

BLANK PAGE



Guernsey Financial
Services Commission

The Guernsey Green Fund Rules, 2018

TABLE OF CONTENTS

1.	GUERNSEY GREEN FUND	1
2.	SCOPE	1
3.	INVESTMENT CRITERIA.....	1
4.	APPLICATIONS	3
5.	DESIGNATION.....	3
6.	OVERSIGHT OF THE FUND	4
7.	REMOVAL OF DESIGNATION.....	4
8.	PROSPECTUS DISCLOSURES	5
9.	NOTIFICATION AND FILINGS TO BE SUBMITTED TO THE COMMISSION	6
10.	INTERPRETATION.....	7
11.	CITATION AND COMMENCEMENT	8
	SCHEDULE 1	9
	SCHEDULE 2	11
	SCHEDULE 3.....	17
	SCHEDULE 4.....	18

The Guernsey Green Fund Rules, 2018

The Guernsey Financial Services Commission (the “*Commission*”) in exercise of the powers conferred on it by sections 12, 14, 15, 16, 18 and 20 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “*Law*”) hereby makes the following rules:-

1. GUERNSEY GREEN FUND

There shall be a description of Collective Investment Scheme under the *Law* of “Guernsey Green Fund”

A Guernsey Green Fund may be declared as either level 1 or level 2.

A Collective Investment Scheme that meets, and continues to meet the requirements in these *Rules* may be designated a *Guernsey Green Fund*. Use of the designation (the *Guernsey Green Fund* badge) must be in accordance with Schedule 4.

2. SCOPE

- (1) These *Rules* shall apply to any *Authorised scheme* or *Registered scheme* which has declared that it meets the criteria to be a *Guernsey Green Fund*.
- (2) The *Guernsey Green Fund* must be established with the objective of spreading risk. The criteria for the spread of risk must be specified in the *Guernsey Green Fund’s Prospectus*
- (3) The *Guernsey Green Fund* must be established with the objective of seeking a return for investors whilst mitigating climate change and must meet the *green criteria* set out in Schedule 2 of these *Rules*.

Guidance Note

There is no requirement for a *Guernsey Green Fund* to have a Guernsey domiciled *Manager* however, for the purposes of *these Rules* any requirements placed on the *Manager* are only applicable to *Managers* licensed under the *Law*.

3. INVESTMENT CRITERIA

Controllers of a Scheme, the *Designated Administrator* and any *Manager* or *Custodian* shall take all reasonable steps to ensure;

- (1) The property of a *Guernsey Green Fund* shall be invested with the aim of spreading risk and with the ultimate objective of mitigating climate change resulting in a net positive outcome for the environment.
- (2) A *Guernsey Green Fund* shall comprise 75% of assets by value that meet the *green criteria* set out in Schedule 2 of these *Rules*. The remaining 25% by value of the Scheme property must not:
 - (a) lessen or reduce the scheme’s overall objective of mitigating climate change.

- (b) comprise an investment in any of the activities specified in Schedule 3.
- (3) A *Guernsey Green Fund* shall only comprise assets permitted to be held under its *principal documents* or *Prospectus* and of a nature or type described in its *Prospectus*.
- (4) A *Guernsey Green Fund* shall not be invested in contravention of limits or restrictions imposed under its *principal documents* or *Prospectus*.
- (5) A *Guernsey Green Fund* shall ensure that the investment criteria contained in these *Rules* are where the Scheme is:
- (a) a company specified in its memorandum of association;
 - (b) a limited partnership specified in the Limited Partnership Agreement;
 - (c) a trust specified in the Trust Deed.

Guidance Note

For the purposes of these *Rules* references to the *Manager* mean either the party responsible for managing the property of the Scheme and licensed under the *Law*, or the *Designated Administrator*.

