

## Norrköpings kommun – Green Bonds Framework

21 April, 2016

### EARMARKED ACCOUNT

An amount equal to the net proceeds of the issue of the Notes will be credited to a special account that will support Norrköpings kommun's lending for Eligible Projects. So long as the Notes are outstanding and the special account has a positive balance, at the end of every fiscal quarter, funds will be deducted from the special account and added to Norrköpings kommun's lending pool in an amount equal to all disbursements from that pool made during such quarter in respect of Eligible Projects.

### ELIGIBLE PROJECTS

**“Eligible Projects”** means a selected pool of projects funded, in whole or in part, by Norrköpings kommun that promote the transition to low carbon and climate resilient growth in line with Norrköpings kommun's Environmental Goals and as determined by Norrköpings kommun.

Eligible Projects include projects that target (a) mitigation of climate change, including investments in low-carbon and clean technologies, such as energy efficiency and renewable energy programs and projects (“Mitigation Projects”) (b) adaptation to climate change, including investments in climate-resilient growth (“Adaptation Projects”) or (c) to a smaller extent (max 20%) projects which are related to a sustainable environment rather than directly climate related.

Eligible Projects:

- Renewable energy (wind, solar, geothermal and biogas from waste).
- Energy efficiency improvements in existing buildings, activities and operations such as new control technology, ventilation systems and lighting. Minor renovations of buildings (e.g. window replacement) leading to efficiency improvements of at least a 35% compared to existing technology can also be included.
- Sustainable public and individual transportation with renewable fuels and related infrastructure.
- Sustainable buildings:
  1. new buildings with at least 25% less energy use per m<sup>2</sup> and year than required by applicable regulations (Boverkets byggregler, BBR) and preferably a minimum certification of either LEED gold, BREEAM very good, Miljöbyggnad silver or Svanen.
  2. major renovations leading to at least a 35% reduction in energy use per m<sup>2</sup> and year.
- Waste management (recycling and re-use, rehabilitation of contaminated areas)
- Water management.
- Adaptation measures in buildings, infrastructure and sensitive surroundings.

Sustainable Environment (max 20%)

- Nature conservation
- Biodiversity
- Development of non-toxic environments
- Climate-friendly and in-house prepared meals for pupils and elderly
- Sustainable agriculture.

Norrköpings kommun will not finance nuclear or fossil fuel projects through its Green Bonds. Norrköpings kommun's Green Bonds can be used to finance new projects and to refinance Eligible Projects in accordance with the Green Bonds Framework. The ambition is to use the majority of the Green Bond proceeds to finance new projects<sup>1</sup>.

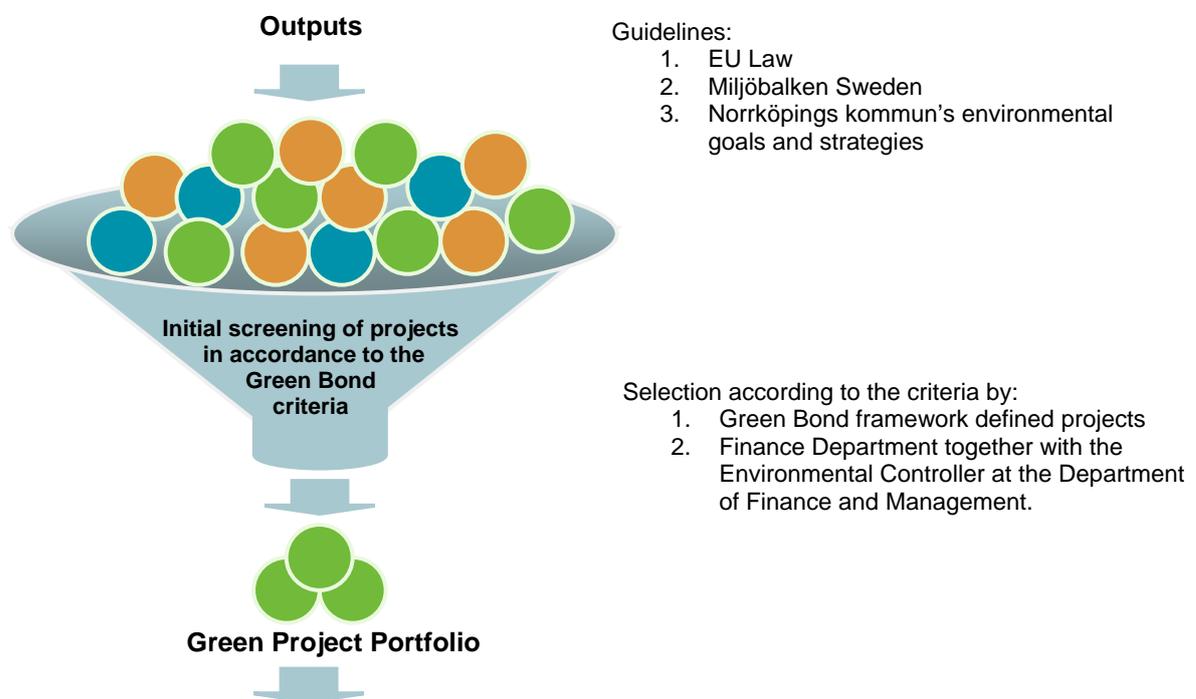
### SELECTION OF ELIGIBLE PROJECTS

Eligible Projects will be selected and approved in consensus by the Finance Department and the Environmental Controller at the Department of Finance and Management.

### TRANSPARENCY

To enable investors to follow the development and provide insight to prioritised areas, Norrköpings kommun will provide an annual investor letter to investors including 1) a list of projects financed 2) a selection of project examples and 3) a summary of Norrköpings kommun's Green Bond development. The investor letter as well as the use of proceeds, tracking and management of funds will be assured by Norrköping kommun's internal auditor. The opinion of the internal auditor and the investor letter will be made publically available on Norrköpings kommun's web page. Furthermore, the principle of free access to public records is applied which enables both investors and potential investors generous insight.

## Green Bond Project Selection Process Flowchart



<sup>1</sup> New projects are defined as projects that have been finalized within one year before the time of issuance of the Green Bond and forward.