

Swedavia

# Green Finance Framework October 2022



Swedavia  
Airports

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# 1. Introduction

## 1.1 About Swedavia

Swedavia AB (“Swedavia” or the “Company”) was established in 2010 and is wholly owned by the Swedish State. Swedavia’s mission is to own, operate and develop Sweden’s national basic infrastructure of airports. Swedavia shall play an active part, based on solid business principles, in developing the Swedish transport sector and help achieve the transport policy goals adopted by the Swedish parliament. The Company operates in a competitive and international market. Airport Operations and Real Estate constitute the two operating segments. Through its ten airports, the Company’s creates the access Sweden needs to facilitate travel, business, and meetings – in Sweden, elsewhere in Europe and the rest of the world. At the same time, tenants and airlines are important partners in Swedavia’s drive to create access and offer passengers – the mutual end-customer – a smooth, inspiring travel experience. In the work to attract airline investments, Swedavia competes with other airports. Safety, security, and sustainable development with a focus on the customer are the basis of everything Swedavia does, both in its own operations and in society in general. Operations are run based on solid business principles, and the Company shall build a long-term sustainable business through

development, planning and operational efficiency.

For more information about Swedavia, please refer to the Annual and Sustainability Report, which can be found on Swedavia’s website.



## 1.2 Climate impact considerations for the aviation industry

Aviation enables people to meet even when distances are great. It links cultures and economies together and creates relationships between people from different parts of the world. However, air travel, much like many human activities, have an impact on the earth’s climate. Despite technological advancements and major emissions reductions per passenger kilometer over the past decades, air travel still accounts for 2-3% of global carbon dioxide emissions. Swedavia is

and continues to work to be a world leader in operating airports with the least possible environmental impact. Its own airport operations have been fossil free since 2020, and other sources of emissions at its airports will be phased out in the years ahead through incentives and partnerships.

However, much more needs to be done and Swedavia supports the industry targets showing that change is underway:

- Swedish domestic air transport shall be fossil free by 2030 (carbon dioxide emissions from aviation equivalent to domestic flights to be eliminated)
- Swedish domestic and foreign air transport shall be fossil free by 2045 (all flights starting at Swedish airports to be fossil free and thus not to refuel with fossil fuel)
- The International Air Transport Association (“IATA”) has approved a resolution for the global air transport industry to achieve net-zero carbon emissions by 2050<sup>1</sup>

The strategy for a transition in the aviation industry is to abate as much carbon dioxide as possible from in-sector solutions such as Sustainable Aviation Fuels (“SAFs”), new aircraft technology, more efficient operations and infrastructure, and the development of new zero-emissions energy sources such as electric and hydrogen power. The energy transition needed to achieve net zero must be

supported by a holistic government policy framework focused on realizing cost-effective solutions. This is particularly true in the area of SAF. The technology exists, but production incentives are needed to increase supply and lower costs. Emissions from airports themselves are much lower than from aviation in general, but activities such as ground transport and building operations require decarbonisation as well.

The “best practices” within the aviation industry according to CICERO Shades of Green<sup>2</sup> include the following:

- Decarbonising fleets through the integration of biofuels into the fuel mix. A targeted strategy for ensuring sufficient and sustainable biofuel supply is required
- Integrating energy efficiency improvements within the aviation industry is required for the industry to reach its targets. However, there is a need to consider and avoid potential rebound effects and lock-in effects of improving fossil fuel infrastructure that can support increased air travel
- Assessing and avoiding potential lock-in to current aviation practices. In addition, airports considering life cycle emissions from other operations and logistics, and aiming to be powered by renewable energy, in parallel with implementing energy efficiency measures

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<sup>1</sup><https://www.iata.org/en/pressroom/2021-releases/2021-10-04-03/>

<sup>2</sup><https://static1.squarespace.com/static/5bc5b31a7788975c96763ea7/t/6155705d00cc5e1d02d5720f/1632989299646/BestPracticesReport2021.pdf>

In the following sections, Swedavia seeks to explain how the Company complies with these best practices. Swedavia is working within the scope of its mission, as mandated by the Swedish State, to be an international role model in sustainability. Together with companies and other organisations in the aviation industry, Swedavia is working to speed the development of fossil-free air transport.



