

APRIL 2024

GREEN BOND
Framework



KBN

*We finance the
local communities
of tomorrow*

■ ■ **Kommunalbanken Norway AS (KBN) finances important welfare services through providing credit to the local authorities in Norway**

KBN's mandate is to provide the local government sector with stable and cost efficient long term financing. KBN's lending to the local government sector is funded by issuing securities in the international capital markets, maintaining the highest possible credit rating of AAA/Aaa. Measured by total assets, KBN is one of Norway's largest financial institutions, with loans to nearly all the country's municipalities. KBN is a wholly owned by the Norwegian state. Our vision is to be a long term partner for local welfare.

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Previous versions: KBN Green Bond Framework
2013, 2016, and 2021

Introduction to KBN

Kommunalbanken AS (“KBN”) is among the largest financial institution of Norway, wholly owned by the Norwegian state (AAA/Aaa), represented by the Ministry of Local Government and Regional Development.

KBN is authorised as a financial institution, defined as a Systemically Important Financial Institution (“SIFI”) and under the supervision of the Financial Supervisory Authority of Norway (FSAN).

KBN’s activities are by way of its statutes limited to providing financing to the public sector, and offers loans solely to local governments (municipalities) and certain others guaranteed by such local governments. KBN’s sole purpose is to grant loans to local and regional governments or inter-municipal companies. As an instrument of the state, KBN recognises its critical role in enabling the local and regional governments to improve living standards across the country. Almost a 100 percent of Norwegian municipalities are KBN customers.

KBN funds itself by issuing bonds in international capital markets. KBN also issues green bonds based on its Green Bond Framework. With respect to its public ownership, KBN is classified as a “Category 1” institution by its owner. This entails that the ownership has specific underlying reasons, and that the gov-

ernment expects optimal profits within sustainable limits. KBN also benefits from a Central Government Maintenance Statement.

Through its Green Bond Programme, KBN aims to finance the Norwegian local government sector's transition to a climate-resilient, low-carbon society.

Proceeds from KBN Green Bonds are disbursed as discounted Green Loans to climate- and environmentally conscious investments in the local sector. Through this Programme, KBN helps reduce both our customers’, and indirectly also our own, climate risk.

KBN has implemented prudent financial and risk management policies. All financial transactions are hedged for interest rate and FX exposure and KBN shall by way of policy maintain liquidity in excess of regulatory requirements. KBN’s focused, specialised monoline lending model has never suffered a loan loss in almost a 100 years of operation. Owing to full state ownership, the Central Government Maintenance Statement, a strong capital base, solid financial and operating

performance and prudent financial and risk management policies, KBN is assigned Triple-A ratings by Standard & Poor’s and Moody’s, and represents the closest proxy to Norwegian sovereign risk in international markets.

KBN’s policy role and strategy – defined by sustainability

In November 2022, the Norwegian government further strengthened its target for cutting climate-related emissions to at least 55 per cent by 2030 within its Nationally Determined Contribution. While not being a member of the European Union, the updated emissions target aligns the country with those set by the bloc and Norway seeks to fulfil this enhanced ambition through climate cooperation with the EU.

KBN is an essential state owned company in Norway fulfilling its climate commitments, due to the role KBN plays in facilitating ambitious green investments across Norway through its Green Lending Programme and driving greater awareness



■ ■ The Green Bond Framework serves as the guiding document for KBN’s Green Bond Programme. It specifies eligible project types and categories, details evaluation processes for green loans, and outlines fund management procedures for the raised capital.

Introduction to KBN continued

about climate risk in the local government sector.

The Norwegian government's white paper on state ownership policy 'Greener and more active state ownership'¹ includes clear expectations on sustainability by state-owned companies, particularly in the areas of climate, biodiversity and ecosystems, risk management, transparency and reporting, working conditions and wages.

This is why KBN's strategy for 2024-26 'We finance the local communities of tomorrow'², states that 'our value creation will balance financial, social and environmental factors so that our return over time is generated within sustainable limits'. One of the key pillars of this strategy is to be a 'leader in green finance', reflecting how core this objective is to the institution. KBN's vision is to be among the leading financial institutions on climate risk, green financing solutions, and strengthen our transparency through impact reporting and mitigation. As a part of this, a strategic focus in KBN is to develop insight solutions to both our investors and customers.³

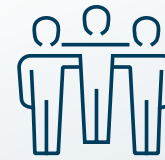
As part of our Annual Report, KBN has a set of ESG Objectives, demonstrating our purpose to balance economic, environmental, social and governance conditions.

A selection of KBN's ESG Objectives for 2024⁴



E Environmental Objectives

- Increase green loans as a proportion of the total lending portfolio to at least 17%
- Increase the proportion of municipalities with a green loan from KBN to at least 45%
- Identify five projects in the local government sector that seem likely to align with the EU Taxonomy for KBN financing



S Social Objectives

- At least 40% representation of each gender at all levels of the organization
- Sick leave rate below 2.5%



G Governance Objectives

- Targets for ESG-ratings:
MSCI: AA,
ISS ESG: B
Sustainalytics: Low risk
- Climate Risk assessments will be an integral part of the credit assessment model and subject in customer meetings

Sustainability Governance at KBN

KBN's Board of Directors has the overall responsibility for the organisation's sustainability agenda and determines the sustainability targets and objectives for each year. The CEO is responsible for the implementation of KBN's work on sustainability and setting policy and guidelines on sustainability.

