KBN
The Norwegian Agency for Local Governments

2020

Impact Report

Green Loans Financed with Green Bonds

2020 Highlights

This report presents the environmental impact of KBN's green loan program as of 31 December 2020. All funds raised by KBN's green bond issuances will be used exclusively to finance green loans in the Norwegian municipal sector.

16 bn. NOK
GREEN BONDS

Funds from green bonds issued in international capital markets...

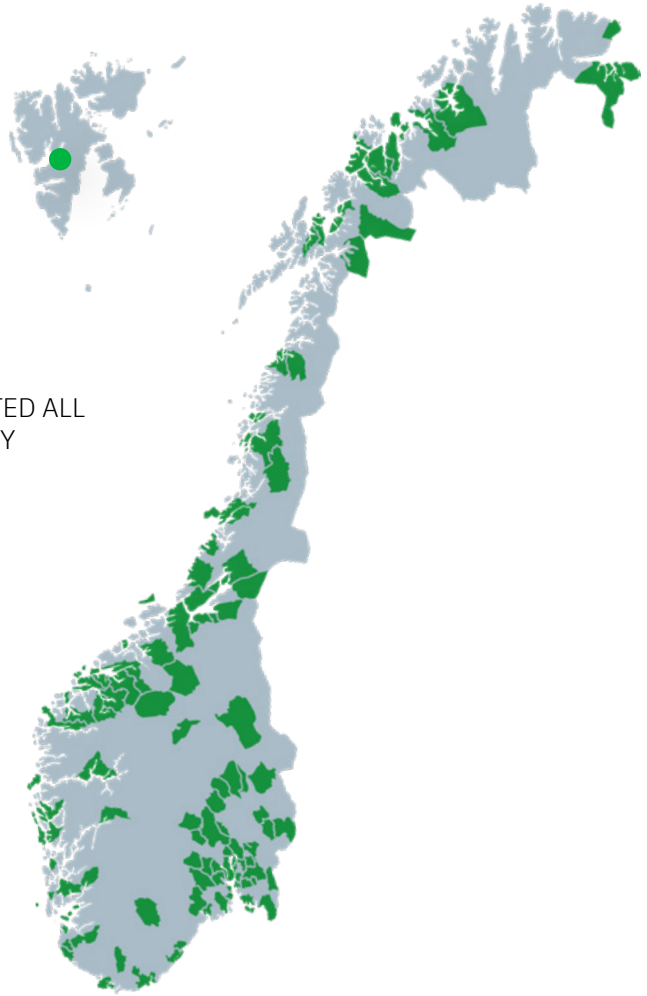
26 bn. NOK
GREEN LOANS

...provides green, discounted loans for climate-smart projects across the country

PROJECTS ARE LOCATED ALL ACROSS THE COUNTRY

267
Total number of green projects

48
New green projects in 2020



OUR GREEN LOAN PROGRAM HELPS FINANCE:

50,058
tonnes of CO_2e redused and avoided annually[1]

36
GWh energy reduced and avoided annually

457,741
Water and wastewater capacity increased population equivalents[2]

131,593
tonnes increased waste management capacity

117
GWh renewable energy produced annually

9.2%
of the portfolio is found to be in compliance with the EU Taxonomy's Technical Screening Criteria[3]

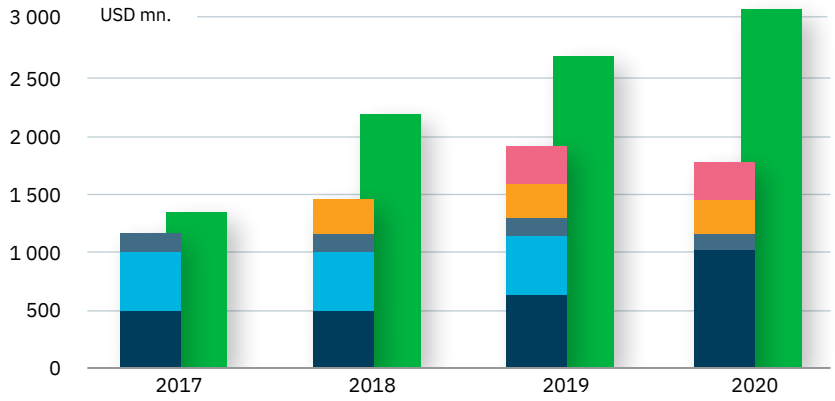
See all the green projects in Impact report 2020 (Excel) at kbn.com.

[1] We do our best to ensure the quality of the information provided; however, the reader should be aware that there is uncertainty related to estimating climate and environmental impact from investments. Read more about reporting principles on page 15 in this report.
[2] Population equivalents is an expression that describes the load and capacity of water and wastewater supply
[3]Preliminary assessment carried out by KBN. The assessment only evaluates the Taxonomy's technical screening criteria and has not analyzed the «Do no significant harm» criteria or the minimum social safeguards. Read more about KBN and the EU Taxonomy on page 18

Executive summary

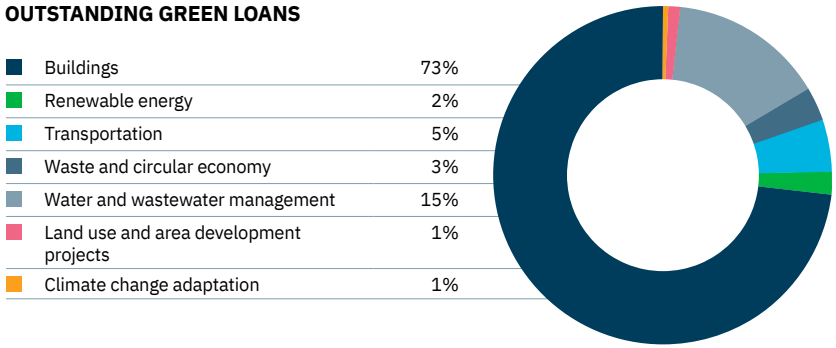
As of 31 Dec 2020

GREEN BONDS ISSUANCE AND PORTFOLIO OF GREEN LENDING



² *Originally USD 500 mn., USD 100 mn. tap in 2019 and USD 400 mn. tap in 2020.*

OUTSTANDING GREEN LOANS



PROJECT PORTFOLIO AND ENVIRONMENTAL IMPACT[1]

Project category	Outstanding amounts to projects (1000 NOK)	CO_2e reduced and avoided (tonnes annually)	Impact tonnes CO_2e per million NOK
Buildings	19,117,937	13,356	0,7
Renewable energy	521,568	34,718	62,1
Transportation	1,460,057	1,764	1,3
Waste and circular economy	807,512	220	0,3
Water and wastewater management	3,874,045	n/a	n/a
Land use and area development projects	186,100	n/a	n/a
Climate change adaptation	145,004	n/a	n/a
Total	**26,112,224**	**50,058**	**64,4**

Renewable energy generated annually	**117 GWh**
Energy reduced/avoided annually	**36 GWh**

[1] *The impact reported corresponds to the share of the project financed by us. A grid factor of 315g CO2e per kWh electricity is applied throughout when converting electricity to emissions, as this is recommended by the Nordic Public Sector Issuers. Read more about calculation methods on page 16.*

IMPACT ATTRIBUTABLE TO GREEN BOND INVESTORS

Total outstanding green bonds divided by total oustanding disbursed amounts to projects, as of 31 dec 2020 (in NOK)				**61%** of which
ISIN	**Issue date**	**Amount**	**Maturity Date**	
XS1188118100 / USD50048MBX74	02/11/2015	USD 1 bn.	02/11/2026	33%
NO0010811276	11/29/2017	NOK 750 mn.	11/29/2027	3%
NO0010811284	11/29/2017	NOK 600 mn.	11/29/2032	2%
AU3CB0256162	09/05/2018	AUD 450 mn.	09/05/2023	11%
XS2047497289	08/28/2019	SEK 3 bn.	08/28/2026	12%

BASIC INFORMATION

Current Green Bond Framework	KBN's Green Bond Framework, dated June 2016
Reporting period	Calendar year 2020. The report summarizes projects financed from the start of the green bond and green loan program. The project list in this report describes the new projects added in 2020. See separate spreadsheet on kbn.com for a complete overview of all projects.
Date of publication	February 25, 2021
Reporting frequency	Annually
Next report scheduled	February 2022
Next report scheduled	Portfolio-based and project-by-project reporting
Reporting approach	Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting
Verification	Internal audit of compliance of guidelines and routines related to green loans and bonds, conducted by Deloitte. See p. 46.

Comments on KBN's impact reporting

Storebrand appreciates that green bonds represent transparency and targeted capital flow towards sustainable solutions. Kommunalbanken's reporting is transparent and well structured, which enables better aggregation and communication of achieved impacts. We disclose our investments in green bonds in the annual report, since it functions as a good indicator for driving the sustainable finance agenda forward.

SUNNIVA BRATT SLETTE
Investment analyst,
Storebrand Asset Management

KBN's impact reporting follows the recommendations of the Nordic Public Sectors Issuers in an exemplary way. The impact attributable to investors of KBN's bond programme is especially well presented and transparency on this level is much appreciated. It enables us as an investor to demonstrate investments' impacts and contribution to selected SDGs. KBN further takes an active role in the development of impact reporting in relation to green bonds, which makes them an important contributor to the establishment of common standards.

KRISTOFER DREIMAN
Head of Responsible Investments
Länsförsäkringar Liv

Photo: istockphoto.com

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Kommunalbanken Norway (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 of the country's municipalities.

KBN is a wholly owned state company. Our vision is to be a long-term partner for local welfare.

AAA
Standard & Poor's
Moody's

99.7%
of Norwegian municipalities are KBN customers

46.5%
of municipal debt is financed through KBN

The new Munch museum is financed with a green loan from KBN – a future looking construction in the middle of Oslo city centre. Read more about the project on page 31. Cover photo: Jo Straube.

Ten years of green loans

2020 marked ten years since KBN started offering green loans. As one of the first institutions in Norway to issue green bonds in the financial markets and to provide discounted green loans to customers, KBN has played an important and active role in the development of the green finance market.

Photo: Jo Straube

BY JANNICKE TRUMPY GRANQUIST
Chief Executive Officer (CEO), KBN

The growth in green finance over the past decade has been remarkable. Between 2010 and 2020, the volume of outstanding green bonds has grown from EUR 2 billion to EUR 783 billion[1]. Sustainability is becoming an increasingly integral part of the finance industry, and green finance is no longer a niche activity. ESG and ESG risk are starting to attract regulatory attention, central banks and finance ministries across the world have put climate risk on the agenda and, importantly, these developments are being supported by the EU's ambitious Green Deal.

Over the same period KBN has seen demand for its green loans grow sharply, and we have at the same time been constantly raising the threshold for a project to qualify as "green". In 2010 KBN disbursed green loans totalling NOK 943 million, while the corresponding figure for 2020 was NOK 6.3 billion. At the end of 2020 we were financing 267 ambitious projects across the entirety of municipal Norway, ranging from the procurement of electric cars in Vardø, the tenth most northerly city in the world, to the construction of the Munch Museum as a new landmark in central Oslo. Across Norway, municipalities are investing in green projects, including environmental requirements in their tender documents, and making a robust contribution to Norway's achievement of its climate goals.

Despite the contribution Norway's municipalities are making to the country's climate goals, climate change is already affecting them. Increasingly frequent episodes of extreme weather will threaten buildings and crops as well as electricity, internet and water connections. Norway's municipalities therefore need to adapt to climate change at the same time as they work to limit it. Both responses are required. These challenges come at a time when municipalities have their hands full managing the coronavirus pandemic, the growing number of elderly people and other demographic challenges, as well as addressing a significant maintenance backlog.

Looking to the years ahead, Norway's municipalities will need to be attractive places once the transition to a low-carbon society is complete. This challenge will make big demands on municipalities, financially as well as in terms of their expertise. KBN wants to help make the transition to a low-carbon society a success. By providing reasonably priced green financing, helping the sector to map and manage its climate risk exposure and providing tools that facilitate financially sustainable development, we will seek to be the local government sector's preferred partner.