**1.3 Swedavia’s ESG agenda: Governance**

Sustainability constitutes the foundation of Swedavia since sustainable actions both enhance a long-term competitiveness and is an essential requirement for the future of air travel.

**MANAGEMENT, POLICIES & REPORTING**

Swedavia’s strategic sustainability approach and priority material topics are broken down into targets and

activities in the business plan. Swedavia’s four strategic goals for sustainable value creation are defined as follows:

- Engaged leaders and employees: Goal 75% by 2025 (pulse measurement)
- Customer experience: 85 by 2025 (customer index)
- Return on operating capital: 6% annually
- Sustainable aviation fuel: 5% of all jet fuel used for fulling in Sweden to be renewable by 2025

These are measured and reviewed on a quarterly basis by the management and Board of Directors (the “Board”). As a result, sustainability issues are integrated throughout the organisation.

Swedavia’s Code of Conduct (the “Code”) constitutes the foundation of all operations and clarifies how the Company shall conduct its business in order to meet the requirements placed on operations. The Code, which has been adopted by the Board, lays out clear expectations of how the Company’s employees and suppliers shall conduct themselves. Along with the Code, Swedavia has a number of group-wide policies that set the approach in a given area.



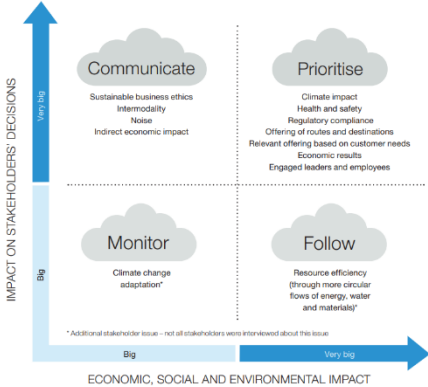
Swedavia has an environmental management system that is certified under ISO 14001:2015 standards. This environmental management system also provides the framework for Swedavia’s systematic work with

energy efficiency improvements, which involve the entire organisation. By improving its energy efficiency, Swedavia reduces its resource use and climate impact while lowering energy costs. Swedavia has complied with the Global Reporting Initiative (“GRI”) standards since 2010 and reports its sustainability work in accordance with GRI’s standard Core. Swedavia has further launched work inspired by the Task Force on Climate-Related Financial Disclosures (“TCFD”). Reports on climate-related risks are presented to the Board on a quarterly basis.

**MATERIALITY ANALYSIS**

Swedavia’s materiality analysis incorporates stakeholder dialogue and ongoing business intelligence as well as analyses of the impact of own operations on people, the environment and the economy. It serves as the foundation of the Company’s strategic approach and what topics shall be the focus of Swedavia’s sustainability work.

In 2019, an in-depth materiality analysis was carried out. It identified seven priority material issues, which were integrated in the Company’s strategic approach in 2020 and then implemented in the organisation in 2021. The topics not defined as material but that can be considered important to the Company’s continued work are addressed as needed in the ongoing business planning.



Based on the materiality analysis, Swedavia has formulated four strategies and a foundation that, combined with an engaging corporate culture, shall help the Company to achieve all of its goals:

<p><b>Commercial excellence</b></p> <p>Based on sound business principles, Swedavia provides an attractive range of routes and creates an innovative customer offering in retail, services and properties.</p>	<p><b>Operational excellence</b></p> <p>Swedavia develops operational excellence in the delivery of services and products that meet customers' needs and expectations by optimising processes.</p>	<p><b>Optimised assets</b></p> <p>Swedavia ensures the right operational and commercial capacity to meet customers' current and future needs.</p>	<p><b>Proactive transition to net-zero aviation</b></p> <p>Swedavia works proactively to take responsibility for the climate throughout the value chain and based on a life cycle perspective.</p>
<p align="center"><b>Responsibility for society and people</b></p> <p>Proactive work for safety, security, the environment and the health of customers, employees and society is the foundation of Swedavia's operations.</p>			