Each department plays an integral role

in embedding sustainability across KBN's activities. For instance;

- The Lending department has a dedicated 'Green team' that works with green lending, climate risk and impact reporting.
- The Capital Markets department is both responsible for the issuance of green bonds and implementing guidelines for sustainable investments in the liquidity portfolio by screening for ESG factors.
- The Risk Management department in

the second line is ensuring that significant sustainability risks are identified, measured, handled and reported.

- The Staff department is responsible for ensuring and coordinating further development and strategy formulation in the sustainability area and shall contribute to sustainability reporting including preparing the statement on equality and the Transparency Act report. The staff department is also responsible for monitoring changes to sustainability and ESG regulation.

Introduction to KBN continued

- The Finance department is responsible for the preparation of sustainability reporting.

KBN conducts an annual materiality analysis to identify KBN's key areas of impact to help inform these strategic decisions. The analysis is consistent with best practice in sustainability reporting and the EU's Corporate Sustainability Reporting Directive (CSRD), which will start getting phased in from 2024. Both internal stakeholders (all KBN's employees, management team, Board of Directors and Supervisory Board) and external stakeholders (customers, climate interest groups and investors) are consulted in this analysis.

KBN's Greenhouse Gas emissions (tonnes CO₂e)

For more information about KBN's calculated emissions, see the integrated Annual report.⁵

Scope	Category	2023	2022	2021	2020	2019	2018
Scope 1			0,8	0,53	0,77	2,8	3,88
Scope 2			35,72	30,6	50,61	57,79	57,21
	Location based	38,02					
	Market based	162,11					
Scope 1+2	Total (location based)	38,02					
Scope 3	Waste	0,3					
	Business travels	76,59					
	Total	76,89	43,21	9,13	23,08	131,25	220,73
Total		114,91	79,73	40,26	74,46	191,84	281,82

Emissions reporting and reduction targets

A natural part of KBN's sustainability efforts is to reduce our own carbon footprint and general resource use. In line with Norway's strengthened target, KBN increased the 2030 target to reduce our own emissions by 55% vs 2019 levels. The previous target set in 2020, was to achieve a 50% reduction by 2030.

KBN's greenhouse gas accounts are produced annually as part of the annual climate and environment report that we produce for the Eco-Lighthouse Foundation. KBN has been Eco-Lighthouse certified since 2009 and was re-certified in 2021 in



Emissions

In line with Norway's strengthened target, KBN increased the 2030 target to reduce our own emissions by 55% vs 2019 levels.

accordance with the new bank and finance criteria.

KBN's greenhouse gas accounts include the most significant emissions within Scope 2 (indirect emissions linked to the purchase of energy, including district heating, district cooling and electricity in our premises). Based on the requirements of the Greenhouse Gas Protocol, we have from 2023 reclassified emissions related to driving from Scope 1 to Scope 3, so that the bank's calculated Scope 3 includes all emissions from business travels.

To report complete Scope 3 emissions the greenhouse gas accounts must include all emissions that stem from assets/activities that are affected by the bank's operations. This includes the bank's suppliers and financed emissions through our lending and liquidity portfolio. KBN's climate

accounting is not complete within Scope 3 for the time being, but KBN has started the work of mapping indirect emissions. The goal is to eventually report all significant Scope 3 emissions, and KBN will continue to work with the development of methodology and collection of necessary data going forward. As stated in KBN's strategy for 2024-26⁶, we will strengthen our work on mapping our total financed emissions and work with our customers to produce a plan for reducing our total financed emissions.

KBN seeks to contribute incrementally to transparency regarding GHG emissions and have for several years reported relevant data to CDP (Climate Disclosure Project). KBN's external auditor carries out an annual external audit of KBN's GHG accounting and issues a limited assurance report.

Supplier engagement

We hold annual review meetings with our major suppliers, and KBN's expectations of the supplier and the supplier's work on sustainability are agenda topics for these meetings. KBN's requirements for supplier conduct are aligned with international guidelines and conventions, including the OECD Guidelines for Multinational Enterprises, the UN's Global Compact, the UN's Guiding Principles on Business and Human Rights and the ILO's conventions. KBN's expectations for our suppliers are published on our website⁷, and include that they:

- Measure and report their greenhouse gas emissions (scope 1, 2 and 3), have an emission reduction target that is at least as ambitious as the national climate goals and a credible plan to achieve these, and have a vision and timeline for achieving net zero emissions
- Buy climate quotas, carbon credits, etc. of high quality, which at least compensates for their remaining emissions
- Map their own climate risk and have a strategy for managing it
- Analyse whether their business model will be profitable in a low-emission scenario and seek to adjust it to be profitable in a low-emission society
- Support the UN SDGs and have a strategy to ensure diversity and equality including

achieving at least 40 percent representation of each gender at all levels

- Respect employee rights, choose suppliers who do the same and have robust whistleblowing procedures
- Have strong governance in place with clear policies covering topics including transparent taxation, anti-bribery and corruption and anti-money laundering

Managing and disclosing climate and environmental risks

As one of Norway's systemically important financial institutions and an undertaking that raises capital internationally and lends to all of Norway's municipalities and county authorities, KBN is indirectly exposed to different types of climate-related risks through our credit activity that must be analysed and managed. We expect increased attention towards climate risks from financial supervisory authorities in the coming years. We also expect that our investors will increasingly attach weight to climate risk and in a broader sense to ESG risk when making investment decisions.