[1] *Figures from Crédit Agricole CIB (2021)*

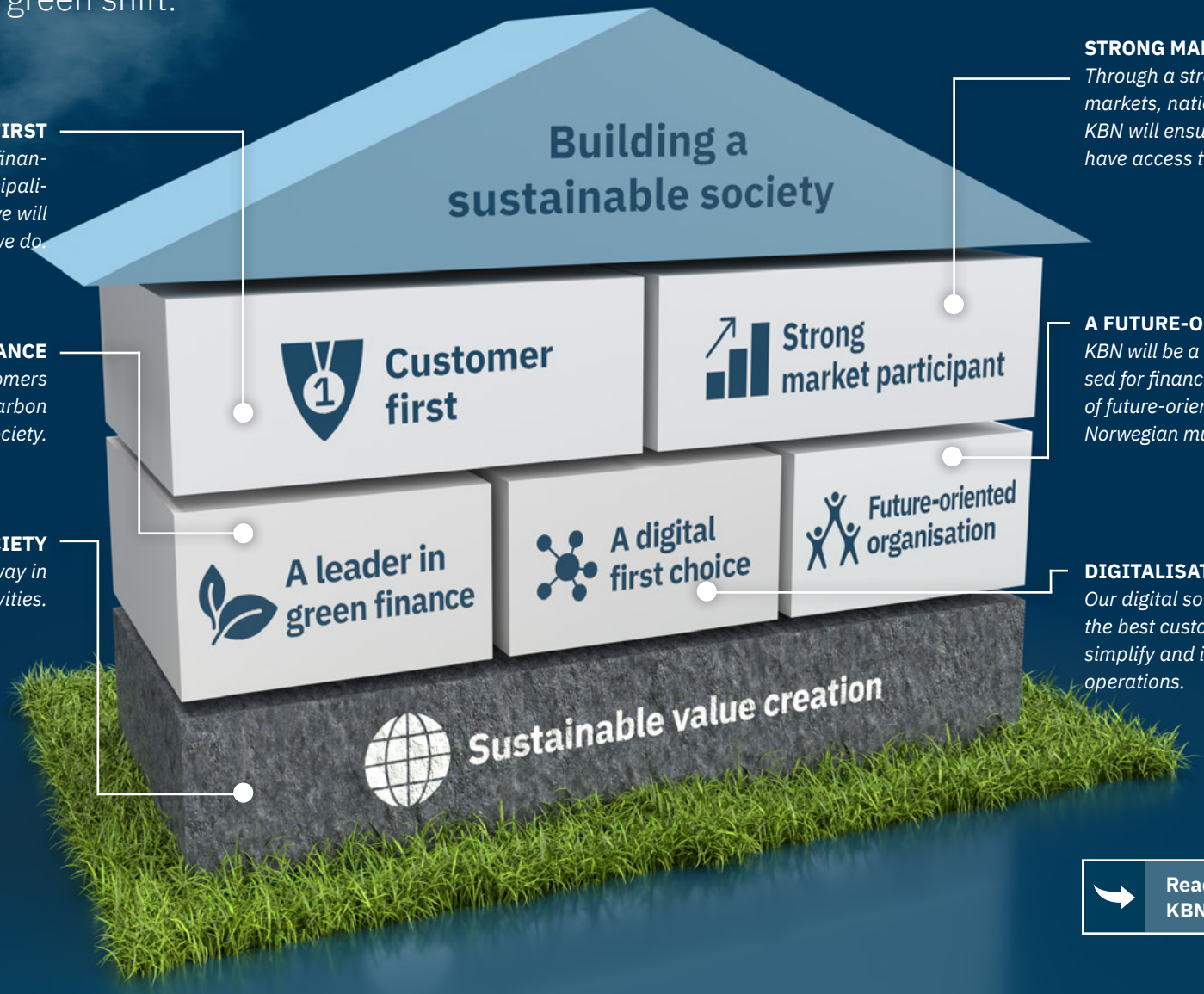
KBN strategy

We provide financing on attractive terms, and we seek to promote sustainable local communities and contributing to the green shift.

THE CUSTOMER FIRST
KBN will be the most important financing partner for Norwegian municipalities and county authorities, and we will put customers first in everything we do.

LEADER IN GREEN FINANCE
KBN will help ensure its customers succeed in transitioning to a low-carbon society.

BUILDING A SUSTAINABLE SOCIETY
Sustainability will permeate the way in which we carry out our activities.



STRONG MARKET PARTICIPANT
Through a strong position in the capital markets, nationally and internationally, KBN will ensure Norwegian municipalities have access to efficient financing.

A FUTURE-ORIENTED ORGANISATION
KBN will be a knowledge business recognised for financing and the development of future-oriented financing solutions for Norwegian municipalities.

DIGITALISATION
Our digital solutions will give customers the best customer experioence and help simplify and improve the quality of KBN's operations.

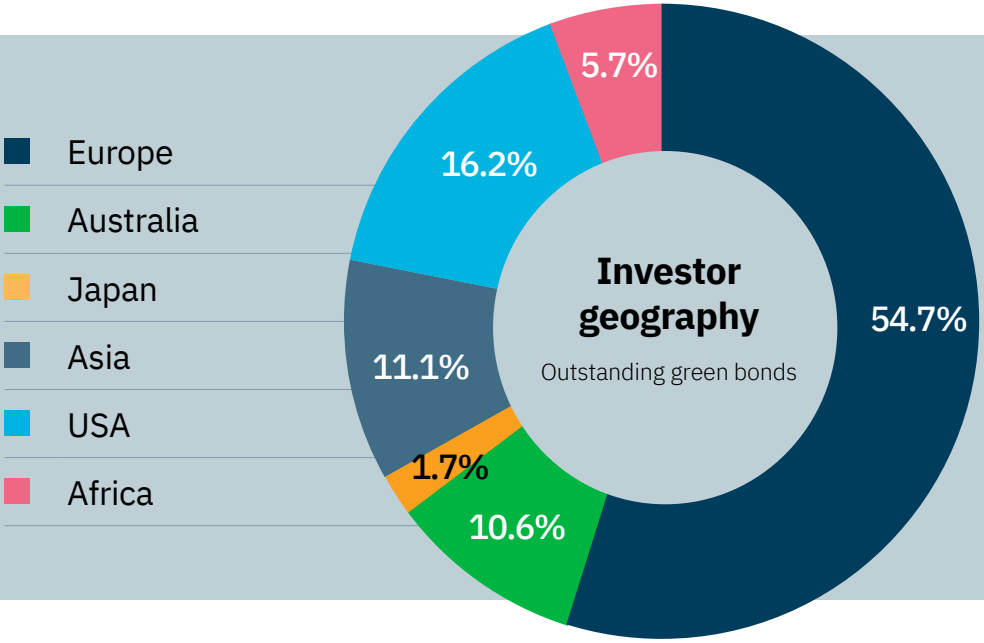
Read the whole strategy on KBN.COM/EN/STRATEGY

Green Bonds

KBN is the Norwegian bond issuer with the longest history of listed green bonds and is also among the most active Norwegian issuers of such bonds. As of today we have five bonds in four different currencies outstanding, totalling NOK 15.98 billion in green bonds.

16 bn. NOK | GREEN BONDS

4.0 % Share of total bonds outstanding



CICERO Dark Green

CICERO DARK GREEN SHADING

Green loans are awarded to projects that contribute to reducing greenhouse gas emissions, energy efficiency and/or climate change adaptation. Eligibility criteria for green loans are set out in KBN's Criteria Document for Green Loans. Green loans can be offered on all loan products with a maturity longer than three years. On long-term loans with instalments, the rate is interest discounted by 10 bsp.

Outstanding green bonds

Date	Amount	Maturity	Coupon	ISIN
02/22/2015	USD 1 billion[1]	02/22/2025	2.125%	XS1188118100 US50048MBX74
11/29/2017	NOK 750 million	11/29/2027	2.200%	NO0010811276
11/29/2017	NOK 600 million	11/29/2032	2.000%	NO0010811284
09/05/2018	AUD 450 million	09/05/2023	2.700%	AU3CB0256162
08/28/2019	SEK 3 billion	08/28/2026	0.125%	XS2047497289

KBN's inaugural green bond issuance, a three-year bond of USD 500 million issued in 2013, expired in 2016. In addition, a four-year bond of USD 500 million matured in 2020.

[1] Originally USD 500 million, USD 100 million tap in 2019 and USD 400 million tap in 2020.

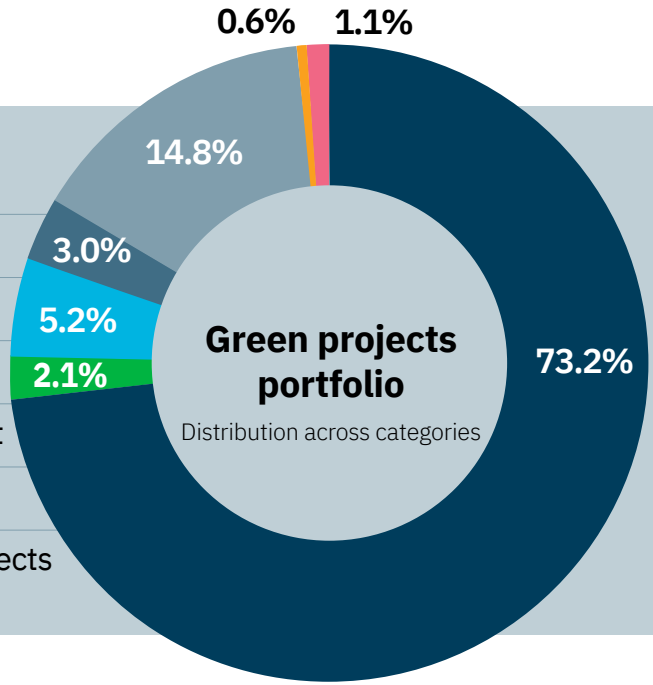
Green loans

We offer discounted green loans to climate- and environmentally friendly investments in the Norwegian municipal sector. The green loans are financed with green bonds. 2020 is the ten year anniversary of KBN's green loans.

26 bn. NOK | GREEN LOANS[1]

8.2% Share of total lending[2]

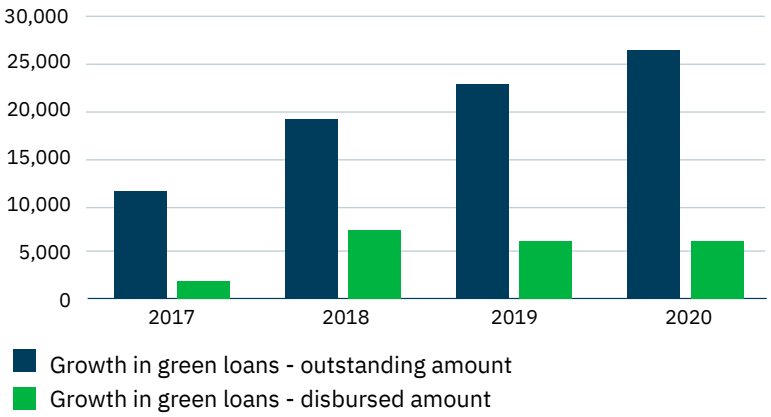
- Buildings
- Renewable energy
- Transportation
- Waste and circular economy
- Water and wastewater management
- Climate change adapation
- Land use and area development projects



KBN'S GREEN LOANS

Green loans are awarded to projects that contribute to reducing greenhouse gas emissions, energy efficiency and/or climate change adaptation. Green loans can be offered on all loan products with a maturity longer than three years. On long-term loans with installments, the rate is interest discounted by 10 bsp. In order to receive a green loan, the project must qualify according to KBN's Criteria Document for green loans.

