



Primeo Energie Group

## Green Bond Framework

August 2021



**Inhaltsverzeichnis**

1	Introduction .....	3
2	Green Bond Framework .....	4
2.1	Use of Proceeds .....	5
2.2	Project Evaluation and Selection of Green Projects .....	7
2.3	Management of Proceeds .....	8
2.4	Reporting .....	9
2.5	External Review .....	10

## **1 Introduction**

EBM (Genossenschaft Elektra Birseck) was founded in 1897 as the parent company of the Primeo Energie Group and is organized as a cooperative under Swiss code of obligations. The cooperative's purpose is to supply the Birseck region (in Northwestern Switzerland; surrounding of Basel) and other areas with energy on the most favourable terms. It also promotes the economical use of energy, the environmentally friendly generation of electricity from renewable sources and can provide communications and other infrastructure services. It pursues its purpose mainly through the continuous management of shareholdings in companies that provide services in accordance with the goals of the cooperative.

EBM has been committed to sustainability for many years. In the long term, it aims to strike a healthy balance between the concerns of the economy, the environment and the society.

In 2011, as part of the discussion on the energy transition, it voluntarily set itself the goal of increasing the share of electricity from renewable sources in its basic supply to 35% in 2015 and 80% in 2050. Since 2014, it has been supplying its basic supply customers with a standard product from 100% renewable energies.

Meanwhile, EBM and its subsidiaries (the Primeo Energie Group) operate within four core segments: Electricity Business, Distribution Network, Heat Supply and Renewable Energy Production.

## **2 Green Bond Framework**

The overall strategy of the Primeo Energie Group is focused, among other things, on sustainable and low-CO2 electricity emitting production and distribution. Meanwhile, the Primeo Energie Group ranks among the top 10 providers in Switzerland in each of its four core segments.

Green financing is thus a natural extension of the Primeo Energie Group's commitment to a sustainable economic development.

This commitment is underlined, among other things, in the Primeo Energie Group's Sustainability Report in accordance with GRI reporting standards.

By raising money through green financing, Primeo Energie Group enables investors to invest specifically in projects with environmental benefits. Primeo Energie Group's Green Bond Framework complies with the principles for green bonds (GBP) of the International Capital Market Association (ICMA) and for green loans (GLP) of the Loan Markets Association (LMA) and includes the following core components:

1. Use of proceeds
2. Project evaluation and selection
3. Management of proceeds
4. Reporting
5. External review

## 2.1 Use of Proceeds

Primeo Energie Group will finance and/or refinance green projects, in whole or in part, through the proceeds generated. The green projects are all in the category of renewable energy, energy efficiency or green buildings, supporting, among other things, climate change mitigation. The proceeds from green financing will only be (re)invested in projects or capital and operating expenditures that meet the following green project requirements.

Green Bond/Loan Category	Description of Eligible Green Projects	UN SDGs
Renewable Energy	<p>Projects aimed at increasing the production, connection and distribution of renewable energies and related infrastructure.</p> <p>Renewable energies may include:</p> <ul style="list-style-type: none"> <li>• Wind projects;</li> <li>• Small hydro power plants less than 20 MW of generation capacity;</li> <li>• Medium to large hydro power plants subject to the conformity with recognised international standard, including Climate Bonds Initiative, UNFCCC Clean Development Mechanism, IFC Reference Standards for hydro projects or equivalent;</li> <li>• Solar photovoltaic;</li> <li>• Biomass plants;</li> <li>• Heating plants / district heating (using renewable sources for heating production).</li> </ul>	 
Energy Efficiency	<ul style="list-style-type: none"> <li>• Investments in smart grid/meters for energy demand management;</li> <li>• Grid infrastructure improvements that allow higher transmission efficiency and/or reduce energy loss;</li> <li>• Storage systems development;</li> <li>• Heating; renewing projects of existing production with objective to reduce CO2 emissions by at least 25%;</li> <li>• Exhibition on generation and use of energy.</li> </ul>	 