KBN has made significant progress in improving the level of expertise on climate risk within the organisation. In 2022, a module for climate risk assessment was developed and integrated into the credit

assessment model for customer lending. The model applies municipality specific indicators (e.g. changes in GHG emissions, storm surge vulnerability at sea level etc.) to provide each municipality a climate risk score on a scale of 'Low', 'Medium', and 'High'.

KBN has also established a sustainable investment policy comprising of exclusion criteria, norms-based research (NBR) and ESG screening of its liquidity portfolio since 2022, with results to be reported on a quarterly basis. In 2023, KBN further strengthened the policy through publishing supplementary guidelines for sustainable investments.

As a contribution to our vision of contributing to a sustainable society, KBN offers

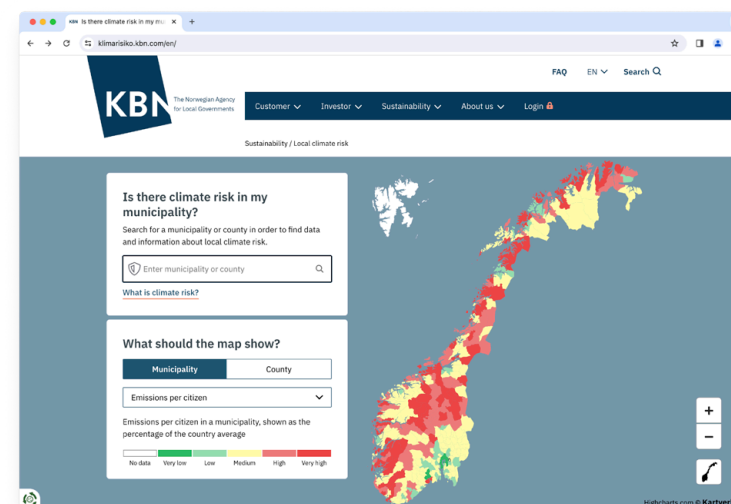
a climate risk tool on our website that allows municipalities to assess their exposure to physical climate risk and transition risk, both in terms of geography and dependency on certain industries and economic sectors. We see it as part of our mandate to convey the climate risk perspective to local governments and to provide guidance for how to assess these risks locally. The climate risk tool is also freely available for citizens, NGOs and others to use.

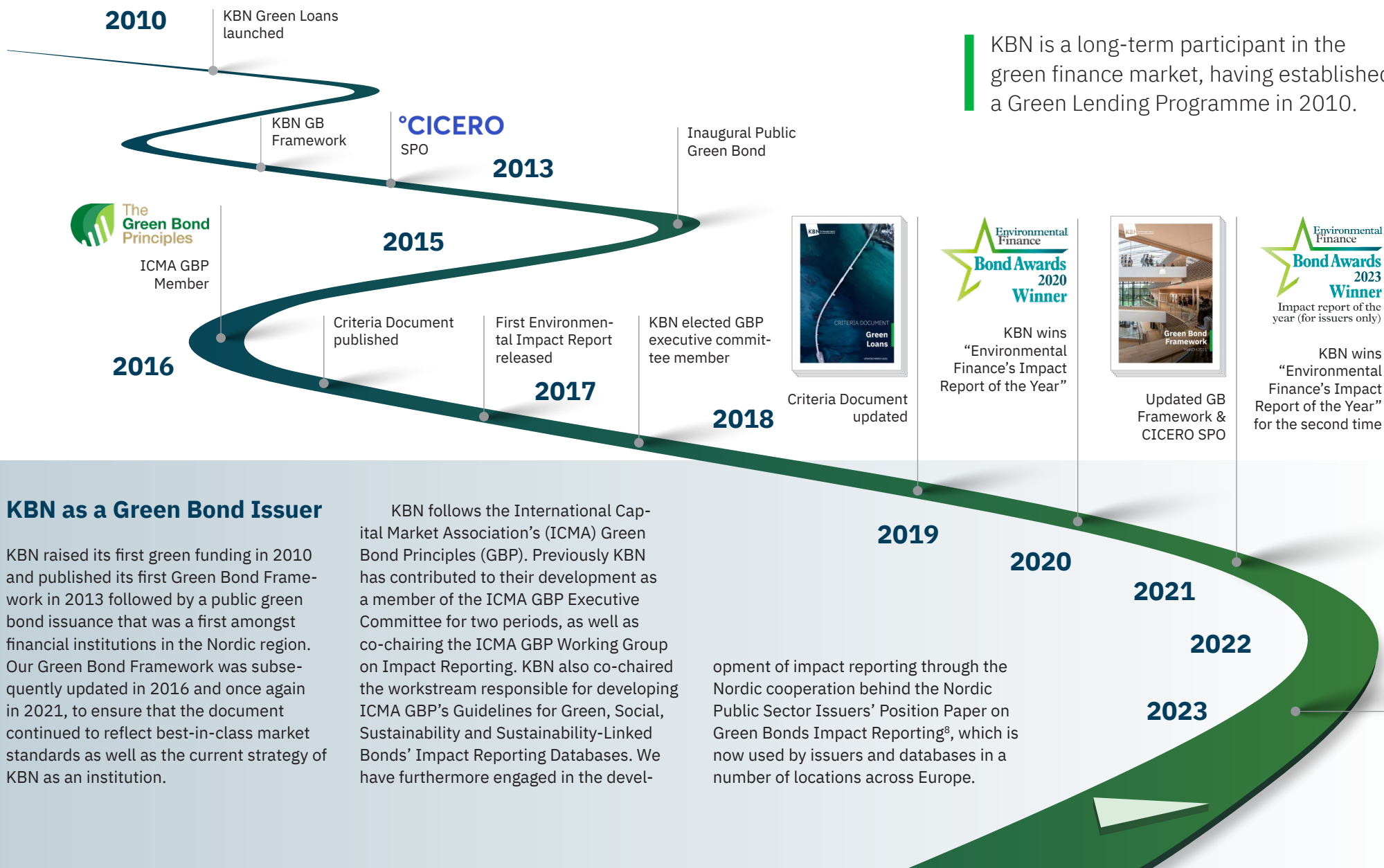
KBN's corporate reporting on climate risk follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) and the Carbon Disclosure Project (CDP).