GROWTH IN GREEN LOANS
in 1,000 NOK



Download KBN's Criteria Document for green loans at kbn.com

[1] Share of total lending which qualifies for green loans according to KBNs Criteria Document for green loans and is eligible for Green Bond financing. In addition KBN has a small amount of green loans outstanding which were granted prior to the establishment of the Criteria Document. These are no longer financed with green bonds. The total amount of KBN green loans outstanding as of 31.12.2020 is 28,5 billion NOK, equivalent to 9 percent of total lending.

[2] Share of total lending which qualifies for green loans according to KBNs Criteria Document for green loans and is eligible for Green Bond financing. The total amount of KBN green loans outstanding as of 31.12.2020 is 28,5 billion NOK, equivalent to 9 percent of total lending.

Looking back

On the occation of the 10th anniversary of KBN's green finance programme, we take a look back on the past ten years.

2010

Discounted green loans launched as a tool to help finance climate measures undertaken by municipalities and county authorities

First funding specifically for green projects raised in the Japanese retail market

2013

KBN releases its first use of proceeds-report of the funds raised by its green bonds

The first version of KBN's Green Bond Framework is published

KBN's Green Bond Framework receives a third-party review by CICERO

2015

KBN becomes a member of the ICMA's Green Bond Principles

2016

KBN's first impact report is published

Detailed eligibility criteria for green loans are published

KBN is involved in setting up the Nordic Public Sector Issuers' (NPSI) Position Paper on Green Bonds Impact Reporting initiative

KBN's Green Bond Framework is updated

The Framework is rated 'Dark Green', the best possible rating, following a third-party review by CICERO

2017

KBN and the other Nordic Public Sector Issuers launch their Position Paper on Green Bonds Impact Reporting

KBN is elected to the Executive Committee of the ICMA's Green Bond Principles (GBP)

A Green Expert Committee is appointed to advise KBN on its criteria for green loans

KBN issues its first NOK-denominated green bond

2018

KBN enters into collaborations with the CICERO Center for International Climate Research to develop knowledge on climate risk and with the Norwegian Climate Foundation to share this knowledge with the local government sector

"Be a leader in green finance" is incorporated into KBN's strategy as a primary objective

KBN enters into partnership with the Norwegian Association of Local and Regional Authorities (KS) and the Zero Emission Resource Organisation (ZERO) on awarding the "Local Climate Measure of the Year" award.

KBN's green bond portfolio exceeds NOK 15 billion

2019

The Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting is updated

KBN is re-elected to the Executive Committee of the Green Bond Principles (GBP) and becomes a co-coordinator of the GBP's Impact Reporting Working Group

KBN launches a web-based climate risk tool with data at the municipality level

KBN's green bond portfolio exceeds NOK 20 billion

2020

KBN updates its Criteria Document for Green Loans

KBN's 2018 Impact Report wins the "Impact Report of the Year" award at Environmental Finance's 2020 Bond Awards

KBN's climate risk tool is expanded and relaunched

KBN's green bond portfolio exceeds NOK 25 billion

KBN's work with climate risk

Climate change and climate and environmental policy will both influence municipal financing in the coming decades. Read more about how KBN approaches climate risks.

KBN is exposed to direct climate risk through its own activities to a limited extent. The Norwegian Local Government Act states at Section 29-1 that municipalities and county authorities cannot be declared insolvent, and consequently KBN's exposure to default risk is very low. KBN is indirectly exposed due to the climate risk that the local government sector faces. Different types of climate risk may impact municipalities' financial situation and therefore their ability and willingness to invest in new projects, as well as ultimately their capacity to service their existing liabilities.

The local government sector faces physical risks, such as surface runoff, floods, landslides, rising sea levels etc, which damage or destroy property, liability risk, which is the risk of being held liable for losses suffered by others as a result of climate change, and the transition risk associated with the transition to a low-carbon society, which can impact municipalities as a result of changes to political and regulatory framework conditions, developments in technology and changes to consumer behaviour.

In February 2020 the Norwegian Government announced a stricter climate goal for 2030, which requires Norway to cut its greenhouse gas emissions by 2030 by at least 50% compared with 1990 levels. The local government sector will have to contribute to this objective. Local government sector projects undertaken today have an expected economic life of up to 40 years and will therefore still be in place when society has to face a less hospitable climate and probably far stricter requirements in terms of greenhouse gas emissions and resource usage. On this basis, KBN has been clear that climate risk should be an important part of the evaluation criteria that the local government sector applies when making investment decisions.

KBN is of the view that its efforts to share its expertise in climate risk are an important part of its social function and an important aspect of its strategic work on sustainable value creation in the local government sector. KBN therefore launched a climate risk tool for the local government sector in 2019. The tool is based on specialist content from the CICERO Center for International Climate Research, as well as on data from third-party sources such as the Norwegian Centre for Climate Services, the Norwegian Environment Agency and Statistics Norway, and has been an important step in KBN's work to put climate risk on the agenda at KBN's customers. The climate risk tool was updated in 2020 with a new design and new functionality. Additional functionality will be added in 2021.

CICERO has produced for KBN a set of climate scenarios for Norwegian municipalities. The set comprises three scenarios that describe possible social trends and the associated level of climate change for the period between now and 2100. KBN's 2020 annual report and its TCFD report contain a description of the scenarios and their significance to KBN. KBN has started work on producing a climate-risk-related data set at the municipal level with the aim of developing a model for producing a score for each municipality. KBN will continue this work in 2021. In 2020 KBN initiated work to develop a sustainable and responsible investment strategy for its liquidity portfolio, which it will finalise in 2021.

Read more about KBN's work with climate risk in the Annual Report 2020

Governance

Green Bond Framework

KBN's Green Bond Framework is the governance document for KBN's green bond program. It defines at the overall level the type of projects and project categories that can qualify for a green loan. It also describes KBN's procedures and processes for granting, evaluating and reporting on its green loans, which are the basis for its green bonds, as well as how the funds raised are managed. KBN's framework is aligned with the Green Bond Principles. KBN's current framework is dated 2016 and was rated 'Dark Green', the best possible rating, following a third-party review by CICERO. The framework is subject to an update in 2021.

The Green Bond Principles

°CICERO Dark Green

KBN's Criteria Document for Green Loans

The Green Bond Framework is supplemented by KBN's Criteria Document for Green Loans. The Criteria Document defines the thresholds that have to be met for given types of investment 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, including the relevant thresholds. For some categories, such as energy efficient new buildings, there are specific thresholds – e.g. a new building must use 20% less energy than the limit stipulated in the applicable building regulations (TEK) – and the customer must demonstrate this. For other project categories, such as climate change adaptation, it is sufficient to demonstrate that the measure is needed.

The Criteria Document is revised each year in consultation with KBN's Green Expert Committee, an external body that consists of specialists from relevant sectors. More information on this can be found on the next page. In addition, we have good relationships and are in regular dialogue with the organisations that are equivalent to KBN in Sweden, Finland and Denmark, and this helps harmonise practices and how the rules are interpreted at every stage of the loan process – from application to reporting – throughout the Nordic region.

Download KBN's Criteria Document for green loans at kbn.com

KBN's Green Bond Framework to be updated in 2021

In 2021 we will update our Green Bond Framework. Its main points will not change, but we will be taking steps to ensure that the document is in line with developments in the market and other advances of both a technological and regulatory nature. For example, the new framework will link the Green Bond Framework to a greater extent to KBN's overall strategy of building sustainable communities.

The updated Framework will come into effect during 2021.

2020 update: New version of KBN's Criteria Document in table format

A new version of KBN's Criteria Document was released on 1 January 2020 following a major update. The new version is set out in table format, which makes it even easier to see which projects qualify for a green loan from KBN. The revision process was carried out in consultation with KBN's Green Expert Committee.

Green Expert Committee

KBN has formed a committee comprising important individuals from climate research, the local government sector, environmental organisations and the Norwegian state's administration.

The purpose of the Green Expert Committee is to provide advice to guide the continuing development of KBN's Criteria Document for Green Loans in order to ensure that the criteria are up-to-date and relevant. KBN seeks to update the criteria regularly on the basis of technological progress and advances in terms of what is expected of the local government sector's climate and environment work. The Committee meets twice a year to discuss developments and to provide advice on changes to KBN's Criteria Document for Green Loans on the basis of its specialist insight and independent judgement.

MEMBERS

(As of 31 December 2020)

Kjetil Bjørklund
Climate Specialist, The Norwegian Association of Local and Regional Authorities (KS)

Tor Brekke
Energy Performance Certification Scheme Manager, buildings, Enova

Elisabeth Kolrud
Environmental advisor, construction, Asker Municipality

Jenny Skagestad
Avisor on Transport and Cities in ZERO

Sølve Sondsbø
Head of green growth department, climate and energy in Vestland County Council

Kirvil Stoltenberg
Section for Adaption and Local Measures, The Norwegian Environment Agency

Kia Kriens Haavi
Secretary to the Committee, Head of Green Loans in KBN

Lars Strøm Prestvik
Chief Lending Officer in KBN

Tor Ole Steinsland
Chief Communications Officer in KBN

Processes

ROLES

KBN employs four climate and green finance advisers. The advisers can act both as climate advisers and climate controllers, but for each individual application process it is clearly defined what role the individual has. We aspire to make these assessments independently of each other, but in some cases, a discussion is needed to determine whether the applications satisfy the Criteria document. This is particularly relevant for projects that are new, innovative and/or unfamiliar in the market, or in cases where there are no clearly defined thresholds but where qualification rather is based on an overall assessment.

Customer submits application

1 Customer submits application

The customer submits the application form and documentation.

2 The application is assessed by KBN

The customer's relationship manager at KBN makes an initial assessment of whether the project is in line with KBN's Criteria document for green loans.

Subsequently, an internal climate advisor prepares a written recommendation where impact, documentation and any uncertainty is described.

If the project is considered as qualified, the recommendation is forwarded to a climate controller for quality control. If the climate controller also considers the decision to be well-founded and verifiable, the application is approved.

Registration and verification of environmental impact

3 The climate adviser registers the information

New loans and the project's associated impact is registered in a separate database for environmental impact reporting (the impact database). The impact database is updated at least quarterly.

4 Verification of data

The environmental impact of new projects is verified quarterly by a climate adviser. This verification consists of controlling that the data we have registered matches the information submitted by the customer.

Download Criteria Document at kbn.com

Impact reporting

5 Green project list

The green project list is a digital overview of projects financed with green loans. The overview shows outstanding loan amount as well as avoided and reduced greenhouse gas emissions. The project list is updated regularly.

6 Annual impact reporting

The environmental impact report presents projects with outstanding green loans and is published at alongside the annual report. The environmental impact data is reviewed before publication. The report is subject to approval by KBNs Chief Capital Markets Officer.

See all the green projects in Impact report 2020 (Excel) at kbn.com

Key reporting principles

KBN base our impact reporting on GBPs Handbook – Harmonized Framework and Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting.

AN EARLY MOVER

In 2016 KBN published its first impact report. Since then, we have taken an active role in developing standards and best practices within environmental impact reporting for green bonds. We were active in establishing the Nordic Public Sector Issuers group in 2016, whose technical working group we still chair. Starting from 2019 we have also been co-coordinating the GBP Impact Reporting Working Group, which is responsible for the Handbook - Harmonized Framework.

- Our reports include information at the project level, category level and portfolio level.
- The impact we report relates to the proportion of the project we financed. If, for example, we provided half the financing for a project, we report half of the project's environmental impact.
- All investments we finance with green bonds form part of a combined green portfolio. The table on page 3 shows what proportion of this portfolio each of KBN's green bond issues has financed.
- We report the expected impact of projects (ex ante), but we may in future report actual impacts (ex post).
- Our reporting is limited to emissions and emissions reductions that fall under Scopes 1 and 2, i.e. direct greenhouse gas emissions and indirect greenhouse gas emissions from the production of energy, as defined in the Greenhouse Gas Protocol.
- Electricity consumption is converted to greenhouse gas emissions using an emissions factor for the continental EU + Norway. This factor was selected because of a desire for a common factor to be applied to all the Nordic countries, the electricity networks of which are closely connected with the rest of Europe. The factor for 2020 was 315 grams of CO_2e per kilowatt hour, in line with the Position Paper.
- We report which of the UN's Sustainable Development Goals and which of the EU's six environmental objectives the various project categories help to achieve.
- Starting from 2020, we also report to what extent we consider the projects in the green lending portfolio to be compliant with the EU Taxonomy for sustainable economic activities.