Swedavia needs to focus its efforts in its development work on a number of strategic initiatives that help the Company achieve the goals set for 2025 with resource use that is as efficient as possible. Three strategic initiatives have been chosen to ensure these moves:

- 1. Digital transformation:** Swedavia actively capitalises on the potential of digitisation and automation to optimise flows and processes and make them more efficient and also develop new products, services and business models
- 2. The transition to net-zero aviation:** Through its continued work with the roadmap for fossil free aviation in Sweden, domestic air transport shall be net-zero by 2030 and all air transport in Sweden shall be net-zero by 2045
- 3. The airport as a multimodal hub:** Swedavia is a leader in developing multimodal hubs that provide passengers and logistics operators with seamless intermodality smoothly and efficiently while enabling new transport modes at its airports

Swedavia is involved in a number of activities that support its moves to achieve the goals in each strategic initiative.

**CONTRIBUTION TO THE UN SDGs**  
The UN's 2030 Agenda is the most ambitious sustainable development agenda that the world's leaders have ever agreed on. The aim is, by 2030, to eradicate poverty, reduce inequalities,

take urgent action to prevent climate change, and promote peace.

In order for the world to succeed, an agreement has been reached on 17 Sustainable Development Goals ("SDGs") that together will help realise this vision. The SDGs apply in all countries and to all people. As a state-owned company, Swedavia is expected by its owner to contribute to the SDGs and make business decisions in line with them.

Swedavia has analysed all SDGs and identified four that have top priority for the Company right now. For these SDGs, Swedavia can directly contribute so that there is progress in the short and long term.



#### 1.4 Swedavia's ESG agenda:

##### Environmental

Not everything at an airport is Swedavia, but the airport operations that the Company runs under own auspices are entirely fossil-free. With creativity, curiosity, and a willingness to seek out new solutions, Swedavia achieved its goal at the end of 2020.

The next step is for the entire airport, and all the companies and other organisations that operate there, to be fossil-free, and obviously to take part in and drive the continued work to bring about the wider aviation industry's climate change adaptation. The industry in Sweden is following the road map developed under the

government's Fossil-Free Sweden initiative.

## FOSSIL-FREE AIRPORT OPERATIONS

For more than ten years, Swedavia has worked to transform its own airport operations to make them fossil-free.

- Swedavia's work with its direct emissions includes, for example, emissions from own vehicles and equipment, from its backup power supply and from firefighting exercises
- Swedavia's work with indirect emissions includes, for example, purchased electricity and heating, i.e. emissions that are generated by the producer. Carbon dioxide emissions are calculated based on fuel combustion, that is, the part of the life cycle that Swedavia can affect

Swedavia's climate transition work has been honoured several times over the years. Most recently with an international award. The industry association, Airports Council International ("ACI") Europe, has named Stockholm Arlanda Airport the Eco-Innovation Airport of the Year 2021. Swedavia is recognised as a pioneer since it is the world's first airport to have its own operations fossil-free.



Swedavia's ten airports meet all the requirements for what was formerly the highest level of certification, ACA3+ under Airport Carbon Accreditation

standards. In 2022, Stockholm Arlanda Airport and Göteborg Landvetter Airport completed verification at the next level, ACA4+. The decision to be certified as ACA4+ enables Swedavia to set priorities about how quickly and in what order the company will continue its net zero measures and initiatives in the value chain. The goal is for all of Swedavia's airports to be certified as ACA4+ by 2025.

## FOSSIL-FREE AIR TRANSPORT

Some examples of what Swedavia is doing to drive the development of fossil-free aviation:

- Swedavia is working actively to promote the transition to biofuel and has the goal that 5% of all fuel used for refuelling at Swedish airports shall be fossil-free by 2025
- Since 2016, Swedavia purchases bio aviation fuel equivalent to the amount used for the Company's business travel
- Swedavia offers a coordinated tender process for bio aviation fuel in partnership with public and private sector organisations in order to stimulate demand
- To encourage airlines and support them in their work for a net zero transition, Swedavia has set up a SAF incentive programme. In the programme, airlines can apply to be reimbursed for up to 50% of the additional cost of refuelling with SAF
- Following a decision by the Swedish parliament, at the end on 2021 Swedavia introduced environmentally-differentiated charges that include SAF in the model for Stockholm Arlanda Airport



and Göteborg Landvetter Airport. Take-off and landing charges are thus environmentally-differentiated, which means airlines that use the most climate-efficient aircraft pay less than those that use aircraft with a poorer climate performance