KBN offers a climate risk tool on our website

You can search for a municipality or county in order to find data and information about local climate risk.

[Visit the site](#) ►►





KBN is a long-term participant in the green finance market, having established a Green Lending Programme in 2010.

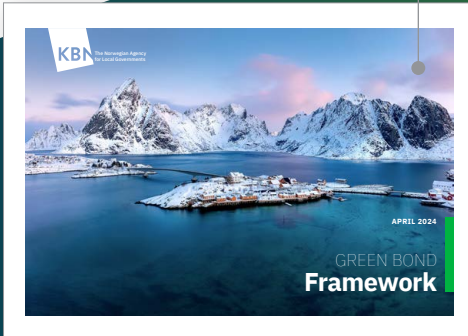
KBN as a Green Bond Issuer

KBN raised its first green funding in 2010 and published its first Green Bond Framework in 2013 followed by a public green bond issuance that was a first amongst financial institutions in the Nordic region. Our Green Bond Framework was subsequently updated in 2016 and once again in 2021, to ensure that the document continued to reflect best-in-class market standards as well as the current strategy of KBN as an institution.

KBN follows the International Capital Market Association’s (ICMA) Green Bond Principles (GBP). Previously KBN has contributed to their development as a member of the ICMA GBP Executive Committee for two periods, as well as co-chairing the ICMA GBP Working Group on Impact Reporting. KBN also co-chaired the workstream responsible for developing ICMA GBP’s Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds’ Impact Reporting Databases. We have furthermore engaged in the devel-

opment of impact reporting through the Nordic cooperation behind the Nordic Public Sector Issuers’ Position Paper on Green Bonds Impact Reporting⁸, which is now used by issuers and databases in a number of locations across Europe.

2024



- New version of Green Bond Framework
- Updated Criteria Document
- New S&P SPO

Framework update

This framework is an update to and replaces our previous Green Bond Framework from 2021. Eligible project types in this update are largely the same as in the previous versions. As in the 2021 framework, this update does not list exact eligibility criteria for projects that may be financed with KBN Green Bonds – these criteria are set out in the separate Criteria Document for Green Loans⁹. The Criteria Document is subject to annual review by KBN’s Green Expert Committee, a panel of external experts for each category who suggest updates to the criteria based on recent technological and regulatory developments. The 2024 Criteria Document introduces a strengthening of select eligibility criteria across several project categories to best reflect the evolution of environmental standards both in Norway and globally, as well as to further motivate our borrowers in their own transition journeys.

The 2024 Framework and the most recent Criteria Document place greater emphasis on both nature- and climate-re-

lated risks. Nature and climate risk are important considerations in the transition to a more sustainable society. For all green loans related to new buildings originated from 2024 onwards, a Climate Advisor will examine the project’s land use, currently with the online map service “NIBIO kilden” by the Norwegian Institute of Bioeconomy Research. The Climate Advisor will locate the project site on the map service and activate selected map layers. The map layers include bogland, cultivated land, cultivable land, and forest site index. In addition, we use environmental registrations in forestry, key biotopes, and habitats. The final project evaluation will be based on the information from these map layers and other documentation (Risk and Vulnerability Assessment, planning documents, etc.), and potential conflicts may result in rejection of projects for the green portfolio.

Furthermore, from 2024 onwards, for all new building projects with a total cost above 300 MNOK, a Climate Advisor will also check The Norwegian Water Resources and Energy Directorate (NVE) caution maps. The examined maps include quick clay, snow avalanches, soil and debris avalanches, and floods. If the construction site is located within one or more caution zones, we request a description of how nature and/or climate risks are assessed and taken into account in the project. If the project is within one of the caution zones and the

developer has not conducted assessments and measures, the project may be excluded from green financing.

While we are testing out this additional approach with respect to Green Buildings in the first instance, our intention is, if the methodology is successful, to implement this additional emphasis on nature and climate risk in other categories as we update the Criteria Document.

These measures are in line with KBN’s effort to raise awareness around nature and climate risk among our customers and society as such.

In keeping with our dynamic approach to environmental and social risk management, we will continue to review these measures in line with factors such as the development of the Norwegian legal regime and rate of implementation of measures from borrowers, and evolve our approach accordingly.

Alignment with market standards

KBN’s Green Bond Framework is aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)¹⁰ and Loan Market Association (LMA) Green Loan Principles (GLP) 2023 (together the “ICMA/LMA Principles”).