In the event of a breach of the investment criteria the *Manager* (or if no licensed *Manager* the *Designated Administrator*) should consider the most appropriate course of action taking into account the type of assets in the *Guernsey Green Fund*, the type of investors and the disclosures in the *Prospectus*. Such action could include any of the following non-exhaustive list:

- (a) The suspension of dealing;
- (b) The suspension of promotion;
- (c) The introduction of a risk mitigation programme;
- (d) Any other action necessary to protect investor's interests and the reputation of the Bailiwick;
- (e) The removal of the GGF designation in accordance with section 7 of *these Rules*.

Guidance Note

Responsibilities of the *Manager* and the *Designated Administrator*

The *Designated Administrator's* responsibility is to monitor the adherence of paragraphs (1) to (5). Any breaches should be brought to the attention of the *Manager* and, if a *company Scheme*, the *directors* or, in the case of a *unit trust scheme* with no *Manager*, the *trustee* or, in the case of a limited partnership, the *general partner*. The *Designated Administrator* should also ensure that the *investment adviser* has been informed.

The *Designated Administrator* should monitor the corrective measures that would be required by the *directors, Manager* and/or *trustee or general partner* (where applicable).

4. APPLICATIONS

- (1) The *Designated Administrator* of an *authorised scheme* or *registered scheme* seeking to use the description of *Guernsey Green Fund* shall submit to the *Commission*:
 - (a) The appropriate application forms;
 - (b) Final version of the *Prospectus*;
 - (c) In the case of a Level 1 Scheme a Declaration, in accordance with Part 1 Schedule 1 that the Scheme meets the *green criteria* which includes:-
 - (i) A certificate from a suitable third party that the *Prospectus* meets the *green criteria*,
 - (ii) Details of the third party's name, address and experience
 - (d) In the case of a Level 2 Scheme a Declaration, in accordance with Part 2 Schedule 1 that the Scheme meets the *green criteria*;
 - (e) Confirmation of whether the *Guernsey Green Fund* will or will not adopt ESG Principles;
 - (f) The requisite fee as prescribed from time to time;
 - (g) Such other information as the *Commission* may require.

Guidance note on Certification

In the case of a Level 2 Scheme, the declaration can be provided by either the *Designated Administrator* or the *Manager*, if an entity licensed under the *Law*. A declaration can only be provided by a party contractually connected to the *Guernsey Green Fund*. Any changes to those parties would require a new declaration under 4(1)(d) or 4(1)(e).

5. DESIGNATION

- (1) The *Commission* may designate a Scheme to be a *Guernsey Green Fund* if:
 - (a) It is satisfied that the Scheme's *principal documents* and *Prospectus* appear to the *Commission* to comply with these *Rules* relating to their contents;
 - (b) A Declaration has been provided in accordance with Schedule 1 to these *Rules* confirming that the *Guernsey Green Fund* meets the *green criteria*.

6. OVERSIGHT OF THE FUND

- (1) The *Designated Administrator* shall ensure that the *Guernsey Green Fund* is monitored against the *green criteria* on a monthly basis and where the Scheme contravenes the *green criteria*:
 - (a) Shall immediately take such steps as are necessary to rectify the position and notify the *custodian* (if appointed).
 - (b) Shall if the position has not been rectified within one month of the date on which the contravention was identified:
 - (i) Notify the Commission
 - (ii) Provide the Commission with proposals to rectify the breach
 - (c) For a period in excess of two months from the date that the contravention was identified the *Licensee* who submitted the Declaration shall forthwith ensure that all investors are informed.
 - (d) *Controllers* of a *Guernsey Green Fund*, the *Designated Administrator* and any *Manager* or *custodian* shall cooperate with the *Licensee* who submitted the Declaration.
 - (e) No Change to the *Licensee* who submitted the Declaration under Schedule 1 shall occur without the written consent of the *Commission*.

Guidance note

Paragraph 6(1)(a) – (c) do not apply to any *Guernsey Green Fund* during the first six months from the date on which persons are invited to become investors in the *Guernsey Green Fund* or until the *Guernsey Green Fund* is fully invested, whichever occurs first.

