

Region Västra Götaland Green Bond Impact Report 2020

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Region Västra Götaland - sustainable development and promotion of good health¹

Region Västra Götaland's¹ mission is to offer good healthcare and dental care and provide the conditions for good public health, a rich and varied cultural life and a healthy



environment, as well as work, research, education and efficient public transports. Successful environmental work within Region Västra Götaland's operations is one of the driving forces behind health promotion in Västra Götaland. A clean environment is necessary to safeguard people's health and well-being.

The environment and health are strongly interlinked. The starting point for Region Västra Götaland's environmental work is to carry out preemptive work to prevent people from falling ill. An Environmental Programme is designed to promote good health and contribute to sustainable development through goals on low climate impact, low levels of substances that are hazardous to the environment and health, and sustainable use of resources. (Region Västra

Götaland's Environmental Programme 2017-2020)

Vision Västra Götaland - A Good Life

Region Västra Götaland is guided by Vision Västra Götaland – A Good Life and its remit is to ensure a good life for the people of Västra Götaland. The work involved in realising this ambition is conducted within three areas: Healthcare, Growth and Development and Public Transport.

Good health and work are important for a good life, as are access to education, good communications and culture. The water in our oceans and lakes should be of good quality and the air we breathe should be clean and healthy.

Region Västra Götaland's remit is to contribute to a robust Västra Götaland in which people can live and develop. It should be a good place for future generations



¹ Region Västra Götaland or VGR is the English name for Västra Götalandsregionen.

to grow up in. (Region Västra Götaland's Environmental Programme 2017-2019)

Region Västra Götaland's Environmental Programme

All work within Region Västra Götaland's operations should promote good health and contribute to sustainable development, where resource management and ecosystem adaptation are key features.

Successful environmental work within our operating areas demonstrates that we are leading the way and is one of the basic prerequisites for pursuing a reliable and sustainable regional development programme.

The Environmental Programme is divided into seven prioritised environmental areas:

- Transport
- Energy
- Products and Waste
- Food
- Chemicals
- Pharmaceuticals
- Medical Gases



Under each goal, there is a list of the measures required for the goal to be achieved and the names of the committees and boards that are responsible for implementing those measures. Goals and measures in the Environmental Programme are followed up each year on the Group level and in the Annual Report.

The Environmental Programme covers all the administrations, companies and operating areas within Region Västra Götaland that work for and on behalf of Region Västra Götaland.

The complete result of the Environmental program is published in Västra Götaland's annual report². Among the highlights presented in 2019, Region Västra Götaland had

² Region Västra Götaland's annual report 2019

reduced carbon emissions from transports and facilities by 66 percent compared to 2006. The share of organic certified food was 48 percent and an increased share of prioritized product categories fulfilled high non-toxic demands.

Green Bonds

Framework

Region Västra Götaland's green bond financing is set up according to its framework for green bonds. The framework has the goal to ensure transparency and it describes all the steps to be taken to ensure this. It stipulates the criteria for use of green bond proceeds, how eligible project are selected, how the money must be managed in separate accounts and how the communication and reporting on the projects will ensure transparency for investors.

Second Opinion

On June 30 2017, CICERO, an independent research institute at the University of Oslo, issued a second opinion regarding Region Västra Götalands framework for green bonds. In the evaluation, CICERO concluded that Region Västra Götaland's green bond



framework provides a clear and sound framework for climate-friendly investments and assigned a Medium shade of green on the framework.

Green Bond Eligible Projects

“Eligible Projects” means a selected pool of projects funded, in whole or in part, that promote the transition to

low carbon and climate resilient growth and as determined by Region Västra Götaland.

Region Västra Götaland's framework is focused on Green buildings with the eligibility criteria defined as:

- New or existing properties with a certification from Environmental Building (Miljöbyggnad) of at least Silver
- New or existing properties with an energy input per m² and year that is at least 25 per cent lower than required by applicable regulations (Boverkets byggregler BBR21)
- Existing properties with major renovation leading to a reduced energy input per m² and year of at least 30 per cent.

Region Västra Götaland's Green Bonds will not finance nuclear or fossil energy generation projects.

Please read more at: (<https://www.vgregion.se/om-vgr/organisation-och-verksamhet/ekonomi/finans/grona-obligationer/>)



Region Västra Götaland's Green Bond

In May 2018, Region Västra Götaland issued its first Green bond to finance an investment in a sustainable building.

A green bond is a bond specifically earmarked to be used for climate and environmental projects. Green bonds are intended to encourage sustainability and to support climate-related projects or other types of special environmental projects.