The Framework also takes into consideration, where possible and feasible, the European Green Bond Standard¹¹ and the EU Taxonomy Regulation¹² (the “EU Taxonomy”).

Potential revisions of any of these guidelines as well as relevant future regulatory developments will be reflected in upcoming versions of the Framework on a best effort basis, whereby KBN is committed to either maintain or improve the current level of reporting and stringency when selecting eligible green assets for its portfolio.

1) The State’s direct ownership of companies (white paper)

2) KBN 2024-2026 Strategy

3) See for example our climate risk tool

4), 5) Annual Report (2023)

6) KBN 2024-2026 Strategy

7) Supplier Expectations

8) Position Paper on Green Bonds Impact Reporting (March 2024)

9) Criteria Document

10) ICMA Green Bond Principles (2021) (with June 2022 Appendix I)

11) European Green Bond Standard

12) EU Taxonomy Delegated Act on Climate Change Mitigation and Adaptation published in April 2021 and adopted in June 2021

Use of proceeds

The net proceeds of the Green Bonds issued by KBN will be used to finance or re-finance eligible projects that have been evaluated and selected by KBN in accordance with this Green Bond Framework.

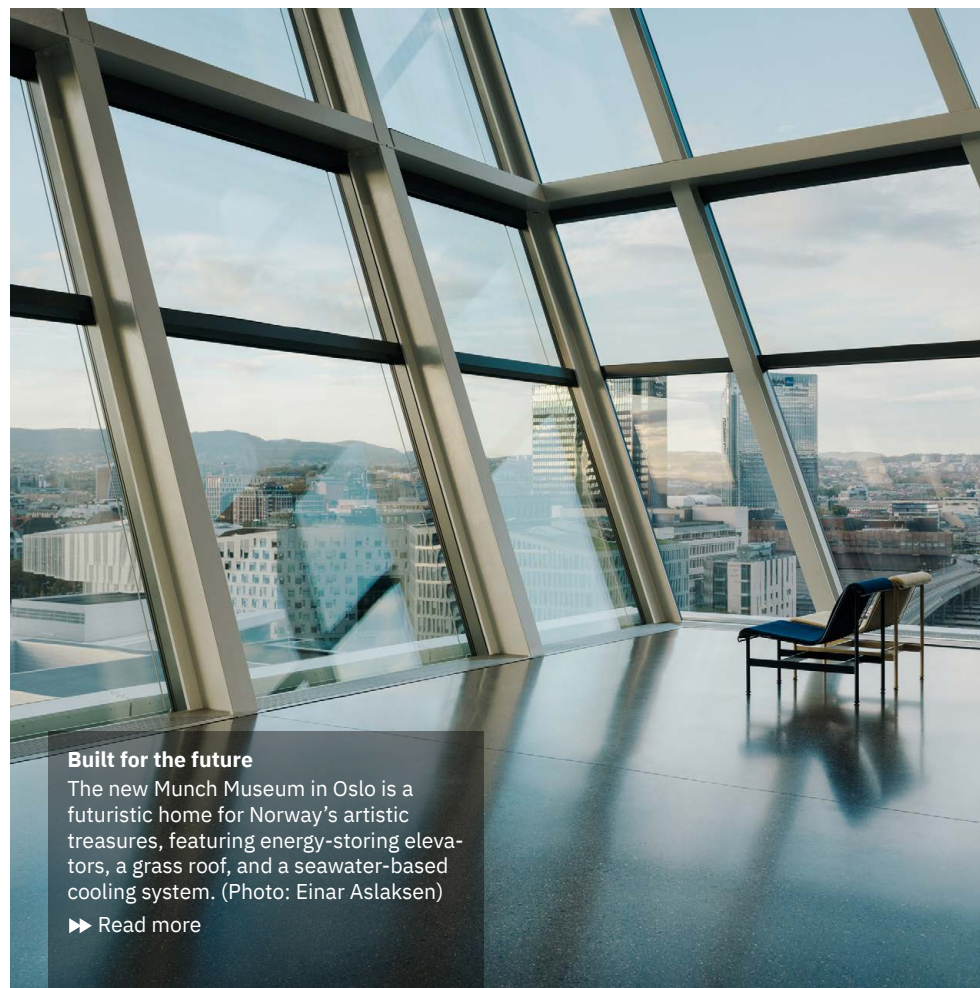
While the eligible categories have been defined below, please see the latest Criteria Document for Green Loans (“Green Loans Criteria”) on KBN’s website, which defines the thresholds that must be met for given types of investments to be classified as green, as well as the type of documentation customers need to submit in order to demonstrate that their project meets the criteria and relevant thresholds. Fossil fuel related activities are excluded from the asset pool for this framework, but fossil fueled back-up solutions is permitted for safety measures, for instance in ferries.

The Criteria Document is usually revised annually in consultation with KBN’s Green Expert Committee, an external body that consists of specialists from relevant sectors. In 2023, KBN implemented changes to the Green Expert Committee, restructuring it from a single larger committee consisting of experts from various sectors covering all project categories, to multiple smaller committees, each dedicated to a specific project category outlined in the Criteria Document. The specialised groups will provide more in-depth knowl-

edge of the respective categories. The first meeting was held in February 2024, within the Green Expert Committee for Buildings.