7. REMOVAL OF DESIGNATION

- (1) Where a *Guernsey Green Fund* continues after a period of 3 months from the date when the contravention was identified not to meet the *green criteria* then the *Licensee* who submitted the Declaration in accordance with paragraph 4 of these *Rules* shall:
 - (a) Provide the Declaration of non-compliance under Schedule 1 Part 3 to the Commission
 - (b) Ensure that the Scheme ceases to use the designation of *Guernsey Green Fund* on all documents and other material (electronic or otherwise)
 - (c) Notify all investors of the steps taken under this paragraph

- (d) Place a copy of the Declaration under (a) in a prominent position on the Guernsey Green Fund's website.
- (2) Without prejudice to 7(1) the Commission may remove the designation of a Guernsey Green Fund where:
 - (a) A Guernsey Green Fund remains invested for more than 3 months in breach of the green criteria, or
 - (b) At any stage after a Guernsey Green Fund ceases to meet the green criteria in order to protect:
 - (i) The interests of investors,
 - (ii) The public, or
 - (iii) The reputation of the Bailiwick as a finance centre
- (3) The *Commission* shall take into account the circumstances of the breach and the rectification action taken.
- (4) Where at any point in the life of the Scheme it had been promoted (whether in its *Prospectus* or other marketing material) in accordance with *ESG Principles* then upon the giving of any certificate under 7(1)(a) the Scheme shall cease to so promote itself and paragraphs 7(1)(b) to 7(1)(d) shall be read to likewise apply to its use of *ESG Principles*, unless otherwise agreed in advance with the *Commission*.

8. PROSPECTUS DISCLOSURES

- (1) In addition to the disclosures required in any other rules to which the *Guernsey Green Fund* is subject the *Prospectus* shall at least contain:
 - (a) The fact that the fund has received the designation of a *Guernsey Green Fund*;
 - (b) The *green criteria*;
 - (c) How the *Guernsey Green Fund* will meet its objective;
 - (d) That the *Guernsey Green Fund* is:
 - (i) Level 1, third party certified and which independent party will provide the certification.or
 - (ii) Level 2, whereby the *Manager*, if an entity licensed under the *Law*, or the *Designated Administrator* has provided a Declaration

- (e) Sufficient information regarding the declaration or certification and the methodology used must be disclosed for any intended investor to make an informed judgment on the merits of investing in the *Guernsey Green Fund*.
- (f) If the Board of the *Guernsey Green Fund* and the *Manager* intend incorporating *ESG Principles* into investment analysis and decision making processes, that fact.
- (g) The *Prospectus* shall state any material conflicts of interest that an investor would reasonably require to enable such investor to make an informed judgement about the merits of investing in the *Guernsey Green Fund*.

Guidance Note on third party provider

The third party evaluation may take the form of a certification that the underlying assets of the Scheme are invested in accordance with the Scheme's *Prospectus* and the *green criteria* or it can take the form of a green rating issued by a qualified third party.

9. NOTIFICATION AND FILINGS TO BE SUBMITTED TO THE COMMISSION

Filings

- (1) Without prejudice to any other rules to which the *Guernsey Green Fund* is subject, the *Designated Administrator* shall submit to the *Commission*, within six months of the *Guernsey Green Fund's* accounting year end, Form 143. Such Form shall detail how the Scheme has invested within the *green criteria* to which it is subject.
- (2) The *Designated Administrator* is required to ensure that it is reported to investors on an annual basis how the Scheme meets the *green criteria*.

Guidance Note

Rule 9(2) may be satisfied by a disclosure in the *Guernsey Green Fund's* annual report and accounts.

Notifications

- (3) The *Designated Administrator* of a *Guernsey Green Fund* shall give immediate written notice to the *Commission* of any material change to the disclosures in the *Prospectus* required of Section 8 of these *Rules*.
- (4) The *Designated Administrator* or *Manager* shall ensure that investors are notified of any change referred to in Rule 9.