The issued green bond was a 10-year bond amounted to SEK 1 billion. So far, the accrued costs for the investment are SEK 955 million.

The building - The new Region's House in Göteborg - environmental certified

The proceeds from the first Green bond finance a building, the new Region's House (SWE: Regionens hus) in Gothenburg, for administrative staff in Göteborg. The building was

taken into operation in April 2019 and on June 10 the last tenants moved in, which means that about 1 500 employees have their workplace in new Region's House.

The building is located close to the Central station. The building consists of a high building, two lower buildings and an old station house. The high building has 15 floors and the two lower buildings have 4 floors. The building will house employees from different departments and administrations in Region Västra Götaland. The activity-based work environment will provide increased collaborations and coordinated cooperation benefits.

The building will provide both climate and coordination benefits as well as lower costs. The Region of Västra Götaland will leave rented offices and instead gather all employees in an environmentally classified building owned by Region Västra Götaland. The Region has terminated about 15 other rented offices around in Gothenburg. This has led to a reduction in cost of about SEK 33 million per year. The Region's house also contains conference rooms that can be used instead of using external conference rooms. This will also reduce costs

The Region of Västra Götaland has decided to certify the Region's House according to "Mijöbyggnad Guld" which is an environmental level gold-certification based on Swedish building and government regulations (BBR21). The system is designed to protect people's health and create environmentally sustainable buildings. This is done by meeting requirements within three focus areas: energy, indoor environment and non-toxic substances in materials. The building is now certified at Environmental level Gold. After two years there will be a follow up on the certification.

The environmental profile of the building encourages employees to travel with public transports. There are no parking spaces and in the garage there are only a few car spaces for environmental cars that can be used by the employees in duty. There are also parking spaces for bicycles and electric bikes

In the following, we provide examples of (building) solutions chosen to achieve Environmental building at level Gold:

Energy

The focus has been on maximizing the building's energy performance. The target for purchased energy throughout the building is 70 kWh/m² and year. About half, 35 kWh/year is estimated to be the energy consumption of the business. To achieve the energy targets for total energy purchased, it has been supplemented with local renewable electricity production in the form of solar cells of 860 m² on roof. This meets well the criteria in the framework of reduced energy with 25 percent in comparison with BBR21.

Solar cells on the lower parts of the building, 860 m², cover about 10% of the building's total energy consumption per year. The investment in solar energy is also part of the implementation of Region Västra Götaland's decided solar energy plan.

When it comes to electricity consumption in the building, all electricity is ecolabelled purchased electricity.

Indoor environment

To get enough daylight in the building without affecting the energy use in a negative direction, window size, as well as the location and design of windows have been made in a way that optimizes daylight radiation. There is also a sun protection built into the glass and extra internal automatic sun protection to shut out the solar heat on hot days. This provides the conditions for a good indoor climate and reduces the need to cool the building in the summer.

Materials

Another contribution to a good sustainable indoor environment is the choice of materials made in the house. Great importance has been attached to finding and selecting materials that are best from an environmental and health point of view that will not leak out dangerous substances. The materials are controlled in Byggvarubedömningen, a tool that helps to assess whether the construction products contain hazardous substances. It is also a logbook where you can record the location and quantity of the construction products in the building.

Regarding furniture about 60 % are recycled.

Now and forward

Operational optimization (trimming and monitoring) of the technical systems is now in progress. When the building has been in operation for two years, the requirements will be checked in the building and compared with calculations and grades from the design and construction stages. It is the building's functions and the users' experience that counts - not just what is stated in descriptions or on drawings. In order to maintain the level Gold, In the Environmental Building certification, 80% of users must be satisfied with the indoor environment.

Energy facts for the new building

The new building will have district heating from Göteborg Energi AB, which is a municipal-owned company in Gothenburg. The energy consumption is forecasted to be 44 kWh/m², per year. Cut-off date for the energy facts is December 31, 2018.

	Criteria according to BBR21
Requirements annual consumption kWh / m ² , property energy	80 kWh/m ² ,
Reduced energy	53 %

Energy facts for the Station building

The old Station building has district heating from the municipal-owned electricity company Göteborg Energi AB.

Original energy consumption (energy input) of the building, per year	123 kWh/m ²
Current energy consumption of the building after renovation last 12 months	82 kWh/m ²
Reduced energy consumption per year for the energy consumption of the building	Ca 33 %

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Contact: Head of Treasury Annelie Mogensen annelie.mogensen@vgregion.se,

+46-10-441 20 55