- Swedavia has adopted a strategy for electric aircraft and is currently reviewing tour power supply and infrastructure related to electric aircraft at its airports. As of today, electric aircrafts do not pay any airport charges. The target for 2025 is that all Swedavia airports will facilitate infrastructure for electric aircrafts
- Swedavia takes part in a number of electric aircraft projects, including Green Flyway at Åre Östersund Airport and Frösö Park, which is an international test centre for electric aircraft and drones

## REQUIREMENTS FOR NEW CONSTRUCTION

Swedavia has set environmental requirements for new constructed buildings. This means that the energy performance of the buildings must be at least 25% better than the existing building regulations. In addition, Swedavia environmentally certify many of its buildings.

### **1.5 Swedavia's ESG agenda: Social**

Aviation brings the world's people and cultures together like no other form of transport. Before the pandemic, 45% of all international flights at Swedavia's airports were made by people who live outside Sweden. Of this, 25% are travelling for business purposes and 25% travel to meet friends and family.

Today, nearly 20% of the Swedish population – 2 million people – were born abroad, according to Statistics Sweden's definition.

Good access by air is an important requirement for Swedish export companies to attract corporate investment in Sweden from abroad, for the hospitality and conference sector to bring international meetings and conferences to Sweden, and for research exchanges in higher education and research. Direct routes increase international access to and from Sweden, which is crucial to Swedish business and to global export companies, who have greater cargo opportunities.

Aviation also plays an important role in creating conditions for investment and the set-up of companies and operations in regions beyond major cities. As a result, air transport also creates economic growth, competitiveness, and prosperity in all parts of Sweden.

## WORK ENVIRONMENT, GENDER EQUALITY AND DIVERSITY AT SWEDAVIA

Airport operations entail teamwork, and the key to success is motivated, engaged employees and leaders. For Swedavia, a healthy, safe, secure workplace, respect for human rights and good, decent working conditions are a given and an important condition needed to run operations efficiently and successfully. This is also an important part of Swedavia's ambition to be seen as an attractive employer and partner. Based on Swedavia's

values and with a focus on sustainable development, leaders and employees shall together create an engaging and inclusive culture that provides opportunities for higher performance, creativity and innovation.

Swedavia as a workplace is characterized by diversity, inclusiveness, and respect for individuals at every level. Swedavia shall be a workplace where people are treated equally regardless of their gender or other attributes, and the Company works actively for an inclusive and engaging culture where every employee's specific capabilities and talents are made use of. The work with equal treatment is based on the Swedish Discrimination Act, and Swedavia has clear guidelines and policies in this area. Swedavia carries out annual measurements on gender balance and the share of employees with a foreign background. Questions about equal treatment are included in the employee survey and pulse measurements and are also part of the mandatory workplace training for leaders.

Work with occupational health and safety has a high priority and is carried out as a natural part of daily operations. The goal is a good psychosocial, organizational workplace environment, no serious accidents in the workplace and no victimization or discrimination. All leaders are to work visibly and in practical terms for a healthy, safe, secure work environment. One requirement is to conduct a number of safety walks and safety talks each year, in which leaders

and employees together take a survey of work environment risks in operations. The work is followed up on in each leader's annual performance review.

### **1.6 Swedavia's work with the EU Taxonomy**

The EU Taxonomy does not cover aviation directly. However, it includes low carbon airport infrastructure dedicated to aircraft with zero tailpipe carbon dioxide emissions, electrical ground power and preconditioned air to stationary aircraft, and zero direct emissions performance of the airport's own operations. Some of Swedavia's activities could be classified as real estate for which the EU Taxonomy does cover. The EU Taxonomy requires that new constructions demonstrate a net primary energy demand of 10% lower than national regulations, renovations must deliver 30% greater energy efficiency, and ownership or acquisition of buildings should have an energy performance in the top 15% of similar stock.

