

**LETTER OF COOPERATION
BETWEEN
THE GOVERNMENT OF THE STATE OF CALIFORNIA OF THE UNITED STATES OF
AMERICA
AND
THE GOVERNMENT OF THE KINGDOM OF SWEDEN
ON THE GREEN TRANSITION**

The Government of the State of California of the United States of America ("California") and the Government of the Kingdom of Sweden ("Sweden"), hereinafter referred to as "the Participants," decide as follows:

WHEREAS California and Sweden share a strong commitment to reduce our dependence on fossil fuels and fight climate change;

WHEREAS California and Sweden both believe in the need for a green transition – a green industrial revolution – that provides opportunities for job growth, global competitiveness, economic prosperity, and benefits to human health and equity;

WHEREAS collaboration under the 2017 Letter of Cooperation between the Ministry of Environment and Energy of the Kingdom of Sweden and the State of California on Cooperation in the field of Climate Change has yielded positive results in sharing and exchanging knowledge, in particular with regard to reduced emissions from transportation and emissions trading such as the EU Emissions Trading System (EU ETS) and California's Cap-and-Trade program;

WHEREAS California and Sweden are world leaders in research and innovation and hold the shared conviction that research, innovation and international collaboration are key to solving the challenges of the future, building competitiveness, accelerating the green transition and further developing innovative and just societies;

WHEREAS California and Sweden recognize the ongoing processes of reconciliation with California Native American tribes and the Sámi people, respectively, and the importance of full, and meaningful representation and participation of Indigenous peoples in climate action and decision-making;

THEREFORE, the Participants intend to work to further their relationship and cooperation in the following areas:

SECTION 1: AREAS OF COOPERATION

Electrification, sustainability, and safety of the transport sector

California and Sweden will explore cooperation and knowledge exchange on sustainable mobility, and safety in the transport sector. This includes, but is not limited to, electric and shared mobility solutions, zero-emission vehicles and charging and refueling infrastructure for zero-emission vehicles, clean aviation and clean shipping/maritime transport, and autonomous vehicles.

Local climate action

California and Sweden will explore cooperation and knowledge exchange on the empowerment of climate action in local jurisdictions, with the mission of accelerating decarbonization while improving human health and equity together with business communities, academia, and civil society. Topics of engagement may include, but are not exclusive to, sustainable urban development, research and innovation, building electrification, energy efficient buildings,

performance-based building codes, wood construction, innovative wood products, circular construction, circular economy, reuse and recycling of clean energy technologies, and the links between air pollution, electrification, climate and sustainable mobility.

Clean energy transition and sustainable industry

California and Sweden will explore cooperation and exchanges on the clean energy transition and sustainable industry, in particular regarding trade and business communities, underscoring the crucial role of the private sector in the green transition and the potential for Californian and Swedish companies with expertise in the green transition to mutually benefit from closer ties. Areas may include renewable energy, grid resilience, energy storage, battery technology, green construction, energy efficiency, industrial decarbonization, hydrogen, and carbon, capture, utilization and storage (CCUS).

Carbon pricing

California and Sweden will continue to deepen their cooperation on carbon pricing, including through the sharing of knowledge and expertise on emissions trading between the Swedish Environmental Protection Agency and the California Air Resources Board.

Climate-smart agriculture

California and Sweden will explore cooperation and exchange on the reduction of methane emissions and the promotion of healthy soils practices.

SECTION 2. COORDINATION

The Participants designate the Governor's Office of Business and Economic Development for the State of California and the Consulate General of Sweden in San Francisco to establish a plan of action to implement the objectives of this Letter of Cooperation.

Participating Swedish agencies in the above identified areas include the Swedish trade organization Business Sweden, the Swedish Innovation Agency Vinnova, the Swedish Energy Agency, the Swedish Environmental Protection Agency and the Swedish Transport Administration.

Participating Government of California agencies in the above identified areas include the California Natural Resources Agency, the California Energy Commission, the California Environmental Protection Agency, the California Air Resources Board, the California Department of Food and Agriculture, and the California State Transportation Agency.