10. INTERPRETATION

Unless the context otherwise requires, in *these Rules*, expressions defined in the *Law* have the same meaning as they have in the *Law*, and the following have the meanings assigned to them:

“authorised scheme”	means a collective investment scheme that has been declared as an authorised scheme under Section 8 of the <i>Law</i> ;
“collective investment scheme” or “Scheme”	has the meaning set out in the <i>Law</i> ;
“Designated Administrator”	means a designated manager for the purposes of section 8 of the <i>Law</i>
“controllers”	Means in the case of Company, its Directors; in the case of a limited partnership, its General Partner; in the case of a Trust, its Trustees.
“company”	any Scheme constituted as a body corporate, including protected cell companies and incorporated cell companies;
“the Commission”	means the Guernsey Financial Services Commission;
“custodian”	Means a designated custodian for the purposes of section 8 of the <i>Law</i>
“ESG Principles”	means environmental, social and governance issues as set out by the Principles for Responsible Investment: the PRI;
“green criteria”	means the criteria set out in Schedule 2 to these <i>Rules</i>
“Guernsey Green Fund”	means either an authorised Scheme or a registered Scheme designated in accordance with these <i>Rules</i> where it meets the green criteria;
the "Law"	means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;

"Licensee"	means the holder of a licence to carry on controlled investment business issued under the <i>Law</i> ;
"Manager"	in the context of these <i>Rules</i> means a manager of a Guernsey Green Fund licensed under The Protection of Investors (Bailiwick of Guernsey) <i>Law</i> , 1987. If the Scheme has no manager licensed in Guernsey then references to manager shall be deemed as reference to the Designated Administrator
	"Provider" means The Designated Administrator or where a Guernsey Licensee the Manager of the Scheme
"Prospectus"	means written particulars of a Guernsey Green Fund prepared, revised and published in accordance with these Rules and any other rules applicable to the Scheme;
"these Rules"	means The Guernsey Green Fund Rules, 2018;
"registered scheme"	means a collective investment scheme that has been declared as a registered scheme under Section 8 of the <i>Law</i> ;
"unit trust scheme"	Means an authorised scheme under which the scheme property is held in trust for the investors

11. CITATION AND COMMENCEMENT

These *Rules*, which may be cited as The Guernsey Green Fund Rules, 2018 are made on XX 2018 and shall come into operation on XX 2018.

SCHEDULE 1

Part 1

Level 1

- I hereby provide a copy of a certification provided by [...insert name here.....] an independent third party that the Prospectus disclosures and the investment criteria of the Scheme meets the green criteria as defined in the Guernsey Green Fund Rules 2018.
- I confirm that I have advised [...insert name here.....] that it is an offence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended in respect of which the Commission exercises its functions, to knowingly or recklessly provide the Commission with information, which is false or misleading in a material manner.
- I confirm that we, as proposed designated administrator/manager [delete as applicable] of the scheme, have performed sufficient due diligence on the third party certifier to be satisfied that the third party is truly independent from the Scheme and its associated parties and that the third party certifier has adequate experience and resource to provide, and continue to provide, a reliable and accurate assessment of the Scheme's ability to meet the green criteria as defined in the Guernsey Green Fund Rules 2018.
- I confirm that we, the proposed designated administrator/manager [delete as applicable] of the scheme, are content that the disclosures in the scheme's Prospectus and any other marketing material meet the requirements of the Guernsey Green Fund Rules, 2018.
- I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts material to the application of which the Commission should be aware.
- I am aware that it is an offence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended in respect of which the Commission exercises its functions, to knowingly or recklessly provide the Commission with information, which is false or misleading in a material manner.

Part 2

Level 2

- I confirm that we, as proposed designated administrator/manager [delete as applicable] of the scheme, have performed sufficient due diligence to be satisfied that the objective of the scheme encompasses climate change mitigation and that the scheme's investment criteria meets the green criteria as defined in the Guernsey Green Fund Rules, 2018.
- I confirm that we, the proposed designated administrator/manager [delete as applicable] of the scheme, are content that the disclosures in the scheme's Prospectus and any other marketing material meet the requirements of the Guernsey Green Fund Rules, 2018.

