

A red and white tram is traveling on a green-paved track in a city. The tram is moving towards the viewer, and the track curves to the right. The background shows a city street with buildings and trees. The tram has the number 210 on its side and the destination '2 Fyllingsdalen' on its front display. The track is surrounded by greenery and modern urban architecture.

**KBN**

The Norwegian Agency  
for Local Governments

2024

# Impact Report

Green Loans Financed with Green Bonds

Photo: Iver Daaland Åse, Bybanen Utbygging



**KBN**

*We finance the  
local communities  
of tomorrow*

■ ■ Kommunalbanken Norway (KBN) is a fully state-owned company, with a mandate to provide stable and cost-efficient long-term financing to the local government sector. KBN's lending is funded by bonds issued in the international capital markets, with 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.

**AAA**

Standard & Poor's  
Moody's

**99.7%**

of Norwegian  
municipalities are  
KBN customers

**50.2%**

of municipal debt  
is financed  
through KBN

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# 2024 Highlights

This report presents the environmental impact of KBN's green loan programme as of 31 December 2024. All funds raised by KBN's green bond issuances will be used to finance green loans in the Norwegian municipal sector.

**52** bn.  
NOK

## GREEN BONDS

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

**66** bn.  
NOK

## GREEN LOANS

... finance green loans for climate-related investments in the local government sector in Norway.



**Expansion of the Bergen Light Rail**  
Photo: Iver Daaland Åse, Bybanen Utbygging

## OUR GREEN LOAN PROGRAMME HELPS FINANCE

**13 288**

tonnes of CO<sub>2</sub>e reduced and avoided annually<sup>1</sup>

**631 605**

population equivalents increase in water and wastewater capacity<sup>2</sup>

**130 988**

MWh renewable energy produced annually

**49 447**

MWh energy reduced and avoided annually

**132 487**

tonnes increased waste management capacity

**17.8%**

share of total lending<sup>3</sup>

**537**

TOTAL NUMBER OF GREEN PROJECTS

**65**

NEW GREEN PROJECTS IN 2024

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 19 in this report.

2) Population equivalents is an expression that describes the load and capacity of water and wastewater supply.

3) Share of KBN's total lending which is eligible for green bond financing.

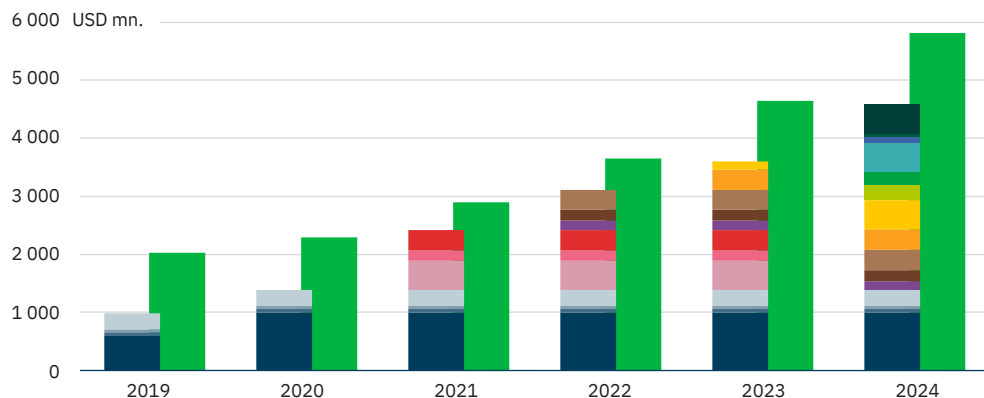


See all the green projects in Impact report 2024 (Excel) at [kbn.com](https://kbn.com).