Swedavia is within scope for EU Taxonomy reporting and reported for the first time in the Annual and Sustainability Report 2021. The mandatory EU Taxonomy reporting for 2021 includes the proportion of turnover, capital expenditure and operational expenditure that is eligible under the EU Taxonomy's first two environmental objectives ("climate change adaption" and "climate change mitigation") in per cent and Swedish krona. The full analysis is available in

Swedavia's Annual and Sustainability Report 2021. Swedavia will continue to analyze the EU Taxonomy and follow the market development. Adjustment may be made depending on how the EU Taxonomy develops. For the financial year 2022, Swedavia's operations are considered to be disclosed in line with the criteria.

### **1.7 Swedavia and green financing**

Aviation has become 80% more fuel-efficient over the past 50 years. We are at the beginning of a strong development phase of technological advances in aviation. There are many companies and other organisations driving this effort and working together to achieve sustainable aviation.

Swedavia issued its first green bond in December 2019 and has chosen to establish a new Green Finance Framework (the "Framework") to accommodate for recent market developments. Sustainability in all operations and strategy is a highly prioritized area for Swedavia, and the issuance of green finance instruments will be used to help achieve a positive environmental impact.

The Framework has been developed in alignment with the Green Bond Principles<sup>3</sup> ("GBP") and Green Loan Principles<sup>4</sup> ("GLP"). The Framework is applicable for issuance of green bonds, green loans, commercial papers, and other types of debt instruments that finance assets as defined in this Framework (collectively referred to as "Green Finance Instruments" hereafter).

The Framework is aligned with the four recommended components of the GBP and GLP: use of proceeds (Section 2), process for asset evaluation and selection (Section 3), management of proceeds (Section 4) and reporting (Section 5).

Swedbank has acted as advisor to Swedavia in the establishment of this Framework. Further, the Framework is reviewed by an external independent firm, which has provided a second opinion to confirm its alignment with the applicable principles. The Framework and second opinion from CICERO Shades of Green are available on Swedavia's website.

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<sup>3</sup> GBP published in June 2021 are voluntary process guidelines for issuing green bonds established by the International Capital Markets Association

<sup>4</sup> GLP published in February 2021 are voluntary process guidelines for green loans established by the Loan Market Association










## 2. Use of proceeds

Proceeds from Swedavia's Green Finance Instruments will be used to finance or re-finance, in part or in full, Eligible Green Assets, as presented in the table on the next page, providing distinct environmental benefits. Connection between UN SDGs, the EU Taxonomy and Eligible Green Assets is provided in the same table. Swedavia will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Eligible Green Assets. Eligible Green Assets can be owned/ held by Swedavia or by any of

Swedavia's subsidiaries or other joint-ventures.

Eligible Green Assets under "green and energy efficient buildings" are based on the value of such assets reported on the balance sheet, at time of the cut-off date for annual reporting of the Green Finance Instruments. Eligible Green Assets under "energy efficiency", "renewable energy", "pollution prevention and control" and "clean transportation" correspond to the relevant invested amount.