- I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts material to the application of which the Commission should be aware.
- I am aware that it is an offence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended in respect of which the Commission exercises its functions, to knowingly or recklessly provide the Commission with information, which is false or misleading in a material manner.

Part 3

Declaration of Non-Compliance

- We, as designated administrator/manager [delete as applicable] of the scheme, have assessed the scheme against the disclosures in the Prospectus and the Guernsey Green Fund Rules 2018 in accordance with Sections 3 and 6 of the Guernsey Green Fund Rules 2018 and hereby confirm that the scheme no longer meets the green criteria.
- We, as designated administrator/manager [delete as applicable], hereby confirm that the scheme will no longer use the designation of a Guernsey Green Fund and will ensure that no references are made to it in the Prospectus or marketing material.
- We, as designated administrator/manager [delete as applicable], hereby confirm that all investors in the scheme have been notified that the scheme no longer meets the green criteria and is no longer a designated Guernsey Green Fund.
- I confirm that the information supplied is complete and correct to the best of my knowledge and belief at the time of submission and that there are no other facts material to the declaration of which the Commission should be aware.
- I am aware that it is an offence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended in respect of which the Commission exercises its functions, to knowingly or recklessly provide the Commission with information, which is false or misleading in a material manner.

SCHEDULE 2

Common Principles for Climate Mitigation Finance Tracking

Table 1 – List of activities eligible for classification as climate mitigation finance

These Principles have been taken from the work done by the major global development finance institutions (the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Finance Corporate, World Bank, and the International Development Finance Club). The Principles consist of a set of common definitions and guidelines in addition to the table of activities listed above which can be found at the following link:

<http://climateobserver.org/reports/common-principles-for-climate-mitigation-finance-tracking/>

Category	Sub-category	Example
1. Renewable Energy	1.1 Electricity Generation	Wind power
		Geothermal power (only if net emission reductions can be demonstrated)
		Solar power (concentrated solar power, photovoltaic power)
		Biomass or biogas power that does not decrease biomass and soil carbon pools (only if net emission reductions can be demonstrated)
		Ocean power (wave, tidal, ocean currents, salt gradient, etc.)
		Hydropower plants (only if net emission reductions can be demonstrated)
	1.2 Heat Production or other renewable energy application	Solar water heating and other thermal applications of solar power in all sectors
		Thermal applications of geothermal power in all sectors
		Wind-drive pumping systems or similar
		Thermal applications of sustainability/produced bioenergy in all sectors, incl. efficient, improved biomass stoves
	1.3 Transmission systems, greenfield	New transmission systems (lines, substations) or new systems (e.g., new information and communication technology, storage family, etc.) and mini-grid to facilitate the integration of renewable energy sources into the grid

		Renewable energy power plant retrofits
		Improving existing systems to facilitate the integration of renewable energy sources into grid
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses, excluding capacity expansion
	2.2 Power Plants	Thermal power plant retrofit to fuel switch from a more greenhouse gas intensive fuel to a different, less greenhouse gas intensive fuel type
		Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling
		Waste heat recovery improvements
		Energy efficiency improvement in existing thermal power plant, industrial energy efficiency improvements through the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery
3. Energy efficiency	3.1 Brownfield energy efficiency in industry	Installation of co/generation plants that generate electricity in addition to providing heating/cooling
		More efficient facility replacement of an older facility (old facility retired)
	3.2 Brownfield energy efficiency in commercial, public and residential sectors (buildings)	Energy efficiency improvement in lighting, appliances and equipment
		Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling
		Retrofit of existing buildings: architectural or building changes that enable reduction of energy consumption
	3.3 Brownfield energy efficiency in public services	Energy efficiency improvement in utilities and public services