Calculation methods

Category	Direct quantifiable results	Greenhouse gas emissions reduced/avoided	Conversion factor	Baseline
Buildings	kWh avoided, kWh produced per year, estimate	Avoided	1 kWh = 0.315 kg CO2e	Reference building constructed in accordance with the applicable building regulations (currently TEK17) Energy demand prior to renovation
Renewable energy	kWh produced per year, estimate	Avoided Reduced	1 kWh = 0.315 kg CO2e	n/a
Transportation	Reduction in CO2e, CO2e avoided per year, estimate	Avoided Reduced	Electric cars: 0.2 kWh/km Alternative: new diesel car, 0.126 kg CO2e/km (the Norwegian Agency for Public and Financial Management's impact calculator)	Alternative, conventional type of vehicle (e.g. new diesel car instead of electric car)
Waste and circular economy	Increase in capacity, tonnes	Avoided	n/a	Situation before improvement
Water and wastewater management	Increase in capacity, population equivalents	n/a	n/a	Situation before improvement
Land use and area development projects	Area of the project	n/a	n/a	Situation before improvement
Climate change adaptation	n/a	n/a	n/a	Situation before improvement

GUIDING DOCUMENTS

KBN's impact reporting takes into account the guidelines provided in the following documents:

- Nordic Public Sector Issuers Position Paper on Green Bond Impact Reporting
- The ICMA Handbook on Green Bond Impact Reporting
- Report on EU Green Bond Standard av EU Technical Expert Group on Sustainable Finance

Quality inspecion of impact data 2020
In 2020 a quarterly quality inspection of the impact associated with new projects has been performed. The quality inspection has been performed by KBN's head of green lending. The inspection has i.e. consisted of controlling that the reported information about the project corresponds with the information submitted by the borrower. Some minor errors have been discovered throughout the year, such as the wrong values for area heated, but this has been corrected and re-checked. We therefore believe that there are no major uncertainties associated with the use of the impact data beyond the general recommendation to interpret the report with caution.

We only calculate quantifiable environmental impact
Many projects will have a positive environmental impact for which no tangible environmental impact data is provided in this report. This may be because the impact cannot be measured, and/or because there is no sufficient basis for comparison. A natural consequence of this is that the total impact that we report is probably somewhat smaller than the actual impact.

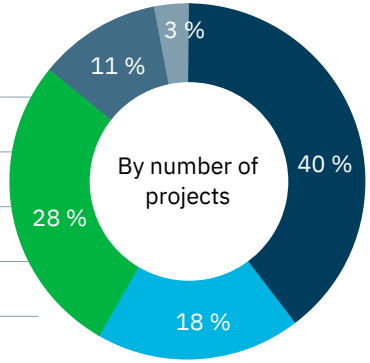
Refinancing and the age of green projects

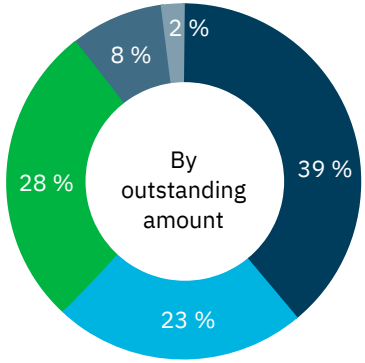
There are multiple definitions of refinancing - the table shows how the portfolio measures against some of these. The chart shows the portfolio broken down by the physical age of the projects.

The purpose of KBN's green loans is financing new green projects, and as a general rule green loans are not awarded to projects that were completed more than twelve months prior to the application date. When existing green loans mature these can be refinanced within the economic lifetime of the project, but the projects will be reassessed against the latest Criteria Document for green loans.

PROJECTS BY COMPLETION

- 2020 or future date
- 2019
- 2017-2018
- 2016-2014
- 2013 or earlier





Source	Definition	KBN share of financing
EU Green Bond Standard	Share of financing (allocated amount to projects financed after bond issuance)	100 %
	Share of refinancing (allocated amount to projects financed before bond issuance)[1]	0 %
Nordic Position Paper	Share of total outstanding loans granted during the reporting year	26 %
	Share of total outstanding loans granted prior to the reporting year	74 %

[1] *As described in KBNs Green Bond Framework, bonds are as a general rule issued after a certain amount of green loans has been accumulated and added into the portfolio, so that investors can be assured that the funds raised by green bonds always are disbursed to green projects.*

KBN's green projects assessed against the EU Taxonomy

KBN has for the first time screened all the projects in its existing green portfolio against the technical screening criteria in the EU Taxonomy for sustainable economic activities.

The EU's taxonomy for sustainable economic activities is part of the EU's Sustainable Finance Action Plan, a prioritized policy area for the EU Commission. The purpose of the EU's taxonomy is to define which criteria and thresholds an economic activity needs to meet to be considered sustainable. The ambition is to in a larger degree direct capital flows in the direction of sustainable activities. The taxonomy is also an important input in other elements of the EU's Sustainable Finance Action Plan and other policies - particularly the proposed EU Green Bond Standard.

According to the taxonomy an activity must make a substantial contribution to one of the EU's six environmental objectives without negatively impacting any of the five other environmental objectives in order for it to be considered sustainable. The taxonomy sets out both technical screening criteria (TSC) that define the threshold for an activity to make a "substantial contribution" to an environmental objective and "do no significant harm" (DNSH) criteria that are intended to ensure that activities do not do significant harm to any of the other environmental objectives. The taxonomy also lays out requirements towards "minimum social safeguards", intended to encourage more due diligence assessments in relation to human rights and responsible social and corporate governance are performed.

KBN has assessed each of its 83 criteria for green loans against the technical screening criteria in the taxonomy so that we could then assess the share of our portfolio which either fully or in part are in line with the criteria in the taxonomy. KBN conducted this review on a best-effort basis based on the information available. A summary of the results of this exercise can be found in the table on page 39, and the full comparison between KBN's criteria for green loans and the taxonomy's technical screening criteria can be downloaded from our website in spreadsheet format.

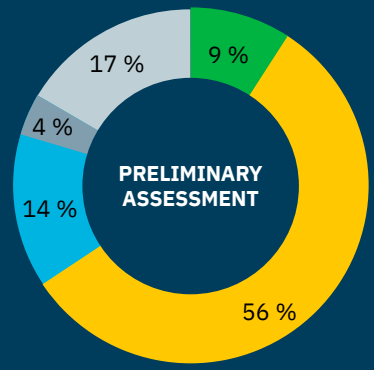
KBN's mapping reveals that its criteria for green loans to a reasonably large extent correspond with the taxonomy's technical screening criteria, but also reveals that KBN in some instances apply other thresholds. In many cases this stems from the Norwegian context in which KBN operates. Often the taxonomy refers to existing EU standards and legislation within the respective technical areas concerned. Norway being an EEA, not EU, country hence complicated KBN's mapping as there is some delay in Norway's implementation of several key pieces of EU legislation.

In addition, KBN's green bonds finance a range of activities that are not yet covered by the taxonomy but that may well be added in the future. This applies to 24 of KBN's criteria (which are included in the 'could not be assessed' count).

It should be noted that the taxonomy has not yet been adopted in its final form and that KBN's review is based on the technical criteria as presented in the draft taxonomy dated November 20201. KBN's mapping should therefore be regarded as preliminary as much may yet change.

Throughout 2020, the Nordic Public Sector Issuers behind the Position Paper on Green Bonds Impact Reporting has also cooperated on analyzing the proposed EU Green Bond Standard and the EU Taxonomy. The analysis on the following pages is however performed by KBN alone.

See assessment of Taxonomy compliance by category from page 39.



[1] *Annexes I and II to the draft commission delegated regulation supplementing the Taxonomy Regulation, dated 20 November 2020.*

Project categories

Overview of project categories eligible for KBN's green loan financing. For full criteria in all categories, please consult KBN's Criteria Document for green loans.

Buildings

Climate-smart and/or energy efficient buildings that are adapted to future changes in the climate.

Subcategories	1.1 Measures for existing building stock 1.2 New buildings 1.3 Other
SDGs	7.3 and 12.2
The EU Environmental Objectives	1 and 2

Renewable energy

Facilitating the use of renewable energy sources.

Subcategories	2.1 Renewable energy production 2.2 Energy storage 2.3 Energy infrastructure 2.4 Other
SDGs	7.2
The EU Environmental Objectives	1

Transportation

Transport solutions with minimal or zero emissions.

Subcategories	3.1 Cycling and walking 3.2 Land transport 3.3 Maritime transport 3.4 Heavy machinery 3.5 Infrastructure 3.6 Other
SDGs	9.1, 9.4, 11.2 og 11.6
The EU Environmental Objectives	1 and 5

Waste and circular economy

Measures that help minimize waste, increase reuse, recycling and improve energy recovery.

Subcategories	4.1 Waste prevention and reuse 4.2 Waste collection, processing and treatment 4.3 Other
SDGs	11.6, 12.4 and 12.5
The EU Environmental Objectives	1, 4 and 5

UN Sustainable Development Goals

The EU Environmental Objectives

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy, waste prevention and recycling
5. Pollution prevention and control
6. Protection of healthy ecosystems

Water and wastewater management

Water and wastewater investments with a climate and environmental profile.

Subcategories	5.1 Surface runoff management financed by water charges 5.2 Small scale energy production measures 5.3 Climate-friendly processing facilities 5.4 Climate-friendly construction projects 5.5 Other
SDGs	6.1, 6.3, 6.4 and 14.1
The EU Environmental Objectives	1, 2, 3 and 5

Land use and area development projeects

Projects contributing to safe, inclusive and sustainable areas and healthy ecosystems.

Subcategories	6.1 Anti-pollution measures 6.2 Area development and land usage 6.3 Other
SDGs	11.3, 11.7, 14.2 and 15.1
The EU Environmental Objectives	1, 2 and 6

Climate change adaptation

Measures making local communities better equipped to withstand current and future climate change and reduce physical climate risk.

Subcategories	7.1 Surface runoff management 7.2 Climate change adaptation 7.3 Emergency preparedness 7.4 Other
SDGs	3.d, 11.5 and 13.1
The EU Environmental Objectives	2

DISCLAIMER

The information contained in this report has been obtained from KBN's customers. The data has been reviewed by KBN but has not been verified by us or a third party. The calculations of environmental impact have been carried out by KBN. We do our best to quality-assure the information contained in this report. However, we ask that investors and other stakeholders take a cautious approach when interpreting this report, as there is significant uncertainty associated with calculations of this type.

At present we do not report climate risk at the project level, but we are paying more and more attention to the question. Read more about KBN's approach to climate risk on page 11.

Key impact data

The impact we report on this page is the annual effect from all the projects in the green portfolio - both new and older. Starting this year, only new projects are included in the project list. By new projects we mean projects to which the first disbursement has been made in 2020. The environmental impact from the new projects will thus not equal the amounts in this table. You can find a complete overview of all projects and their associated environmental impact on KBN's website.

Project categories	New green projects in 2020	Green loan outstanding (in 1000 NOK)	Energy produced (MWh/annually)	Corresponds to avoided GHG (tonnes CO2e annually)	Project specific categories	
Buildings	19	19,125,937	6,393	13,356	Estimated energy savings (MWh/annually):	36,006
Renewable energy	1	52, 568	110,214	34,718	Installed effect, estimated (MWh):	4,186
Transportation	11	1,460,057	n/a	1,764	Number of electric cars:	144
Waste and circular economy	2	799,512	147	220	Increased capacity (tonnes):	131,593
Water and wastewater management	11	3,874,045	n/a	n/a	Increased capacity (population equivalents):	457,741
Land use and area development projects	1	186,100	n/a	n/a	Included area (m^2):	426,300
Climate change adaptation	3	145,004	n/a	n/a	-	
Total	**48**	**26,112,224**	**116,774**	**50,058**		

Get a complete overview of the green projects in Impact report 2020 (Excel) or Green project list at kbn.com.