Green Buildings	<p>New, existing or refurbished buildings which meet at least one of the following criteria:</p> <p>For new builds:</p> <ul style="list-style-type: none"> <li>• Minergie®-P/-A-/-ECO- Standard (or equivalent); or</li> <li>• SNBS/DGNB – Standard Gold/Platinum (or equivalent)</li> </ul> <p>For renovation/refurbishments:</p> <ul style="list-style-type: none"> <li>• Minergie®-P/-A-/-ECO- Standard refurbishments; or</li> <li>• SNBS/DGNB – Standard Gold/Platinum; or</li> <li>• Reduction of 25% compared to SIA requirements for refurbishments (QH,li/SIA 308/1); or</li> <li>• Energy or environmental-friendly improvements such as thermal insulation, climate-friendly heat generation (thermic solar systems, heat pumps, regenerative energy sources, heat recovery...), PV installations, LED lighting, water saving technologies, green roof garden, etc...; or</li> <li>• Ecological measures such as resource saving development through the reuse of existing infrastructure, use of resource-saving construction methods or use of recycled material (concrete, wood, insulation materials).</li> </ul>	 
Clean Transportation	<p>Electric vehicle charging stations and supporting electric infrastructure for the electrification of transport.</p> <ul style="list-style-type: none"> <li>• Transmission and Distribution of Electricity</li> <li>• Infrastructure enabling low-carbon road transport</li> </ul>	 

## **2.2 Project Evaluation and Selection of Green Projects**

Within Primeo Energie Group, the selection for green financing lies within the responsibility of Group Treasury & Controlling together with the CFO, which form the Green Bond Committee. If necessary, external experts are consulted.

During the selection process, it is checked whether the projects meet the requirements for green projects as described in section 2.1.

Group Treasury & Controlling is also responsible to monitor the green projects for compliance related to green project requirements and updating Primeo Energie Group's Green Bond Framework if required by the business or in case of revisions to the GBPs or GLPs.

### **2.3 Management of Proceeds**

In a first step, the net proceeds are credited to the general account owned by Primeo Holding AG. The net proceeds from Primeo Energie's Green Bond can be used to finance new projects or refinance existing projects if they are suitable as defined in section 2. These eligible green projects are funded as green intercompany loans (GIL), tracked via the Treasury Management System (TMS) and Primeo Energie intends to fully allocate the proceeds within 24 months after the Green Bond issuance date. The look back period for refinancing of existing green projects shall not be more than 36 months prior to the date of issuance. If the allocation of the proceeds of the issue deviates from the afore mentioned periods in some cases, it will be reported transparently as part of the annual reporting.

The allocation of the emission proceeds to the green projects is done in a register for green financing. Internal lending to the operating group companies for green projects is further declared as GIL and will be monitored and kept in Primeo Energie Group's Treasury Management System (TMS).

If green projects to which green financing has been allocated no longer meet the requirements for green projects the net proceeds of the green financing will be allocated to other green projects on a best-effort basis as soon as practicable.

Pending net proceeds which are not fully allocated will be invested in cash and/or cash equivalents (money market instruments, bank accounts) and/or other liquid marketable instruments, in accordance with Primeo Energie Group's treasury policy until they are allocated or reallocated appropriately.

## **2.4 Reporting**

Primeo Energie Group will provide investors with a report on the green financings as part of its annual reporting until the proceeds of the issuance have been fully allocated. This report will include both the allocation of the issued proceeds and the environmental impact attributable to the green financing.

The first report will be provided as part of the annual reporting process in April 2022.

The allocation report may include, for example:

- A list of projects funded
- The percentage of financing and refinancing
- Unallocated issue proceeds (if any).

Environmental impact reporting may include (example metrics, not exhaustive):

- Installed capacity (MW)
- Energy produced (MWh)
- Avoided greenhouse gas emissions p.a. (t CO<sub>2</sub>)
- Avoided energy loss (MWh)
- Efficiency improvements (%)
- Number of Electronic Vehicle charging points (#)

## **2.5 External Review**

### Second Party Opinion

Primeo Energie Group has engaged the independent second party opinion provider ISS ESG to ensure the alignment of its Green Bond Framework with ICMA's GBPs and GLPs.

ISS ESG's second party opinion is available on Primeo Energie Group's website.

### Limited assurance

A suitable independent auditing body will audit the reporting on the allocation of the proceeds of the issue. The audit report will be made available upon request together with the green financing report (within 12 months after the distribution of the proceeds of the issue or the borrowing).