated group, the *Green Bond Committee* (“GBC”). The GBC is comprised of staff from the Finance Department, the Sustainability and Environment Department, Energy and Sustainability Experts at Regionfastigheter and Region Skåne’s public transport authority Skånetrafiken. The GBC will rely on a consensus decision when allocating net proceeds and will meet formally at least twice a year or when needed.

The evaluation and selection process incl. GBC’s responsibilities are:

- First, the GBC will make sure Eligible Projects comply with Swedish law, guidelines, standards and regulation as well as internal ESG policies and instructions
- Further, the GBC will evaluate and select Eligible Projects in line with the *Eligibility Criteria* set out in the Use of Proceeds section
- In addition, on a best effort, Eligible Projects aims to consider the *Do No Significant Harm* criteria and *Minimum Safeguards* to the extent possible, as defined in the EU Taxonomy
- Approved Eligible Projects will be inserted to a spreadsheet (“the Green Pool”) which is monitored by the GBC at least annually to ensure there are sufficient volume of Eligible Projects

Additional responsibilities of the GFC includes:

- Exclude Eligible Projects that no longer meet the Eligibility Criteria
- On a best effort basis, review and update the content of the Framework and manage any future updates to reflect relevant changes in the

internal environmental strategy and legislative and market developments (e.g. the EU Taxonomy) or any potential updates to ICMA principles