We report our impact data to the blockchain-based platform Green Asset Wallet on an annual basis.

NEW PROJECTS IN 2020

Buildings

NEW GREEN PROJECTS IN 2020: **19**

TOTAL NUMBER OF GREEN PROJECTS: **125**

See all the green projects in Impact Data 2020 (Excel) at kbn.com.

Customer	Project name	Project period	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact: KBN share		
										Energy pro-duced (kWh/ annually)	Energy avoided (kWh/annually)	Corresponds to avoided GHG (tonnes CO2e annually)
Trondheim municipality	Huseby elementary and lower secondary school	2019-2020	1.2.1 New low-energy buildings	The school, which will have space for approximately 1,150 pupils, has been built using durable, climate-friendly materials. It is estimated that the school's greenhouse gas emissions will be 60-70% lower relative to a reference building. The project also includes a retention basin, a rain garden and solar panels.	500,000	500,000	585,000	85%	13,737	88,625	439,114	166
Stjørdal municipality	New Hegra elementary school	2019-2020	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	The 231-pupil school is built out of cross-laminated timber and low-carbon concrete (class B). The building's energy demand is 27% lower than the requirement in the TEK17 building works regulations. The building also uses solar panels to produce energy.	142,100	140,324	150,600	93%	4,500	66,930	126,208	61
Evenes municipality	New Evenes school	2019-2021	1.2.2 New buildings with climate-friendly materials	The load-bearing structure is primarily made out of mass timber sections and glulam beams/columns. The mass timber is made from FSC-certified timber. In addition, a ground source heating system and geothermal wells will be installed.	124,310	124,310	279,679	44%	4,632	n/a	13,922	4
Surnadal municipality	Surnadal elementary and lower secondary school	2020-2021	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	The school is being built to a significant extent in mass timber, and is dimensioned to be energy efficient. Its energy demand will be approximately 23% lower than required by the regulations. In addition, energy will be produced by the building's solar panels.	75,500	75,500	215,000	35%	4,022	9,130	35,027	14

Building cont.

Customer	Project name	Project period	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact: KBN share		
										Energy pro-duced (kWh/ annually)	Energy avoided (kWh/annually)	Corresponds to avoided GHG (tonnes CO2e annually)
Nordre Follo municipality	Bregnefaret sheltered housing units	2019-2020	1.2.1 New low-energy buildings	Building constructed with timber frame modules and class B low-carbon concrete, and complies with the Passive-House standard. The construction site is fossil-fuel free, and the building will be heated using bedrock heating.	46,875	46,289	68,750	67%	1,013	n/a	34,716	11
Nordre Follo municipality	Mork facility	2019-2020	1.2.2 New buildings with climate-friendly materials	Extension and shared areas for existing sheltered housing units. The extension is built in mass timber and designed in accordance with the Passive-House standard.	21,250	20,984	37,500	56%	314	n/a	2,882	1
Frøya municipality	Frøya health and care centre	2020-2021	1.2.2 New buildings with climate-friendly materials	A communal living and health centre will be built, with the communal living building constructed exclusively in mass timber. Low-carbon concrete and recycled steel will also be used in the construction. In addition, the aim is to build a zero-energy building.	296,500	120,000	390,000	31%	7,513	144,615	131,766	87
Oslo municipality	New Munch museum	2016-2020	1.2.1 New low-energy buildings	The new museum is an ambitious project and is part of the City of Oslo's urban development project in Bjørvika. The museum has been designed to meet the requirement to be a FutureBuilt project, i.e. its greenhouse gas emissions must be at least 50% lower than required by current standards.	2,000,000	2,000,000	2,590,000	77%	22,081	n/a	988 ,56	312
Bergen municipality	Sandsli residential and activity centre	2017-2020	1.2.1 New low-energy buildings	A centre with 120 nursing home places and 30 sheltered housing units. The building is being built in accordance with the passive-house standard and its heating will be based on district heating.	350,000	350,000	788,100	44%	17,600	n/a	329,846	104
Narvik municipality	New Narvik elementary school and sports hall	2019-2020	1.2.1 New low-energy buildings	The school is dimensioned for 600 pupils and is built to be energy efficient. The main building is being built to the Passive House standard, and the buildings have on average a 22.5% lower energy demand than the requirement in the regulations.	135,000	135,000	485,600	28%	11,693	n/a	93,133	29
Bergen municipality	Holen school	2019-2021	1.1.3 Renovation of existing building stock in conjunction with a new extension building	Holen is a combined elementary and lower secondary school dimensioned for 650 pupils. The school is being created as a nearly zero energy building (NZEB), is BREEAM-Nor certified as Excellent, and is being built with a fossil-free construction site. The building's energy supply is based on electricity.	250,000	250,000	608,000	41%	9,433	193,873	182,687	119

Buildings cont.

Customer	Project name	Project period	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact: KBN share		
										Energy produced (kWh/annually)	Energy avoided (kWh/annually)	Corresponds to avoided GHG (tonnes CO2e annually)
Færder municipality	Labakken school and multi-use sports hall	2018-2020	1.2.1 New low-energy buildings	An elementary school with three parallel forms that is designed with clear energy and environmental targets. Solar panels are installed on the roof and the building is energy-plus certified. In addition, the building site is required to be fossil-free.	200,000	200,000	359,347	56%	9,366	n/a	215,715	68
Bærum municipality	Rud swimming pool[1]	2019-2021	1.3 Other	With the ambition of being BREEAM-NOR certified as 'Very good' (with the option to be Excellent), Rud swimming pool may become the first BREEAM-certified pool in Norway. The swimming pool is an ambitious project that has a range of high-quality measures such as on-site energy production, water recovery and the requirement for the construction site to be fossil-free.	240,000	240,000	461,000	52%	7,112	n/a	95,156	30
Hå municipality	Skjeraberget respite care home	2020-2021	1.2.1 New low-energy buildings	Energy efficient respite care home with space for six children/young people and a training apartment.	10,000	10,000	37,500	27%	728	n/a	8,367	3
Verdal municipality	New Vinne and Ness school	2020-2021	1.2.5 Buildings with locally produced energy	The ambition is for the school to qualify as a FutureBuilt zero-energy building that meets the requirement for delivered energy consumption not to exceed approximately 35 kWh/m2 annually. Solar panels will also be installed on the building, and geothermal wells will be used.	130,000	130,000	207,000	63%	5,628	n/a	91,190	48
Solund municipality	Solund lower secondary school and library	2021-2022	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	Modern and functional building that is energy efficient and built from mass timber. The library will play a key role in the building and will serve as both a school library and a public library.	50,513	29,413	68,750	43%	1,492	n/a	19,213	6
Glør AS	New service building	2020-2021	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	The service building is being constructed from mass timber and is designed to be very energy efficient. Calculations indicate that it will deliver a total reduction in emissions of around 45% relative to a reference building.	45,000	25,000	68,750	36%	1,665	n/a	214,228	4
Drammen municipality	New Brandengen school and multi-use sports hall	2020-2021	1.2.2 New buildings with climate-friendly materials	School for 550 pupils constructed in mass timber clad in brick to match surrounding architecture.	50 000	50 000	258 000	19%	2 627	n/a	611	n/a
Volda Campus Arena AS	Geothermal wells and heat pumps for Volda Campus	2019-2020	1.2.5 Buildings with locally produced energy	The energy produced is based on local renewable energy sources and will be used to heat Volda Campus.	5 000	5 000	5 000	100%	n/a	455 056	n/a	143

[1] *For swimming pool complexes there is no separate category or associated energy consumption limit in the building regulations (TEK), and we therefore only report the environmental impact for ancillary buildings at swimming pool complexes, as well as for any energy that is produced.*

NEW PROJECTS IN 2020
Renewable energy

NEW GREEN PROJECTS IN 2020: **5**

TOTAL NUMBER OF GREEN PROJECTS: **1**

See all the green projects in Impact Data 2020 (Excel) at kbn.com.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Estimated impact: KBN share		
									Installed capacity (kW)	Energy produced (kWh/annually)	Corresponds to avoided GHG (tonnes CO_2e annually)
Sandnessjøen Fjernvarme-anlegg AS	Installation of heat pumps	2020	2.3.2 District heating/cooling	The new heat pumps are more energy-efficient and renewable energy is now expected to account for approaching 100% of energy use.	5,000	4,875	6,250	78%	n/a	5,850,000	1,843

NEW PROJECTS IN 2020
Transportation

NEW GREEN PROJECTS IN 2020: **11**

TOTAL NUMBER OF GREEN PROJECTS: **38**

See all the green projects in Impact Data 2020 (Excel) at kbn.com.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Estimated impact: KBN share
									Estimated reduction in emissions (tonnes of CO2e/year)
Karmsund Havn IKS	Installation of four shore-side power containers	2018-2019	3.5.5 Shore-side power supplies and charging	Installation of four shore-side power containers across three different locations: HSO Killingøy, HCP Garpeskjær and Bøvågen in Karmøy. The investment will help make it possible to provide shore-side power to a range of ships.	2,299	2,242	11,399	20%	n/a
Karmsund Havn IKS	Procurement of electric van for port guard	2020	3.2.1 Zero-emission vehicles	The port guard's office is on Husøy in Karmøy municipality, but the guard serves the entire Haugesund region and the six owner municipalities, namely Haugesund, Karmøy, Sveio, Bokn, Tysvær and Bømlo. The estimated emissions saving is 5,662 kg of CO2 per year.	300	292	341	86%	5
Karmsund Havn IKS	Automated main entry gate solution on Husøy	2019-2020	3.6 Other	The automated main gate is part of work to streamline the collection/delivery of goods at the Husøy terminal. The solution will roughly halve the time vehicles currently have to spend, and the environmental gain associated with reducing the time vehicles spend idling is significant.	1,760	1,716	17,500	10%	7
Karmsund Havn IKS	Procurement of an electric truck	2020	3.5.6 Other port infrastructure	The electric truck replaces a diesel truck, and the annual reduction in greenhouse gas emissions is estimated to be 12,720 kg of CO2.	730	712	730	97%	12

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan out-standing (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Estimated impact: KBN share Estimated reduction in emissions (tonnes of CO2e/year)
Karmsund Havn IKS	Installation of shore-side power at a lay up site in Fosen	2020	3.5.5 Shore-side power supplies and charging	Installation of shore-side power at a ship lay up site in Fosen. A 2MW system is planned.	4,800	4,680	17,500	27%	1,182
Karmsund Havn IKS	Common environmental reporting system for cruise ships	2019-2020	3.6 Other	A collaboration project involving 14 ports that seeks to put in place a common reporting system for cruise ships. The Environmental Port Index (EPI) quantifies and reports the ships' environmental impact when in port.	182	177	7,000	3%	n/a
Karmsund Havn IKS	LED lights on Husøy	2019-2019	3.6 Other	Choosing LEDs brings a range of benefits, including the fact that they consume 80% less energy than the old incandescent bulbs. The measure is part of a broader plan to make the port more environmentally friendly.	7,500	7,312	7,500	97%	n/a
Karmsund Havn IKS	LED lights on Killingøy	2019-2019	3.6 Other	Choosing LEDs brings a range of benefits, including the fact that they consume 80% less energy than the old incandescent bulbs. The measure is part of a broader plan to make the port more environmentally friendly.	2,834	2,764	3,285	84%	n/a
Gildeskål municipality	Charing stations for electric cars	2020	3.2.1 Zero-emission vehicles	Installation of 12 new electric car charging points. Four points are outside Gildeskål's municipal administration building and eight points outside Gildeskål's residential and service centre.	1,000	975	1,250	78%	n/a
Asker municipality	FutureBike - bike strategy	2020-2023	3.1.2 Facilitating walking and cycling	A range of measures to facilitate cycling in the municipality. The measures address everything from infrastructure to hiring out electric bicycles. The investment is part of the "FutureBike" project, which is a joint political declaration of intent made by municipalities in the surrounding area.	9,000	9,000	70,000	13%	n/a
Vardø municipality	Procurement of seven electric cars	2020-2021	3.2.1 Zero-emission vehicles	The cars replace diesel/petrol cars. The estimated mileage for each car per year is 2000 km.	1,200	1,200	2,500	48%	n/a