		through the installation of more efficient lighting or equipment
		Rehabilitation of district heating systems
		Utility heat loss reduction and/or increased waste heat recovery
		Improvement in utility scale energy efficiency through efficient use, and loss reduction
	3.4 Vehicle energy efficiency fleet retrofit	Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)
	3.5 Greenfield energy efficiency in commercial and residential sectors (buildings)	Use of highly efficient and architectural designs, energy efficiency and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating schemes
	3.6 Energy audits	Energy audits to energy end-users, including industries, buildings and transport systems
4. Agriculture, forestry and land-use	4.1 Agriculture	Reduction in energy use in traction (e.g. efficient tillage), irrigation and other agriculture processes
		Agriculture projects that do not deplete and/or improve existing carbon pools (reduction in fertiliser use, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, low tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, etc.)
	4.2 Afforestation and reforestation, and biosphere conservation	Afforestation (plantations) on non-forested land
		Reforestation on previously forested land
		Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities
		Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions

		from the deforestation or degradation of ecosystems
	4.3 Livestock	Livestock projects that reduce methane or other greenhouse gas emissions (manure management with biodigestors, etc.)
	4.4 Biofuels	Production of biofuels (including biodiesel and bioethanol)
5. Non-energy greenhouse gas reductions	5.1 Fugitive emissions	Reduction of gas flaring or methane fugitive emissions in the oil and gas industry Coal mine methane capture
	5.2 Carbon capture and storage	Projects for carbon capture and storage technology that intend to prevent release of large quantities of CO ₂ into the atmosphere from fossil fuel use in power generation and process emissions in other industries
	5.3 Air conditioning and refrigeration	Retrofit to existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential
	5.4 Industrial processes	Reduction in greenhouse gas emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage
6. Waste and wastewater		Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions (only if net emission reductions can be demonstrated)
		Waste management and waste-to-energy projects that reduce methane emissions and generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion)
		Waste-recycling projects that recover or reuse materials and waste as inputs into new products or as a resource (only

		if net emission reductions can be demonstrated)
7. Transport	7.1 Urban transport modal change	Urban mass transit
		Non-motorised transport (bicycles and pedestrian mobility)
	7.2 Transport oriented urban development	Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.) leading to a reduction in the use of passenger cars
		Transport demand management measures to reduce GHG emissions (e.g. speed limits, high-occupancy vehicle lands, congestion charging/road pricing, parking management, restriction or auctioning of licence plates, car-free city areas, low-emission zones)
7.3 Inter-urban transport	Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	
	Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)	
8. Low-carbon technologies	8.1 Products or equipment	Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors
	8.2 R&D	Research and development of renewable energy or energy efficiency technologies
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending, fully or partially dedicated to climate change policy or action	Mitigation national, sectoral, or territorial policies/planning/action plan policy/planning/institutions
		Energy sector policies and regulations (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)

		Systems for monitoring the emissions of greenhouse gases
		Efficient pricing of fuels and electricity (subsidy rationalisation efficient end-user tariffs and efficient regulations on electricity generation, transmission or distribution)
		Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research
		Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action
	9.2 Other activities with net greenhouse gas reduction	Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions
	9.3 Financing instruments	Carbon markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs as well as well-established voluntary carbon standards like the VCS or Gold Standard.

SCHEDULE 3

Exclusion Policy

Sector	Excluded areas
Energy	Uranium mining for nuclear power; Any fossil fuel-based power generation including: gas, 'clean' coal and other coal.
Energy efficiency	Efficiency upgrades to greenhouse gas intensive power sources – e.g. cleaner coal technology; Energy savings in fossil fuel extraction activities – emission reduction requirements require a rapid phase-out of all fossil fuel usage. Anything that helps to extend the life of fossil fuel usage is excluded.
Waste	Landfill without gas capture; Waste incineration without energy capture.
Transport	Rail lines where fossil fuels account for more than >50% of freight.

This policy has been taken from the work done by the Climate Bonds Initiative as part of the Green Bonds Methodology and can be found at the following link:

<https://www.climatebonds.net/files/files/Green%20Bond%20Methodology%202017.pdf>

SCHEDULE 4

To be advised.

DRAFT