Category	Eligible Green Assets	SDG	Relevant EU Taxonomy environmental objective and activity
<b>Green and energy efficient buildings</b>	<p>All new, refurbished, acquired and existing buildings/ infrastructure that meet one of the following criteria:</p> <p>i. BREEAM Very Good, BREEAM-In-Use Very Good, LEED Gold, Miljöbyggnad Silver or an equivalent well-known environmental certification; or</p> <p>ii. Energy performance certificate (“EPC”) of class A or B; or</p> <p>iii. Where refurbishments have been or will be made reducing energy consumption by at least 25%; or</p> <p>iv. CEEQUAL certification Excellent</p>	<p><b>SDG 11</b> Sustainable Cities &amp; Communities</p> 	<p>Climate change mitigation</p> <ul style="list-style-type: none"> <li>7.1. Construction of new buildings</li> <li>7.2. Renovation of existing buildings</li> <li>7.7. Acquisition and ownership of buildings</li> </ul>
<b>Energy efficiency</b>	<p>Energy retrofits such as the usage of LED lighting, switching to more energy-efficient ventilation units, implementation of control systems, extension of district heating and cooling systems, etc.</p>	<p><b>SDG 7</b> Affordable &amp; Clean Energy</p>  <p><b>SDG 9</b> Industry, Innovation &amp; Infrastructure</p> 	<p>Climate change mitigation</p> <ul style="list-style-type: none"> <li>7.3. Installation, maintenance, and repair of energy efficiency equipment</li> <li>7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</li> </ul>
<b>Renewable energy</b>	<p>Onsite renewable energy such as solar panels that generate electricity, geothermal energy installations or heating plants powered by renewable liquid fuel.</p>	<p><b>SDG 7</b> Affordable &amp; Clean Energy</p>  <p><b>SDG 9</b> Industry, Innovation &amp; Infrastructure</p>  <p><b>SDG 11</b> Sustainable Cities &amp; Communities</p>  <p><b>SDG 12</b> Responsible Consumption &amp; Production</p> 	<p>Climate change mitigation</p> <ul style="list-style-type: none"> <li>4.1. Electricity generation using solar photovoltaic technology</li> <li>4.2. Electricity generation using concentrated solar power (“CSP”) technology</li> <li>4.6. Electricity generation from geothermal energy</li> <li>4.11. Storage of thermal energy</li> <li>4.15. District heating/cooling distribution</li> <li>4.16. Installation and operation of electric heat pumps</li> <li>4.21. Production of heat/cool from solar thermal heating</li> <li>4.22. Production of heat/cool from geothermal energy</li> <li>4.24. Production of heat/cool from bioenergy</li> </ul>
<b>Pollution prevention and control</b>	<p>Investments in water and waste recycling, water and waste minimization and energy/emission efficient water and waste management</p>	<p><b>SDG 12</b> Responsible Consumption &amp; Production</p> 	<p>Climate change mitigation</p> <ul style="list-style-type: none"> <li>5.1. Construction, extension and operation of water collection, treatment and supply systems</li> <li>5.2. Renewal of water collection, treatment and supply systems</li> <li>5.4. Renewal of waste water collection and treatment</li> <li>5.9. Material recovery from non-hazardous waste</li> </ul>
<b>Clean transportation</b>	<p>i. Investments in vehicles that are powered entirely by non-fossil fuels, such as electricity, biofuel, hydrogen and synthetic diesel (HVO)</p> <p>ii. Investments in infrastructure enabling clean transportation, such as charging stations for electric vehicles and infrastructure related to low carbon aircrafts</p>	<p><b>SDG 11</b> Sustainable Cities &amp; Communities</p> 	<p>Climate change mitigation</p> <ul style="list-style-type: none"> <li>6.3. Urban and suburban transport, road passenger transport</li> <li>6.5. Transport by motorbikes, passenger cars and light commercial vehicles</li> <li>6.6. Freight transport services by road</li> <li>6.15. Infrastructure enabling low-carbon road transport and public transport</li> <li>6.17. Low carbon airport infrastructure</li> </ul>

# 3. Process for asset evaluation and selection

## 3.1. Selection of Eligible Green Assets

The evaluation and selection process for Eligible Green Assets is a key process in ensuring that the proceeds from Green Finance Instruments are allocated to assets and activities which meet the criteria in the Framework. The Company will strive to identify and manage potential ESG risks associated with Eligible Green Assets. In addition, Swedavia aims to be transparent about potentially identified risks and controversies.

The process of evaluating and selecting Eligible Green Assets as well as the equivalent to the net proceeds comprise of the following steps:

4. Eligible Green Assets are screened to ensure compliance with sustainability criteria of the Framework and relevant policies and guidelines
5. The selection of Eligible Green Assets is managed by a dedicated group, the Green Finance Committee (“GFC”). The GFC consist of senior management members including, among others, the CEO, the CFO and the Sustainable Development Manager

Swedavia will assure that the sustainability expertise always relies within the GFC. All decisions are made

in consensus, and this applies to the selection process of Eligible Green Assets as well. A list of Eligible Green Assets is kept by the Treasury Department and the Head of Treasury is responsible for keeping this list up to date.