NEW PROJECTS IN 2020

Waste and circular economy

NEW GREEN PROJECTS IN 2020: **2**

TOTAL NUMBER OF GREEN PROJECTS: **32**

See all the green projects in Impact Data 2020 (Excel) at kbn.com.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Estimated impact: KBN share	
									Total capacity (tonnes/year)	Increased capacity (tonnes)
Østfold Avfallssortering IKS	New residual waste sorting plant	2019-2021	4.2.3 New facilities for sorting waste	A new residual waste sorting plant will be built for household waste from more than 310,000 residents. The plant will help increase the material recovery rate from approximately 30% today to over 50%.	66,523	66,144	155,000	43%	n/a	n/a
Longyearbyen Community Council	New recycling centre	2022-2023	4.2.1 Collection measures that increase waste sorting at source	The recycling centre will receive waste from Longyearbyen and prepare it for transportation to the mainland for further processing. There will also be a separate area for items than can be re-used. The centre will help increase the sorting and recycling rate.	362,101	3,599	362,101	1%	646	646

NEW PROJECTS IN 2020

Water and wastewater management

NEW GREEN PROJECTS IN 2020: **11**

TOTAL NUMBER OF GREEN PROJECTS: **52**

See all the green projects in Impact Data 2020 (Excel) at kbn.com.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan out-standing (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Estimated impact: KBN share
									Increased capacity (PE[1])
Midtre Romerike avløpsselskap - MIRAS IKS	Lime treatment of sludge, Orsa facility	2020	5.5 Other	The investment will help to lower emissions significantly by reducing the need for transportation. It is also an essential step in connection with biogas production, due to commence in 2025.	20,000	20,000	25,000	80%	n/a
Nesodden municipality	Conversion of Buhrestua treatment facility	2020	5.3.6 c) New energy efficient waste water treatment facilities	Building an underwater pipeline to transfer wastewater from Buhrestua in Nesodden municipality to VEAS' facility in Asker. The investment also involves the construction of underground pipelines and the lengthening of overflow pipes. The aim of the project is for the wastewater that is currently treated at Buhrestua treatment facility to be transferred to a more efficient treatment facility.	56,000	55,243	76,000	73%	n/a

Water and wastewater management cont.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan out-standing (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Estimated impact: KBN share
									Increased capacity (PE[1])
Nesodden municipality	Alværn pumping station	2020-2021	5.3.2 c) Measures at existing wastewater facilities	The project involves converting Nesodden's largest municipal treatment facility into a large and efficient pumping station for wastewater. The measures will help reduce heavy vehicle traffic and surface runoff problems and will improve water quality in the area. In addition, the re-use of existing materials/structures is being emphasised.	5,000	4,932	25,000	20%	197
Nesodden municipality	Water and wastewater facility in Solbergskogen	2020-2021	5.3.6 c) New energy efficient waste water treatment facilities	New municipal facility for water and wastewater with a pressurised sewer system. This solution has been chosen to minimise the impact on, and damage to, nature. The aim of the investment is to achieve zero pollution from wastewater, as well as to provide access to high-quality drinking water.	12,000	11,838	16,000	74%	n/a
Asker og Bærum Vannverk IKS	New Kattås water treatment facility	2020-2025	5.3.5 b) New energy efficient water processing facilities	New coagulation and filtration facility to treat raw water from Holsfjorden. The coagulation process will use iron chloride as the precipitant and a corrosion control solution based on marble. This has a significantly smaller environmental footprint than the alternative of using aluminium sulphate and a corrosion control solution based on hydrated lime. The plant will not produce any discharge to a recipient water body and includes approximately 4.5 km of wastewater piping.	300,000	55,000	960,000	6%	11,458
Narvik municipality	Pipe network improvement measures, 2020-2023	2020-2030	5.1.1 Separating wastewater and surface runoff	The municipality's joint pipeline for wastewater (industrial/ domestic wastewater and surface runoff) is being replaced, and as part of the same process the water main will be replaced. The investment involves approximately 1.4 miles of pipeline for water, surface runoff, and industrial/domestic wastewater.	59,225	59,225	613,000	10%	n/a
Bærum municipality	Separating the wastewater network	2020-2024	5.1.1 Separating wastewater and surface runoff	Continuing separation of the old joint system for wastewater into a modern separate system with separate pipes for industrial/domestic wastewater and surface runoff management with an open and/or closed solution. The rate of installation of new pipework is 2,500 metres per year.	70,000	70,000	325,000	22%	n/a
Hå municipality	Upgrading works in Dysjalandsvegen, Toppavegen and Bratland	2019-2020	5.1.1 Separating wastewater and surface runoff	The measures being implemented are because the current surface runoff system does not have sufficient capacity and is in a poor condition. Artificial swales are also being created along the existing routes. Requires approximately 2,250 metres of new pipeline.	5,400	5,400	36,000	15%	n/a

[1] *PE=Population equivalents is an expression that describes the load and capacity of water and wastewater supply*

Water and wastewater management cont.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan out-standing (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Estimated impact: KBN share
									Increased capacity (PE[1])
Hå municipality	Torggata flood protection measures	2021-2022	5.1.1 Separating wastewater and surface runoff	Upgrading pipelines as a flood protection measure. The pipelines are dimensioned to cope with a once-in-200-year rainfall event plus a climate change factor of 25%. Approximately 500 metres of pipeline.	2,000	2,000	35,000	6%	n/a
Ringerike municipality	Åsa-Monserud transfer pipelines	2014-2020	5.3.2 a) Measures at existing wastewater facilities	Transferring wastewater from Åsa to Monserud treatment facility, and replacing a number of small sewage treatment plants that are not connected to the sewage network. The municipality's calculations indicate an energy saving totalling 81%.	86,700	86,700	95,000	91%	n/a
Sel municipality	New mains supply at Ola Dahls gate and Selsvegen	2019-2021	5.1.1 Separating wastewater and surface runoff	The new supply is being installed in connection with the new water treatment facility in Thoøya in Otta. A new wastewater pipeline is being installed along the same stretch, as is an improved, climate-adapted network for surface runoff and better drains and sluices. 204 metres of water connection, 367 metres for wastewater and 1,000 metres for surface runoff.	30,000	30,000	45,000	67%	n/a

NEW PROJECTS IN 2020

Land use and area development projects

NEW GREEN PROJECTS IN 2020: **1**

TOTAL NUMBER OF GREEN PROJECTS: **5**

See all the green projects in Impact Data 2020 (Excel) at kbn.com.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan out-standing (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)	Totalt areal (m2)
Nordre Follo municipality	Ski square	2019-2020	6.2.1 Sustainable area development	The current parking spaces in the public square in Ski will be converted into a meeting place in a public urban space. A playground, an ice skating area and a parkour facility will be built. The square will also process surface runoff and flood water. This is a good measure for the urban environment that both reduces traffic in the centre and contributes to the management of surface runoff.	25,000	24,688	50,000	49%	4,300

NEW PROJECTS

Climate change adaptation

NEW GREEN PROJECTS IN 2020: **3**

TOTAL NUMBER OF GREEN PROJECTS: **10**

See all the green projects in Impact Data 2020 (Excel) at kbn.com.

Customer	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan out-standing (1000 NOK)	Total cost (1000 NOK)	KBN share of financing (%)
Beiarn municipality	Improving Ågleinåga waterworks	2021-2023	7.2.2 Infrastructure relocation	Relocating the main waterworks as a preventative measure against climate-related damage. The project includes new water holding pools in Vold and Stordjord, the construction of an 8km transfer connection, new groundwater wells in Tollåkilda and a new water treatment facility at Tollåkilda.	16,067	16,066	47,587	34%
Hå municipality	Flood measures in Vigrestrand	2018-2021	7.2.1 Protection against natural disasters	This is the second stage in the work to protect the exposed Vigrestrand area from flooding. The aim is to prevent the major destruction caused by the once-in-200-year flood in 2014 from reoccurring.	33,600	33,600	82,000	41%
Oppdal municipality	Vestre waterway	2019-2021	7.1.1 Surface runoff management	Constructing intercepting waterways west of the centre to prevent the risk of flooding in the developed area.	2,450	2,450	5,400	45%

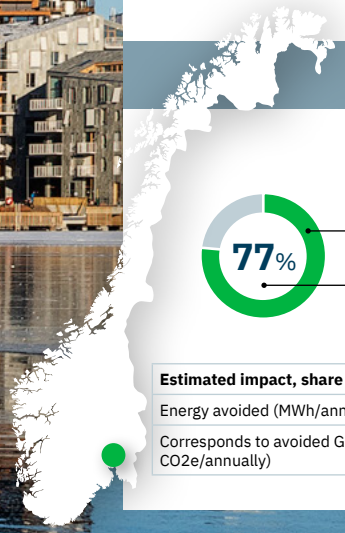
CASE

Built for the future

BUILDINGS

With elevators that store their own energy, a grass roof and a cooling system based on seawater, the new Munch Museum has become a futuristic home for some of Norway's artistic treasures in the centre of Oslo.

Read more about the project on next page.



New Munch museum, Oslo municiality

2,6 TOTAL COST (NOK BN.)

2 GREEN LOAN OUTSTANDING (NOK BN.)

77% KBN share of financing

Project period: 2016-2021

Estimated impact, share financed with green loan	
Energy avoided (MWh/annually):	**989**
Corresponds to avoided GHG (tonnes of CO2e/annually)	**312**

Photo: Jo Straube

CASE

MUNCH MUSEUM

Built for the future

With elevators that store their own energy, a grass roof and a cooling system based on seawater, the new Munch Museum has become a futuristic home for some of Norway's artistic treasures in the centre of Oslo.

BY ANNE HÅSKOLL-HAUGEN

In central Oslo, in an entirely new district that is shooting up along the waterfront, a new building that has already become a landmark is to be found stretching towards the clouds. And, behind the glass and aluminium, the public will soon be allowed to explore the building's heights and to experience both Edvard Munch's world-renowned art and the views the building affords of Norway's capital. The architects' desire was that the public would raise their eyes to contemplate not only Munch's art but also Norway's growing capital city.

The result of the architects' vision is a 60m-tall vertical museum that has a façade clad in translucent, perforated aluminium panels and a defining 'bend' to its top section. The architects describe the 'bend' as the building 'bowing respectfully towards the city' – which is the city in which Munch grew up.

However, the art museum is much more than a new home for the artistic treasures produced by Munch; the museum has also been built for the future.

The elevators store their own energy, the building has a grass roof and the air in the exhibition spaces is recycled to reduce energy consumption. The façade has also been designed so it offers protection from the sun, thus reducing the need to cool the building during the summer. And the system used to cool the building is based on seawater. Turning to the materials used for the building, ambitious requirements were set for the proportion of recycled steel and aluminium that had to be used, while the concrete was produced using a modern production technique that generates less greenhouse gas emissions.

Furthermore, the building has been sited right by a public transport hub and does not have any parking spaces. In this way the City of Oslo ensures that the building will actually be used in a more environmentally friendly way. It will be a museum that visitors reach either by bike, on foot or by public transport.

"The aim was to reduce the building's greenhouse gas emissions by more than 50%, and we managed to achieve this", explains Karianne Tvedt from Advansia, who was responsible for the environmental dimension of the building's project management.

– Think about the climate right from the start

–"Building an environmentally friendly building is a question of starting early. You need to set clear requirements right from the start of the planning phase, and environmental considerations need to be an integral part of the entire process. This approach also often saves money. If you only start to focus on environmental considerations once your project is underway, you will often have to make expensive changes", explains Karianne Tvedt.