The purpose of the Green Expert Committees is still to advise and guide the continuous development of KBN’s Criteria Document for Green Loans to ensure that the criteria are up-to-date and relevant. KBN seeks to update the criteria regularly based on recent technological and regulatory developments, or market maturity. It should also be noted that any future updates to the Green Loans Criteria represent further strengthening of the criteria and/or adjustments to correspond to the EU Taxonomy on Sustainable Activities.






























KBN recognises that, given the annual review and adjustments of the Green Loans Criteria, some of our existing green loans which were issued under previous versions of the Green Loan Criteria may not be fully aligned with the current version of the criteria, and thus not aligned with this framework. KBN will ensure that any new green projects that are added to the eligible portfolio will be aligned with the latest version of the Green Loans Criteria.



Built for the future

The new Munch Museum in Oslo is a futuristic home for Norway’s artistic treasures, featuring energy-storing elevators, a grass roof, and a seawater-based cooling system. (Photo: Einar Aslaksen)

▶▶ Read more

KBN lending category	Green Bond Principles category	UN Sustainable Development Goals ¹	EU Taxonomy Environmental Objective	Example projects
 Buildings	Green Buildings and Energy Efficiency	 	<ol style="list-style-type: none"> 1. Climate change mitigation 2. Climate change adaptation 4. Transition to a circular economy 6. Protection and restoration of biodiversity and ecosystems 	 <p>Renovation of Gjøvik City Hall Read more ►►</p>
 Renewable energy	Renewable Energy		<ol style="list-style-type: none"> 1. Climate change mitigation 2. Climate change adaptation 5. Pollution prevention and control 6. Protection and restoration of biodiversity and ecosystems 	 <p>Seawater as a source of energy Read more ►►</p>
 Transportation	Clean Transportation	 	<ol style="list-style-type: none"> 1. Climate change mitigation 2. Climate change adaptation 5. Pollution prevention and control 	 <p>New electric forklift trucks Read more ►►</p>
 Waste and circular economy	Pollution Prevention and Control	 	<ol style="list-style-type: none"> 1. Climate change mitigation 2. Climate change adaptation 4. Transition to a circular economy 5. Pollution prevention and control 	 <p>Investments in biochar production Read more ►►</p>
 Water and wastewater management	Sustainable Water and Wastewater Management	 	<ol style="list-style-type: none"> 1. Climate change mitigation 2. Climate change adaptation 3. Sustainable use and protection of water and marine resources 4. Transition to a circular economy 	 <p>Reducing pressure on the wastewater network Read more ►►</p>
 Land use and area development projects	Environmentally sustainable management of living natural resources and land use and Pollution Prevention and Control	  	<ol style="list-style-type: none"> 1. Climate change mitigation 2. Climate change adaptation 5. Pollution prevention and control 6. Protection and restoration of biodiversity and ecosystems 	 <p>Closing of landfill site Read more ►►</p>
 Climate change adaptation	Climate Change Adaptation	  	<ol style="list-style-type: none"> 2. Climate change adaptation 3. Sustainable use and protection of water and marine resources 	 <p>Flood protection of Narud Waterworks Read more ►►</p>

1) For full description of the Sustainable Development Goals (SDGs) and their targets, please see <https://sdgs.un.org/goals> or KBN's latest Impact Report

Selection and evaluation of eligible projects

KBN has designed and implemented a process to ensure that only projects aligned with the Criteria Document outlined above will be selected as Eligible Assets and Projects for its Green Bond issuance.

The process involves a ‘six eyes’ (three person) assessment and quality control of projects as well as the information provided by project owners.

The KBN selection and evaluation process is run by the Green Finance Working Group (GFWG) which meets bi-annually and has the following responsibilities:

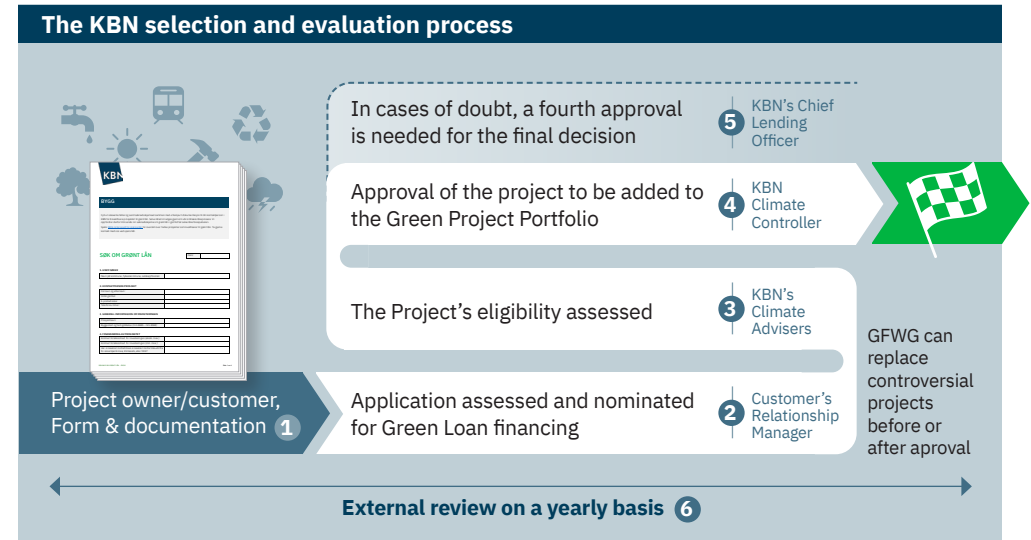
- The ‘six eyes’ assessment
- Managing the appointment and process of external review
- Managing the process of the internal auditor
- Managing any internal and external reporting of the Green Lending Programme