# Executive summary

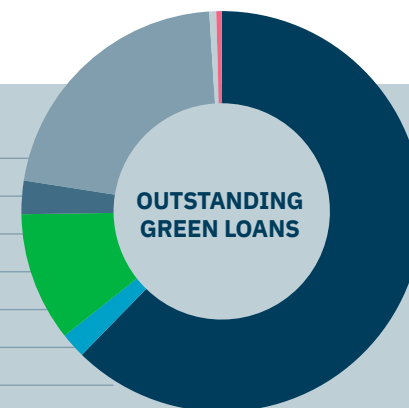
As of 31 Dec 2024

## OUTSTANDING GREEN BONDS AND GREEN LENDING



Total outstanding green bonds divided by outstanding green loans, as of 31 December 2024 (in NOK)				79% of which
Currency	Maturity date	ISIN		
USD	Feb 2025	US50048MBX74 / XS1188118100		17%
NOK	Nov 2027	NO0010811276		1%
NOK	Nov 2032	NO0010811284		1%
SEK	Aug 2026	XS2047497289		5%
USD	Oct 2024	MATURED		-
AUD	Oct 2024	MATURED		-
CAD	Oct 2024	MATURED		-
SEK	Feb 2025	XS2447758025		3%
AUD	Nov 2026	AU3CB0294130		3%
CAD	Dec 2027	XS2564075583 / US50047JAK43		6%
CAD	Oct 2026	XS2698771545 / US50047JAM09		6%
AUD	Apr 2034	AU3CB0303519		9%
SEK	Jan 2027	XS2747093594		5%
CAD	Jan 2029	XS2745345160 / US50047JAN81		4%
EUR	Apr 2029	XS2809676294		9%
SEK	Sep 2029	XS2905418591		2%
SEK	Oct 2031	XS2920501868		1%
EUR	Nov 2031	XS2932096691		9%
Outstanding green lending				

Buildings	62.3%
Renewable energy	2.1%
Transportation	10.4%
Waste and circular economy	2.7%
Water and wastewater management	21.5%
Land use and area development projects	0.6%
Climate change adaptation	0.4%



## PROJECT PORTFOLIO AND ENVIRONMENTAL IMPACT <sup>1</sup>

Project category	Green loan outstanding (1000 NOK)	Reduced and avoided GHG (tonnes CO <sub>2</sub> e annually)	Impact tonnes CO <sub>2</sub> e per million NOK <sup>2</sup>
Buildings	41 098 623	1 160	0.030
Renewable energy	1 353 028	1 217	0.900
Transportation	6 878 346	10 799	1.570
Waste and circular economy	1 776 488	81	0.050
Water and wastewater management	14 204 455	31	0.002
Land use and area development projects	367 246	n/a	n/a
Climate change adaptation	290 783	n/a	n/a
<b>Total</b>	<b>65 968 968</b>	<b>13 288</b>	<b>2,55</b>
<b>Renewable energy produced annually</b>		<b>130 988 MWh / 471 556 120 MJ</b>	
<b>Energy reduced/avoided annually</b>		<b>49 447 MWh / 178 007 695 MJ</b>	

1) The impact reported corresponds to the share of the project financed by KBN. A grid factor of 15g CO<sub>2</sub>e per kWh electricity is applied throughout when converting electricity to emission reductions.

2) Tonnes CO<sub>2</sub>e reduced or avoided per million NOK of green lending.

## BASIC INFORMATION

### Current Green Bond Framework:

KBN Green Bond Framework, dated April 2024

### Reporting period and scope:

Calendar year 2024. The report provides a summary of projects financed from the beginning of the green bond and green loan programmes. The project list included in this report reflects new projects added in 2024. For a complete overview of all projects within the portfolio, an extended version of the report in spreadsheet format is available at [kbn.com](https://kbn.com)

### Date of publication:

13 March 2025

### Reporting frequency:

Annually, next report scheduled March 2026

### Reporting approach:

Portfolio-based and project-by-project reporting

### Reporting framework:

Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting

### Verification:

Internal audit of compliance with guidelines and routines related to green loans and bonds, as well as allocation. Conducted by KPMG. See page 62.