## 3.2 Further responsibilities of the GFC

The Framework will be updated from time to time to reflect current market practices and potential updates to the GBP and GLP, if and when the GFC deems it necessary. The list of Eligible Green Assets is monitored on a regular basis during the term of the Green Finance Instruments to ensure that the proceeds are sufficiently allocated to Eligible Green Assets.

## 3.3. Exclusion criteria

The proceeds of Swedavia’s Green Finance Instruments will not be used to finance either fossil fuel energy generation, nuclear energy generation, weapons, and defence industries nor potentially environmentally negative resource extraction, gambling, or tobacco.

## 4. Management of proceeds

Equivalent to the net proceeds from Swedavia's Green Finance Instruments will be tracked by using a spreadsheet where all issued amounts of Green Finance Instruments will be inserted. The spreadsheet will contain the list of Eligible Green Assets mentioned in Section 2. Information available in the spreadsheet will in turn serve as basis for regular reporting described in Section 5.

All Green Finance Instruments issued by Swedavia will be managed on a portfolio level. This means that a Green Finance Instrument will not be

linked directly to one (or more) pre-determined Eligible Green Assets. The Company will keep track and ensure there are satisfactory amount of Eligible Green Assets in the portfolio. Assets can, whenever needed, be removed, or added to/from the Eligible Green Assets' portfolio.

Any unallocated proceeds will be temporary held by Swedavia and placed on the Company's ordinary bank account. Should there be any unallocated proceeds, Swedavia strives to allocate them within one year.

## 5. Reporting

To be fully transparent towards investors and other stakeholders, Swedavia commits to regular reporting until no Green Finance Instruments are outstanding. If the Green Finance Instrument is not fully allocated to Eligible Green Assets, information on the use of proceeds will be renewed annually until full allocation. If there are no changes in the underlying Eligible Green Assets, the Company commits to reporting once per Green Finance Instrument issued no later than one year after issuance. Further, use of proceeds will be renewed on a timely basis in case of material developments. For any bilateral bank

financing such as green loans and green revolving credit facilities, etc., the Company may choose to only report to the relevant banks.

The report will be published on the Swedavia's website and will cover some of the following areas:

### ALLOCATION OF PROCEEDS REPORTING

- Total amount of Green Finance Instruments issued
- Total amount of unallocated proceeds (if any)
- Share of proceeds used for financing/re-financing as well as share of proceeds allocated to

respective categories described in Section 2

- A list of Eligible Green Assets including allocated and disbursed amounts

#### IMPACT REPORTING

Swedavia will publish a list of Eligible Green Assets with the below criteria indicating environmental impact to the extent data is available and not of a sensitive nature:

- **Green and energy efficient buildings:** i) type of certification and degree of certification, and ii) estimated/actual annual energy use avoided, compared to national building requirements (kWh) and/ or annual greenhouse gas emissions reduced/ avoided (tCO<sub>2</sub>e) and/or

energy performance (kWh/m<sup>2</sup>) for buildings

- **Energy efficiency:** annual energy savings (kWh) and/or estimated/actual annual greenhouse gas emissions reduced/avoided (tCO<sub>2</sub>e)
- **Renewable energy:** annual renewable energy generation (kWh)
- **Pollution prevention and control:** avoided or reduced resource waste or materials sourced sustainably or recycled (tones)
- **Clean transportation:** net avoided emissions from vehicles due to the investment by comparison to average emission (CO<sub>2</sub>e equivalents), and/or number of clean vehicles deployed (e.g. electric), and/or estimated reduction in fuel consumption

## 6. External review

#### SECOND OPINION

To confirm the transparency and robustness of Swedavia's Framework, it is verified and approved by an external second opinion provider. The second opinion by CICERO Shades of Green is available on Swedavia's website.

#### EXTERNAL REVIEW

Regular reporting described in Section 5 includes two parts, i) allocation of proceeds reporting, and ii) impact reporting.

Swedavia commits to engage an external part in order to review the allocation of proceeds reporting in the form of a Limited Assurance Report.