- Produce, improve and approve the annual Investor Report



Management of Proceeds

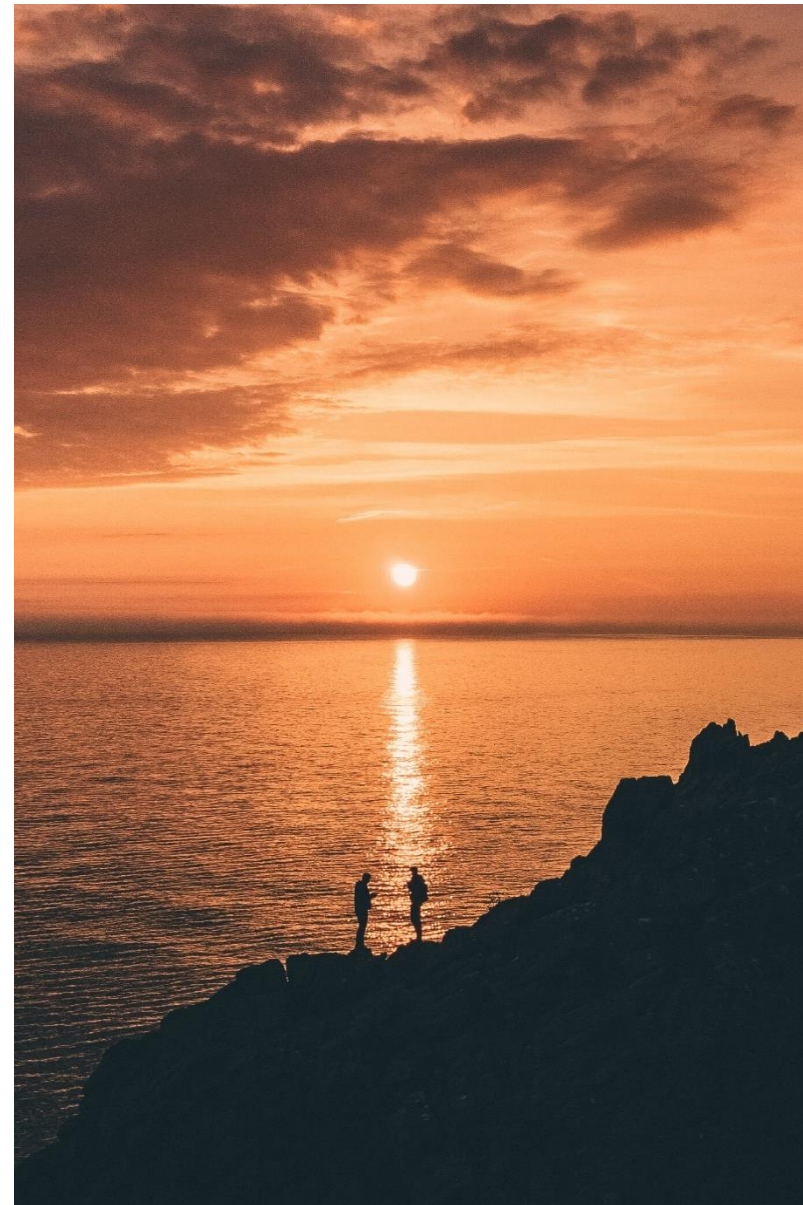
Tracking of net proceeds

Equivalent to the net proceeds from Region Skåne's Green Bonds will be monitored and tracked by using the Green Pool and managed on a portfolio level.

Projects can be added or removed from the Green Pool as needed. If for any reason a project ceases to comply with the requirements set out in this Framework, such projects will be removed from the Green Pool.

Allocation period and temporary holdings

Region Skåne will commit to, on a best-effort basis, allocate an amount equivalent to the net proceeds from the Green Bonds to Eligible Projects within 12 months from the issuance date. Proceeds yet to be allocated towards Eligible Projects will be placed in the liquidity reserves and managed as such. The Finance Department will be responsible for the management of proceeds.



Reporting

To enable investors to follow the development, Region Skåne will publish an annual *Investor Report* until full allocation and in the event of any material developments as long as there are Green Bonds outstanding. The Investor report will be published on Region Skåne's [website](#) and will cover the following areas:

Allocation Reporting

- The total amount of outstanding Green Bonds
- Share of proceeds used for new financing/refinancing
- The breakdown of Eligible Projects by Eligible Project category
- Descriptions of selected Eligible Projects financed/refinanced
- Share of unallocated proceeds (if relevant)

Impact reporting

Region Skåne intends to report on quantitative impact indicators where reasonable and relevant data is available. As a signatory to the Nordic Public Sector Issuers Position Paper on Green Bonds Impact Reporting, Region Skåne commits to comply with the recommendations on a best effort basis. See below table for examples of impact indicators:

Eligible Project categories	Example of impact indicator ⁶
Green buildings	<p><u>Primary indicators</u></p> <ul style="list-style-type: none"> • Annual GHG emissions avoided/ reduced (tonnes of CO2e/year) • Annual energy avoided in MWh compared to the relevant building code (for new buildings) • Annual energy reduced in MWh compared to the pre-investment situation (for renovations) <p><u>Secondary indicators</u></p> <ul style="list-style-type: none"> • Environmental certification • Annual calculated carbon footprint disclosed by absolute emissions (tons) and intensity (kg/sqm/year)
Clean transportation	<ul style="list-style-type: none"> • Annual GHG emissions avoided, from cars and other vehicles, due to the investment (by comparison to average emissions by km for alternative transportation) • Passenger-kilometres in new means of transportation • The number of installed charging stations for electric vehicles
Renewable energy	<ul style="list-style-type: none"> • Annual renewable energy generation (MWh/year) • Installed renewable energy capacity (MW)

⁶ Distinction will be made in the reporting between expected impact (ex-ante) and actual impact (ex-post)

External Review

Second Party Opinion (pre-issuance)

To confirm the robustness and alignment of Region Skåne's Framework with ICMA GBP, it has been verified and approved by an external second party opinion provider. The *second party opinion* by Sustainalytics is available on Region Skåne's [website](#) together with this Framework.

External verification (post-issuance)

An independent external party will provide a review, confirming that an amount equal to the net proceeds has been allocated to Eligible Projects. The report will be published on Region Skåne's [website](#) together with the Investor Report.

Swedbank has acted as advisor to Region Skåne in the establishment of this Framework.



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