The GFWG contains the following members:

- Chief Lending Officer
- Climate Advisers
- Climate Controllers
- Relationship Manager representative
- Members from the International Funding team

The KBN selection and evaluation process for eligible projects may be summarised as follows:

1. The project owner/customer proposes a potential project by submitting the Application Form¹ for the relevant project category, supported by any required documentation as listed in the Criteria Document.
2. The application and any additional documentation is first assessed by the customer’s Relationship Manager, who nominates projects for Green Loan financing.
3. The project is then assessed by one of KBN’s Climate Advisers, who checks the project’s eligibility against the relevant Eligibility Criteria and proposes the project’s approval, alternatively rejection.
4. Finally, the decision is controlled by a KBN Climate Controller, who signs the final approval of the project to be added to the Green Project Portfolio.
5. In cases of doubt or where Eligibility Criteria are not fully covering the project in question, or when the project is assessed under an “Other” criterion, the final decision is made by KBN’s Chief Lending Officer.



6. KBN’s Internal Auditor or an appointed reputable external reviewer will perform an internal audit on a yearly basis covering the allocation of the green bond proceeds to eligible projects and on its reported impact metrics as applicable.

Should eligible projects for whatever reason become controversial before or after

approval, the GFWG will consider removal of such projects from the Green Project Portfolio and replace other eligible projects within 12 months, on a best-efforts basis.

¹) Green Loan Application Form

Management of proceeds

KBN applies a portfolio approach to our Green Bond Programme, meaning that a portfolio of green bonds finances a portfolio of eligible green projects.

KBN maintains a Green Project Register tracking outstanding amounts to all eligible projects in the Project Portfolio for the purpose of monitoring the allocation of the net Green Bond proceeds to these projects.

We generally seek to qualify eligible projects prior to our green bond issuances, so that investors are clearly informed about the use of proceeds.

KBN commits to fully allocate proceeds to eligible projects within 24 months from the date of issuance.

In the event of unexpected repayments or other unforeseen issues, there may be periods when the total outstanding net proceeds of Green Bonds exceed the value of the eligible projects in the Green Project Register. Any such portion will be invested in bonds and cash or cash-equivalents in accordance with KBN's liquidity management policy and guidelines for sustainable investments.

The Green Project Register will form the basis for the impact reporting.

Green project list on kbn.com

Overview of the projects financed with KBN's green loans. The list is updated once per quarter.

Visit kbn.com ►►

Green projects

- Number of projects financed: **474 projects**
- Total outstanding green loans: **NOK 52.8 bn.**
- Emissions annually avoided + reduced: **14 034 tonnes CO2e**

Choose category: Search in table:

Project	Customer	Outstanding green loans (NOK)	Total cost (NOK)	Project period	Emissions annually avoided + reduced
Andenes care center Buildings	Andøy municipality ANDØY Nordland	43 094 000 kr	321 535 636 kr	2024 - 2026	0,59 tonnes CO2e
Magasinparken nursery Buildings	Nordre Follo municipality NORDRE FOLLO Viken	10 100 000 kr	143 000 000 kr	2024 - 2025	0,07 tonnes CO2e
Renovation of Hafslø nursery Buildings	Luster municipality LUSTER Vestland	7 000 000 kr	93 000 000 kr	2024 - 2025	0,32 tonnes CO2e
Solar power system Renewable energy	Idrettslaget Apollo ASKØY Vestland	441 770 kr	552 215 kr	2023 - 2027	0,24 tonnes CO2e
New nitrogen removal plant for wastewater Water and wastewater	Nordre Follo Renseanlegg IKS ÅS Viken	30 612 500 kr	375 000 000 kr	2023	
Fredrikstad wastewater treatment facility (FARA) Water and wastewater	Fredrikstad Vann, Avløp og Renovasjon (FREVAR) FREDRIKSTAD Viken	440 631 670 kr	2 015 000 000 kr	2023	
The new Jordal Amfi arena - ice rink with innovative energy solutions	Osto municipality OSLO Oslo	440 000 000 kr	694 000 000 kr	2017	
Dragvoll health and welfare center Buildings	Trondheim municipality TRONDHEIM Trøndelag	158 300 000 kr	650 000 000 kr	2023	
Bromstadekra shared housing Buildings	Trondheim municipality TRONDHEIM Trøndelag	20 000 000 kr	73 000 000 kr	2023	
Kirkebygden elementary school Buildings	Våler municipality (Viken) VÅLER Viken	25 000 000 kr	186 210 526 kr	2023	
Våler lower secondary school Buildings	Våler municipality (Viken) VÅLER Viken	25 000 000 kr	538 789 474 kr	2023	
Møre og Romsdal fylkeskom-					

Updated list of number of projects

Total outstanding green loans

See emissions avoided/reduced

Search for specific project or customer and filter on results by category

See complete list on every project financed with KBN's green loans.

See detailed information on selected projects



New Jordal Amfi arena

An ice rink in Oslo City built to ensure the best possible heat recovery, with good temperature control systems and a high degree of efficient energy consumption.