SECTION 3. NO LEGAL OBLIGATIONS, RIGHTS, OR REMEDIES

This Letter of Cooperation is a voluntary initiative. It does not create any legally binding rights or obligations and creates no legally cognizable or enforceable rights or remedies, legal or equitable, in any forum whatsoever. In addition, the pledges in this Letter of Cooperation are not conditioned upon reciprocal actions by other Participants; each Participant retains full discretion over implementation of its pledges in light of the Participant's individual circumstances, laws, and policies; and each Participant is free to withdraw from the agreement.

SECTION 4. AVAILABILITY OF PERSONNEL AND RESOURCES

This Letter of Cooperation does not involve the exchange of funds, nor does it represent any obligation of funds by either Participant. All costs that may arise from activities covered by, mentioned in, or pursuant to this Letter of Cooperation will be assumed by the Participant that incurs them, unless otherwise expressly agreed in a future written arrangement in accordance

with applicable laws. All activities undertaken pursuant to this Letter of Cooperation are subject to the availability of funds, personnel and other resources of each Participant.

The personnel designated by a Participant for the execution of this Letter of Cooperation will work under the orders and responsibility of that Participant and any other organization or institution to which the personnel already belongs, at all times maintaining any preexisting employment relationship only with that Participant and organization or institution, and not with any other Participant.

SECTION 5. COMPLIANCE WITH APPLICABLE LAWS

This Letter of Cooperation shall be construed consistent with all applicable laws, and activities undertaken in connection with this Letter of Cooperation shall be subject to, and shall be undertaken in a manner consistent with, all otherwise-applicable laws.

SECTION 6. INTERPRETATION AND APPLICATION

Any difference that may arise in relation to the interpretation or application of this Letter of Cooperation will be resolved through consultations between the Participants, which will endeavor in good faith to resolve such differences.

SECTION 7. MODIFICATION PROCEDURE

This Letter of Cooperation may be modified at any time by mutual consent of the Participants. Any modification shall be made in writing and specify the date on which such modification is to become effective.

SECTION 8. FINAL PROVISIONS

This Letter of Cooperation is effective from the date of its signature for a five (5) year period, unless renewed or extended by the Participants in the same manner that the Participants may otherwise modify this Letter of Cooperation.

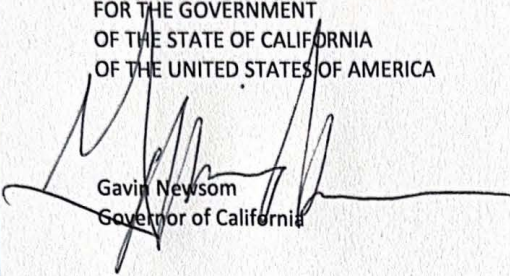
Either of the Participants may at any time withdraw from this Letter and shall endeavor to do so by providing a written notice of such withdrawal to the other Participant thirty (30) days in advance; termination of this Letter of Cooperation should not affect activities already under implementation, unless either of the Participants expressly states otherwise. A Participant that intends to terminate a previously initiated activity shall endeavor to reach an understanding with the other Participant concerning such termination.

The Participants acknowledge that this Letter of Cooperation is only intended to provide for cooperation between the Participants and do not create any legally binding rights or obligations.

The Participants commit themselves in good faith to implement this Letter of Cooperation to the fullest extent possible, subject to any changes in policy that they may adopt, and subject to the governing laws where the activities will be carried out.

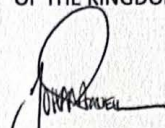
Signed in Sacramento on February 20th, 2024.

FOR THE GOVERNMENT
OF THE STATE OF CALIFORNIA
OF THE UNITED STATES OF AMERICA



Gavin Newsom
Governor of California

FOR THE GOVERNMENT
OF THE KINGDOM OF SWEDEN



Johan Forssell
Minister for International Development
Cooperation and Foreign Trade