



## Green Bonds Framework

6 November 2017

### 1. 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 Willhem'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 Willhem'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.

### 2. ELIGIBLE PROJECTS

**"Eligible Projects"** means a selected pool of assets that are funded, in whole or in part, by Willhem and that promote the transition to low carbon and climate resilient growth as determined by Willhem.

Eligible Projects:

- Development and acquisition of residential and commercial properties:
  1. with an energy use per year on a m<sup>2</sup> basis that is at least 25 per cent lower than that required by applicable Swedish codes and regulations (Boverkets byggregler, BBR) at the time of approval; or
  2. that meet the criteria for and preferably have a certification from:
    - a) Environmental Building (Miljöbyggnad) with a minimum certification of Silver
    - b) Svanen
    - c) LEED with a minimum certification of Gold<sup>1</sup>
    - d) BREEAM or BREEAM In-use with a minimum certification of Very good<sup>2</sup>
    - e) EU Green Building, or

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<sup>1</sup> Properties that qualify by meeting the criteria for LEED Gold must have an energy use per year on a m<sup>2</sup> basis that is at least 25 per cent lower than BBR at the time of approval.

<sup>2</sup> Properties that qualify by meeting the criteria for BREEAM or BREEAM In-use must have an energy use per year on a m<sup>2</sup> basis that is at least 25 per cent lower than BBR at the time of approval .

f) Feby-12 (Mini-energy building)

- Major renovation of residential and commercial properties leading to a reduced energy use per year on a m<sup>2</sup> basis of at least 25 per cent.
- Energy efficiency projects leading to a reduction of energy use of at least a 25 per cent.
- Renewable energy incl. solar power, geothermal power, bioenergy and wind power.
- Clean transportation incl. electric cars and related infrastructure and provision of car pools.

Willhem's Green Bonds will not finance fossil fuel energy generation projects.

Willhem's Green Bonds can be used to finance new Eligible Projects and to refinance Eligible Projects in accordance with the Green Bonds Framework.

### **3. SELECTION OF ELIGIBLE PROJECTS**

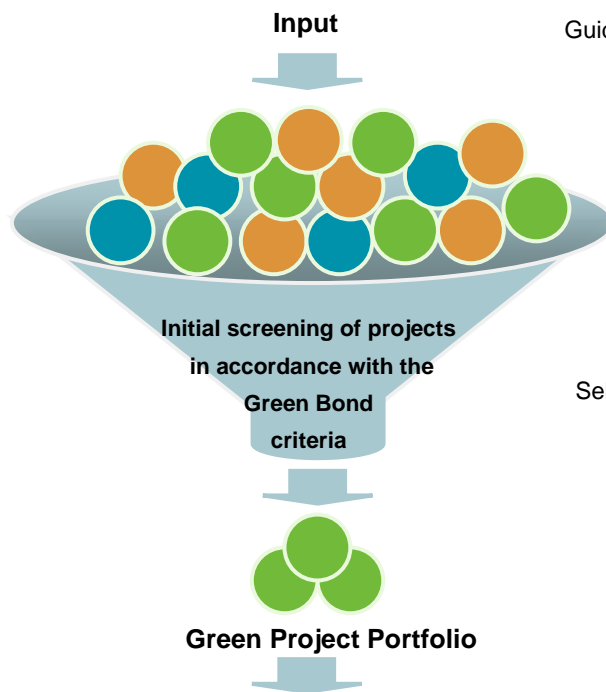
Eligible Projects will be selected in consensus by the Treasury and the Sustainability Functions (i.e. both departments have a veto). If, for any reason, a financed Eligible Project no longer meets the eligibility criteria, it will be removed from the pool of projects financed by the proceeds from Willhem's Green Bonds.

### **4. TRANSPARENCY**

To enable investors to follow the development and provide insight to prioritised areas, Willhem will provide an annual Green Bond Investor Letter to investors including 1) a list of projects financed including information about energy use and certifications when relevant 2) a selection of project examples and 3) a summary of Willhem's Green Bond development.

The internal tracking method, the allocation of funds from the Green Bond proceeds and the investor letter will be assured by Willhem's internal Audit Function. The investor letter and the opinion of the internal Audit Function will be made publically available on Willhem's web page.

# Green Bond Project Selection Process Flowchart



## Guidelines:

1. Applicable Swedish Law
2. Willhem's Sustainability Policy

## Selection according to the criteria by:

1. Green Bond Framework defined Eligible Projects
2. Treasury and the Sustainability Functions
3. Miljöbyggnad
4. Svanen
5. LEED
6. BREEAM
7. EU Green Building
8. Feby-12