She thinks that this approach was an important reason for their success in achieving the climate objectives for the Munch Museum.

"Nature is the infinite realm from which art takes its nourishment", as Edvard Munch himself wrote.

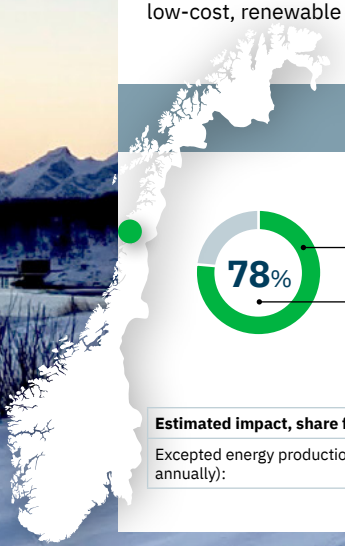
CASE

Innovative system that uses seawater as a source of energy

RENEWABLE ENERGY

Sandnessjøen Fjernvarmeanlegg AS (SFV) is using sea water as a source of energy for its heat pump system. SFV's district heating system uses energy from the sea to heat everything from a hospital to private homes. Seawater is collected at a depth of 60 metres where the temperature of the water ranges from 4° to 12° over the course of a year. The energy is distributed via heated water that maintains a temperature of between 58° and 65°, depending on the outside temperature. This heated water is pumped to subscribers via a separate system of pipes that totals 3.5 km in length.

The solution chosen by SFV helps Sandnessjøen's residents to heat their homes using low-cost, renewable energy.



Fjernvarmeanlegg AS, Installation of heat pumps

6,3 TOTAL COST (NOK MN.)

4,9 GREEN LOAN OUTSTANDING (NOK MN.)

78% KBN share of financing

Project period: 2020

Estimated impact, share financed with green loan	
Excepted energy production (GWh/ annually):	**5.85**

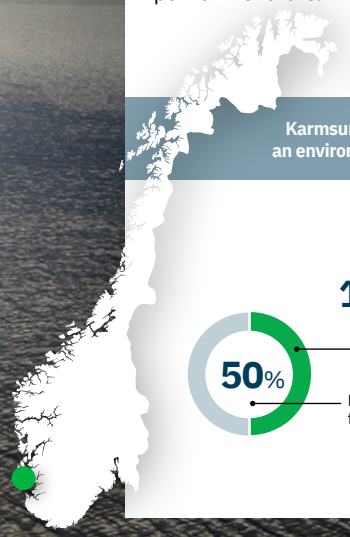
Photo: Illustration, Miriam Bugge Anderssen

CASE

A showcase for the port of the future

TRANSPORTATION

In autumn 2016 Karmsund Port Authority's 'Intelliport' concept was born: the Port Authority decided it would spend over NOK 1 billion on becoming Norway's largest and most environmentally friendly freight port. The objective is to be virtually climate neutral by 2030. The port will also be expanded by the equivalent of 22 football pitches, and this will help it to become the largest in Norway. Karmsund Port Authority has implemented a range of ambitious measures over the last four years. KBN has financed nine of these, which range from installing Norway's largest mobile harbour crane, which is also electric, to installing a shore-side power supply and procuring electric cars and trucks. These measures will help to turn the port into a showcase for the port of the future.



Karmsund Havn IKS, nine projects for an environmentally friendly freight port

105,8 TOTAL COST (NOK MN.)

53,5 GREEN LOAN OUTSTANDING (NOK MN.)

50% KBN share of financing

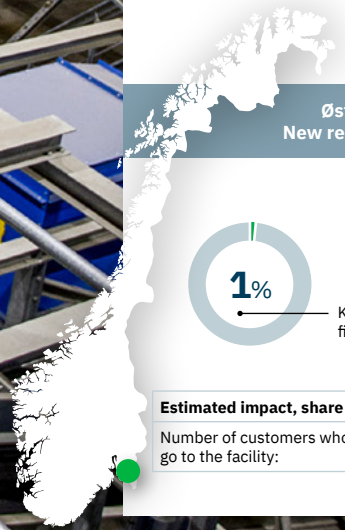
Photo: Øyvind Sætre

CASE

Collaborating to increase recycling

WASTE AND CIRCULAR ECONOMY

The EU has adopted requirements which stipulate that over time an increasing proportion of household waste will have to be recycled, with 55% of household waste having to be recycled by 2025 and 65% by 2035. The average across 12 municipalities in the Østfold region is currently 30%. These municipalities have chosen to work together in order to meet the new requirements, and in 2020 they set up an intermunicipal company, Østfold Avfallssortering IKS (ØAS). ØAS will plan, construct and operate an automatic waste sorting plant for residual waste from households. The plant will help the municipalities meet the EU's target of 65% of waste being recycled, and the plan is for the plant to enter operation and to start receiving waste from over 310,000 residents in the first six months of 2024.



Østfold Avfallssortering IKS, New residual waste sorting plant

362 TOTAL COST (NOK MN.)

36 GREEN LOAN OUTSTANDING (NOK MN.)

1% KBN share of financing

Project period: 2020-2023

Estimated impact, share financed with green loan	
Number of customers whose waste will go to the facility:	**310,000**

Photo: Illustration/ROAF

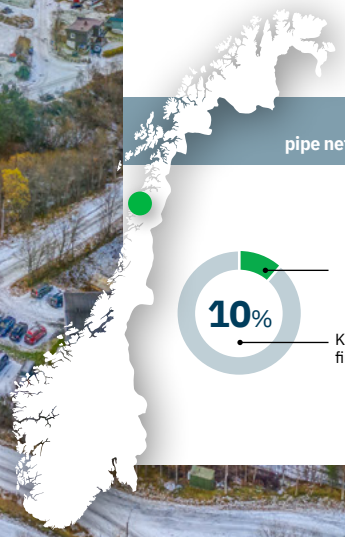
CASE

Protecting against surface runoff problems

WATER AND WASTEWATER MANAGEMENT MANAGEMENT

The incidence of extreme precipitation events in Norway is expected to increase in the years ahead, and one consequence of this will be an increase in surface runoff.

Narvik municipality is planning a range of measures to address the problem of surface runoff. The municipality is already struggling with surface runoff diluting domestic and industrial wastewater, which makes it more challenging to process. They are solving this by replacing the old pipe network that carries industrial/domestic wastewater and surface runoff with two separate pipe networks. By removing surface runoff from the wastewater network, the municipality will avoid having to pump clean surface runoff unnecessarily, and will free up capacity for its wastewater network.



Narvik municipality, pipe network improvement measures

613 TOTAL COST (NOK MN.)

59.2 GREEN LOAN OUTSTANDING (NOK MN.)

10% KBN share of financing

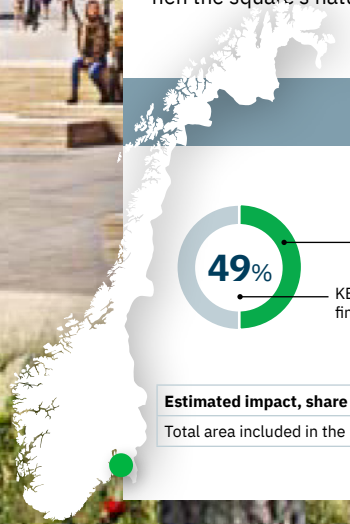
Project period: 2021

CASE

Parking area transformed into a verdant meeting place

LAND USE AND AREA PROJECTS

A square in central Ski will be transformed from a parking area into a centrally located public space – a place for people to meet that will enrich city life. With a range of different specially designed features, the project is intended to give life to the centre for people of all ages and to create a place where residents can meet up during the day or in the evening in both summer and winter. The project is also intended to resolve issues around increases in precipitation levels thanks to the square's specially designed solutions for taking away both flood water and surface runoff. These solutions will include gullies, a larger water reservoir and planted areas that can store water. Fruit trees and insect-friendly plants will strengthen the square's natural diversity.



Nordre Follo municipality, Ski Square

50 TOTAL COST (NOK MN.)

24.7 GREEN LOAN OUTSTANDING (NOK MN.)

49% KBN share of financing

Project period: 2019-2020

Estimated impact, share financed with green loan	
Total area included in the project (m²):	**426,300**

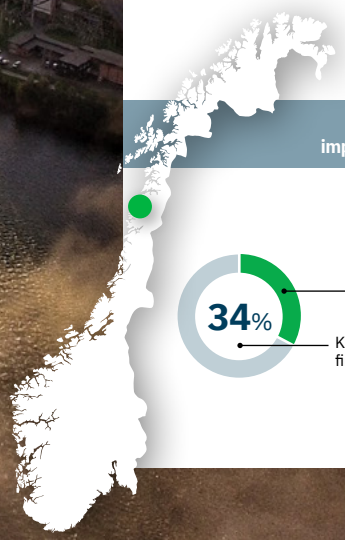
CASE

Extreme weather urges the municipality to move its main waterworks

CLIMATE CHANGE ADAPTATION

Ågleinåga is currently the main waterworks in Beiarn municipality and supplies the central areas of Moldjord and Storjord. The source of its water is, however, exposed to avalanches and landslides. On two occasions landslides have led to the reservoirs becoming filled up with debris, structures being damaged, and the plant being put out of operation. Due to the increasing frequency of short-duration precipitation events and milder winters, coupled with the fact that the source of the water is partially fed by glaciers, the waterworks will become even more vulnerable going forward.

Beiarn municipality therefore decided to move its main waterworks to its other facility at Tollå, which has high water quality and capacity, and is protected against pollution.



Beiarn municipality, improving Ågleinågå waterworks

47.6 TOTAL COST (NOK MN.)

16 GREEN LOAN OUTSTANDING (NOK MN.)

KBN share of financing

Project period: 2021

Illustration: Vemund Hagen

EU TAXONOMY
Buildings

MAPPING AGAINST THE EU TAXONOMY

The following pages summarize KBN's preliminary mapping of its Green Project Portfolio against the technical screening criteria in the EU Taxonomy. Complete mapping in spreadsheet format may be downloaded from kbn.com.

Subcategory in KBN's Criteria Document	Project type in KBN's Criteria Document	Correpsonding Taxonomy activity	Preliminary alignment assessment	Number of projects (Total)	Outstanding volume of green loans (in 1000 NOK)
1.1 Measures for existing building stock	1.1.1 Individual energy efficiency measures	7.3 Installation, maintenance and repair of energy efficiency equipment	Likely aligned	12	134,016
	1.1.2 Major renovation projects				
	a) Energy efficiency increased by 30%	7.2 Renovation of existing buildings	Likely aligned	1	175,000
	b) Climate friendly materials	n/a	Currently not covered	0	0
	c) Certification schemes			0	0
	d) On-site renewable energy production			0	0
	1.1.3 Renovation of existing building stock in conjunction combined with a new extension building	n/a	Projects assessed individually	2	750,000
	1.1.4 Adapting existing buildings to climate change	7.2. Renovation of existing buildings (Climate Change Adaptation criteria)	Could not be assessed	0	
	1.1.5 Renewable energy in buildings	7.6 Installation, maintenance and repair of renewable energy technologies	Aligned	3	9,293
	1.1.6 Energy storage in buildings	7.6 Installation, maintenance and repair of renewable energy technologies	Aligned	0	0
	1.1.7 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of building renovation	n/a	Projects assessed individually	0	0
1.2 New buildings	1.2.1 New low-energy buildings	7.1 Construction of new buildings	Likely aligned	72	14,161,430
	1.2.2 New buildings with climate-friendly materials	n/a	Currently not covered	16	1,314,202
	1.2.3 New buildings designed for reuse	n/a	Currently not covered	0	0
	1.2.4 Green certificated building	7.1 Construction of new buildings	Likely not aligned	0	0
	1.2.5 Buildings with locally produced energy	n/a	Could not be assessed	0	0
	1.2.6 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of buildings	n/a	Projects assessed individually	0	0
1.3 Other		n/a	Projects assessed individually	19	2,573,996

See complete list of projects and associated impact in spreadsheet format at kbn.com