The new Jordal Amfi arena will be an ice hockey venue for both recreational and professional players in Oslo, with around 5,300 seats for spectators. The arena will be used for training most hours of the day all year, as well as for matches and events. The City of Oslo has chosen to invest in the arena as part of its climate strategy.

Reporting

KBN will annually publish a report on the allocation and impact of Green Bonds issued under this framework.

The annual Green Bond Impact Report will contain two types of reporting: allocation reporting and impact reporting. Where relevant KBN will seek to align the reporting with the latest standards and practices as identified by ICMA's Harmonised Framework for Green Impact Reporting¹ and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green Bond Impact Reporting².

In addition to the annual Green Bond Impact Report, KBN will disclose the volume of a) outstanding green loans and b) outstanding green bonds in its quarterly and annual financial reports. The KBN Annual Report will also include references to the annual Green Bond Impact Report.

Allocation Report

The allocation report will, to the extent feasible, include the following components:

- Proceeds allocated to eligible projects on project level and project category level



- Number of projects financed per KBN Green Lending Program category
- Amount and share of unallocated proceeds
- The relative share of new financing versus refinancing

Reporting on the regional distribution of projects is not included, as all eligible projects are situated in Norway.

Impact Report

KBN will strive to report on the environmental impact of the investments financed by the Green Bonds. Impact is reported on an ex-ante basis. Data is provided on project level, project category level and for the entire KBN Green Project Portfolio.

On project level, the Impact Report may include the following information:

- Borrower, project name and short description of the project
- Construction period/year of completion and year of last green loan disbursement
- Total project cost, total green loan disbursed, and outstanding green loan at reporting date
- Share of project financed with KBN green loan
- Selected impact information and metrics relevant to the project category,

calculated according to KBN’s share of the project financing. For examples of metrics, see table to the right.

Additionally, the reporting may contain detailed descriptions and case studies of selected eligible projects financed.








On a best-effort-basis, the reporting will include KBN’s own assessment of the Project Portfolio’s alignment with the EU Taxonomy for sustainable activities.

The Impact Report will, to the extent feasible, also include a section on methodology, baselines and assumptions used in impact calculations.

The annual Impact Report will be made available for download from KBN’s web pages in PDF and Excel formats. Additionally, KBN’s web pages will contain a list of disbursed Green Loans to be updated on a quarterly basis.

1) Harmonised Framework for Impact Reporting
 2) Position Paper on Green Bonds Impact Reporting (March 2024)

The project level impact metrics selected may include the following:

KBN green lending category	Impact Metrics
 Buildings	<ul style="list-style-type: none"> ▪ Area (m²) of building constructed or refurbished ▪ Energy avoided annually (kWh) compared to the relevant building code (for new buildings) ▪ Energy reduced annually (kWh) compared to the pre-investment situation (for refurbishments) ▪ Annual energy production on-site (kWh) ▪ Annual GHG emissions reduced/avoided (tonnes CO₂e)
 Renewable energy	<ul style="list-style-type: none"> ▪ Capacity installed (kW) ▪ Expected annual generation (kWh) ▪ Annual GHG emissions reduced/avoided (tonnes CO₂e)
 Transportation	<ul style="list-style-type: none"> ▪ Number and type of vehicles financed ▪ Estimated reduced and avoided greenhouse gas emissions annually (tonnes CO₂e)
 Waste and circular economy	<ul style="list-style-type: none"> ▪ Total capacity and/or increase in capacity attribute to the investment ▪ Material recovery rate before investment and expected recovery rate following investment
 Water and wastewater management	<ul style="list-style-type: none"> ▪ Total capacity and/or increase in capacity for water or wastewater treatment
 Land use and area development projects	<ul style="list-style-type: none"> ▪ Area developed, converted, or revitalised (m²)
 Climate change adaptation	<ul style="list-style-type: none"> ▪ Description of climate change adaptation characteristics of project ▪ Area protected or relocated (m²)

External review



KBN has appointed S&P as an external reviewer of the updated Green Bond Framework and the Eligible Project Criteria.

KBN will also request a limited assurance report of the allocation of the green bond proceeds to eligible projects, provided by its internal auditor or a reputable external

reviewer. KBN will also request for a similar review on its reported impact metrics as applicable. These assessments will be made publicly available on KBN's website.

Appendix

Documents describing KBN's environmental and sustainability measures.

Publications / documents, available		Publications / documents, non-public		
 <p>KBN Strategy We finance the local community of tomorrow</p>	<p>Read more ▶▶</p>	 <p>Ethical conduct</p>	<p>Read more ▶▶</p>	
 <p>Integrated report (annual, link directs to 2023 report)</p>	<p>Read more ▶▶</p>	 <p>General guidelines for procurement</p>	<p>Read more ▶▶</p>	
 <p>Impact Report (annual)</p>	<p>Read more ▶▶</p>	 <p>General Guidelines for Sustainability</p>	<p>Read more ▶▶</p>	
 <p>Criteria Document for Green Loans (2024)</p>	<p>Read more ▶▶</p>			
 <p>Code of Conduct (2023)</p>	<p>Read more ▶▶</p>			
			 <p>Overall Guidelines for Green Funding and Lending (Norwegian only)</p>	
			 <p>Routine description for green loan approval process (Norwegian only)</p>	
			 <p>Routine description for environmental impact reporting (Norwegian only)</p>	
			 <p>Guidelines for Sustainable Investments</p>	
			 <p>Anti-Money Laundering Guidelines (Norwegian only)</p>	

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