EU TAXONOMY

Renewable energy

Subcategory in KBN's Criteria Document	Project type in KBN's Criteria Document	Correpsonding Taxonomy activity	Preliminary alignment assessment	Number of projects (Total)	Outstanding volume of green loans (in 1000 NOK)
2.1 Renewable energy production	2.1.1 Renewable energy production				
	a) Plant for biogas production	4.8 Electricity generation from bioenergy	Could not be assessed	2	506,043
		4.13 Manufacture of biogas and biofuels for use in transport			
	b) Geo-thermal production system (geothermal wells)	4.22 Production of heat/cool from geothermal energy	Likely aligned*	0	0
		4.18 Cogeneration of heat/cool and power from geothermal energy			
	c) Solar energy	4.1 Electricity generation using solar photovoltaic technology	Aligned	0	0
		4.2 Electricity generation using concentrated solar power (CSP) technology			
		4.17 Cogeneration of heat/cool and power from solar energy			
		4.21 Production of heat/cool from solar thermal heating			
	d) Bio-based heating	4.24 Production of heat/cool from bioenergy	Could not be assessed	1	2,567
		4.20 Cogeneration of heat/cool and power from bioenergy			
	e) Other renewable energy production	n/a	Projects assessed individually	0	0
	2.2.1 Energy storage in connection with production plants;				
2.2 Energy storage	a) Electric energy storage, i.a. in batteries	4.10 Storage of electricity	Aligned	0	0
	b) Thermal energy storage	4.11 Storage of thermal energy		0	0
	c) Energy storage in hydrogen	4.12 Storage of hydrogen		0	0
2.3 Energy infrastructure	2.3.1 Network capacity	4.9 Transmission and distribution of electricity	Aligned	0	0
	2.3.2 District heating/cooling	4.15 District heating/cooling distribution	Likely aligned	2	12,959
2.4 Other		n/a	Projects assessed individually	0	0

See complete list of projects and associated impact in spreadsheet format at kbn.com

EU TAXONOMY

Transportation

Subcategory in KBN's Criteria Document	Project type in KBN's Criteria Document	Correpsonding Taxonomy activity	Preliminary alignment assessment	Number of projects (Total)	Outstanding volume of green loans (in 1000 NOK)
3.1 Cycling and walking	3.1.1 Bicycles	6.4 Operation of personal mobility devices	Aligned	1	1,293
	3.1.2 Facilitating walking and cycling	6.15 Infrastructure enabling low-carbon road transport	Aligned	7	162,962
3.2 Land transport	3.2.1 Zero-emission vehicles	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Aligned	8	63,539
		6.3 Urban, suburban and road passenger transport			
		6.6 Freight transport services by road			
	3.2.2 Equipment for rail-based public transport	6.3 Urban, suburban and road passenger transport	Aligned	0	0
	3.2.3 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of vehicles	n/a	Projects assessed individually		
3.3 Maritime transport	3.3.1 Zero-emission maritime transport	6.7 Inland passenger water transport	Aligned	1	51,500
3.4 Heavy machinery	3.4.1 Zero-emission heavy machinery	n/a	Currently not covered	0	0
	3.4.2 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of heavy machinery	n/a	Projects assessed individually	0	0
3.5 Infrastructure	3.5.1 Charging points for vehicles	6.15 Infrastructure enabling low-carbon road transport	Aligned	4	1,780
	3.5.2 Filling stations for green hydrogen and biogas	6.15 Infrastructure enabling low-carbon road transport	Aligned	1	8,130
	3.5.3 Operating equipment for public transport	6.15 Infrastructure enabling low-carbon road transport	Aligned	1	1,060,000
	3.5.4 Trackway and other infrastructure	6.15 Infrastructure enabling low-carbon road transport	Aligned	0	0
	3.5.5 Shore-side power supplies and charging	6.16 Infrastructure for water transport	Aligned	5	18,242
	3.5.6 Other port infrastructure	6.16 Infrastructure for water transport	Aligned	2	34,307
	3.5.7 Infrastructure for zero-emission heavy machinery	6.15 Infrastructure enabling low-carbon road transport	Likely aligned	8	58,305
3.6 Other		n/a	Projects assessed individually	0	0

See complete list of projects and associated impact in spreadsheet format at kbn.com

EU TAXONOMY

Waste and circular economy

Subcategory in KBN's Criteria Document	Project type in KBN's Criteria Document	Correpsonding Taxonomy activity	Preliminary alignment assessment	Number of projects (Total)	Outstanding volume of green loans (in 1000 NOK)
4.1 Waste prevention and reuse	4.1.1 Measures that contribute to waste prevention or greater reuse	n/a	Currently not covered	0	0
4.2 Waste collection, processing and treatment	4.2.1 Collection measures that increase waste sorting at source	5.5 Collection and transport of non-hazardous waste in source segregated fractions	Aligned	16	312,740
	4.2.2 More efficient waste collection	5.5 Collection and transport of non-hazardous waste in source segregated fractions	Aligned	6	28,187
	4.2.3 New facilities for sorting waste	5.9 Material recovery from non-hazardous waste	Could not be assessed	4	337,743
	4.2.4 New facilities for waste treatment	5.9 Material recovery from non-hazardous waste	Could not be assessed	1	45,916
	4.2.5 Sludge treatment for biogas production (bio-waste)	5.7 Anaerobic digestion of bio-waste	Likely aligned	1	48,729
	4.2.6 Measures at existing facilities	5.9 Material recovery from non-hazardous waste	Could not be assessed	0	0
	4.2.7 Measures at existing landfill sites	5.10 Landfill gas capture and utilisation	Likely aligned	1	843
	4.2.8 Carbon capture and storage (CCS) from waste incineration	n/a	Currently not covered	0	0
4.3 Other		n/a	Projects assessed individually	3	33,354

See complete list of projects and associated impact in spreadsheet format at kbn.com

EU TAXONOMY

Water and wastewater management

Subcategory in KBN's Criteria Document	Project type in KBN's Criteria Document	Correpsonding Taxonomy activity	Preliminary alignment assessment	Number of projects (Total)	Outstanding volume of green loans (in 1000 NOK)
5.1 Surface runoff management financed by water charges	5.1.1 Separating wastewater and surface runoff	n/a	Currently not covered	10	324,372
5.2 Small scale energy production measures	5.2.1 Heat recovery	4.25 Production of heat/cool using waste heat	Aligned	0	0
	5.2.2 Energy recovery	7.6 Installation, maintenance and repair of renewable energy technologies	Aligned	0	0
5.3 Climate-friendly processing facilities	5.3.1 Measures at existing water facilities				
	a) Increase in energy efficiency of at least 20%	5.2 Renewal of water collection, treatment and supply systems	Likely aligned	0	0
	b) Climate change adaptation of existing facilities	5.2 (Climate Change Adaptation Criteria)	Could not be assessed	0	0
	c) Reduces the use of chemicals or the negative impact on the local environment	n/a	Currently not covered	1	506,740
	5.3.2 Measures at existing wastewater facilities				
	a) Increase in energy efficiency of at least 20%	5.4 Renewal of waste water collection and treatment	Likely aligned	1	86,700
	b) Climate change adaptation of existing facilities	5.2 (Climate Change Adaptation Criteria)	Could not be assessed	0	0
	c) Reduces the use of chemicals or reduces local pollution	n/a	Currently not covered	5	263,832
	5.3.3 Phosphorous recovery	n/a	Currently not covered	0	0
	5.3.4 Sludge treatment for biogas production (wastewater)	5.6 Anaerobic digestion of sewage sludge	Aligned	2	644,785
	5.3.5 New energy efficient water processing facilities				
	a) Increase in energy efficiency of at least 20% compared to pre-situation or a likely alternative solution	"5.1 Construction, extension and operation of water collection, treatment and supply systems"	Could not be assessed	0	0
	b) Facility constructed as a response to a climate change adaptation need	5.2 (Climate Change Adaptation Criteria)	Could not be assessed	0	0
	c) Reduces the use of chemicals or the negative impact on the local environment	n/a	Currently not covered	7	556,164
	5.3.6 New energy efficient waste water treatment facilities				
	a) Increase in energy efficiency of at least 20% compared to pre-situation or a likely alternative solution	5.3 Construction, extension and operation of waste water collection and treatment	Likely not aligned	0	0
	b) Facility constructed as a response to a climate change adaptation need	5.2 (Climate Change Adaptation Criteria)	Could not be assessed	5	144 921
	c) Reduces the use of chemicals or the negative impact on the local environment	n/a	Currently not covered	5	392 935

5.4 Climate-friendly construction projects	5.4.1 Fossil-fuel-free or zero-emission excavation works/ construction sites	n/a	Currently not covered	0	0
	5.4.2 No-dig projects	n/a	Currently not covered	0	0
5.5 Other	Other		Projects assessed individually	16	953,596

EU TAXONOMY

Land use and area development projects

Subcategory in KBN's Criteria Document	Project type in KBN's Criteria Document	Correpsonding Taxonomy activity	Preliminary alignment assessment	Number of projects (Total)	Outstanding volume of green loans (in 1000 NOK)
6.1 Anti-pollution measures	6.1.1 Measures against pollution on land	n/a	Currently not covered	1	4,750
	6.1.2 Measures against water pollution (ports, seas, rivers, watercourses etc.)	n/a	Currently not covered	2	46,663
6.2 Area development and land usage	6.2.1 Sustainable area development	n/a	Currently not covered	2	134,688
	6.2.2 Nature restoration	n/a	Currently not covered	0	0
6.3 Other		n/a	Projects assessed individually	0	0

See complete list of projects and associated impact in spreadsheet format at kbn.com

EU TAXONOMY

Climate change adaptation

Subcategory in KBN's Criteria Document	Project type in KBN's Criteria Document	Correpsonding Taxonomy activity	Preliminary alignment assessment	Number of projects (Total)	Outstanding volume of green loans (in 1000 NOK)
7.1 Surface runoff management	7.1.1 Surface runoff management	n/a	Currently not covered	3	74,247
7.2 Climate change adaptation	7.2.1 Protection against natural disasters	n/a	Currently not covered	4	40,467
	7.2.2 Infrastructure relocation	n/a	Currently not covered	1	16,066
	7.2.3 Other climate change adaptation measures	n/a	Currently not covered	1	1,934
7.3 Emergency preparedness	7.3.1 Warning systems and emergency preparedness	n/a	Currently not covered	0	0
7.4 Other		n/a	Projects assessed individually	1	12,291

See complete list of projects and associated impact in spreadsheet format at kbn.com

Internal Auditor's report

Deloitte.

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INTERNAL AUDITOR'S REPORT

Introduction:
In line with Kommunalbankens internal framework for Green Bonds (the framework), "Green Bond Framework", we have performed an internal audit project related to the processes established in connection with the framework.

Responsibilities of Kommunalbankens management:
Kommunalbankens management is responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained in the Green Bond Framework (available at https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/kbn-green-bond-framework.pdf) as well as calculation principles that the Company has developed. This responsibility also includes the internal control relevant for the granting of loans, management and preparation of the Reporting.

Procedures performed:
We have carried out an internal audit project of Kommunalbankens guidelines and procedures against the framework and tested compliance with this, specifically in the areas
(i) evaluation and selection,
(ii) management and
(iii) Reporting

The purpose of the project has been to assess whether Kommunalbankens guidelines and procedures are in line with the framework adopted and communicated to the investors of green bonds and that the framework is complied with. Compliance has been tested on a sample basis.

Our procedures are agreed with Kommunalbanken and are based on the criteria defined by Kommunalbankens management as described above. We consider these criteria suitable for the preparation of the Reporting. The procedures performed do not enable us to obtain absolute certainty that the Reporting is without significant errors.

Conclusion:
Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the green bond allocation, the management and Reporting as of 31. December 2020 set out in the Green Bond Impact Report 2020, is not prepared, in all material respect, in accordance with the criteria.

Oslo, 16 February 2021
Deloitte AS

Eivind Skaug
Internal auditor

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