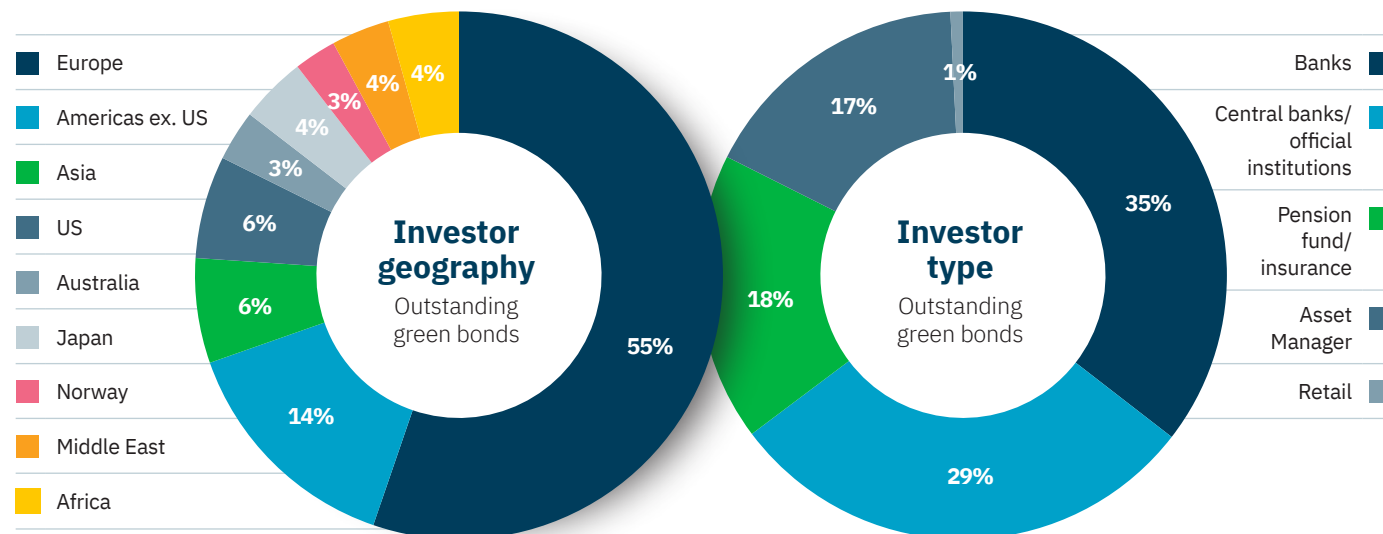


# Green bonds

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 year-end 2024, we have 14 bonds in six different currencies, totaling NOK 52 billion in green funding.

Unallocated proceeds from green bonds per 31 Dec 2024	<b>0 NOK</b>
Green bonds	<b>52 billion NOK</b>
Share of total bonds outstanding	<b>10.6%</b>



## KBN Green Bond Framework received Medium Green shading by S&P Global Ratings

In 2024 KBN published its fourth Green Bond Framework, setting the bar for governance and project quality for any subsequent green funding. The updated framework has undergone review by S&P Global Ratings, which has resulted in an overall Medium Green shading for the project categories and no weaknesses to report. For further details on KBN's governing documents, please refer to page 13.

## OUTSTANDING GREEN BONDS

Date	Outstanding amount	Maturity	ISIN
11 Feb 2015	USD 1 billion	11 Feb 2025	US50048MBX74 / XS1188118100
29 Nov 2017	NOK 750 million	29 Nov 2027	NO0010811276
29 Nov 2017	NOK 600 million	29 Nov 2032	NO0010811284
28 Aug 2019	SEK 3 billion	28 Aug 2026	XS2047497289
24 Feb 2022	SEK 1.75 billion	24 Feb 2025	XS2447758025
17 Nov 2022	AUD 300 million	17 Nov 2026	AU3CB0294130
07 Dec 2022	CAD 500 million	07 Dec 2027	XS2564075583 / US50047JAK43
05 Oct 2023	CAD 500 million	05 Oct 2026	XS2698771545 / US50047JAM09
18 Oct 2023	AUD 810 million	18 Apr 2034	AU3CB0303519
15 Jan 2024	SEK 3 billion	15 Jan 2027	XS2747093594
16 Jan 2024	CAD 300 million	16 Jan 2029	XS2745345160 / US50047JAN81
25 Apr 2024	EUR 500 million	25 Apr 2029	XS2809676294
19 Sep 2024	SEK 1 billion	19 Sep 2029	XS2905418591
19 Okt 2024	SEK 500 million	19 Okt 2031	XS2920501868
05 Nov 2024	EUR 500 million	05 Nov 2031	XS2932096691

Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

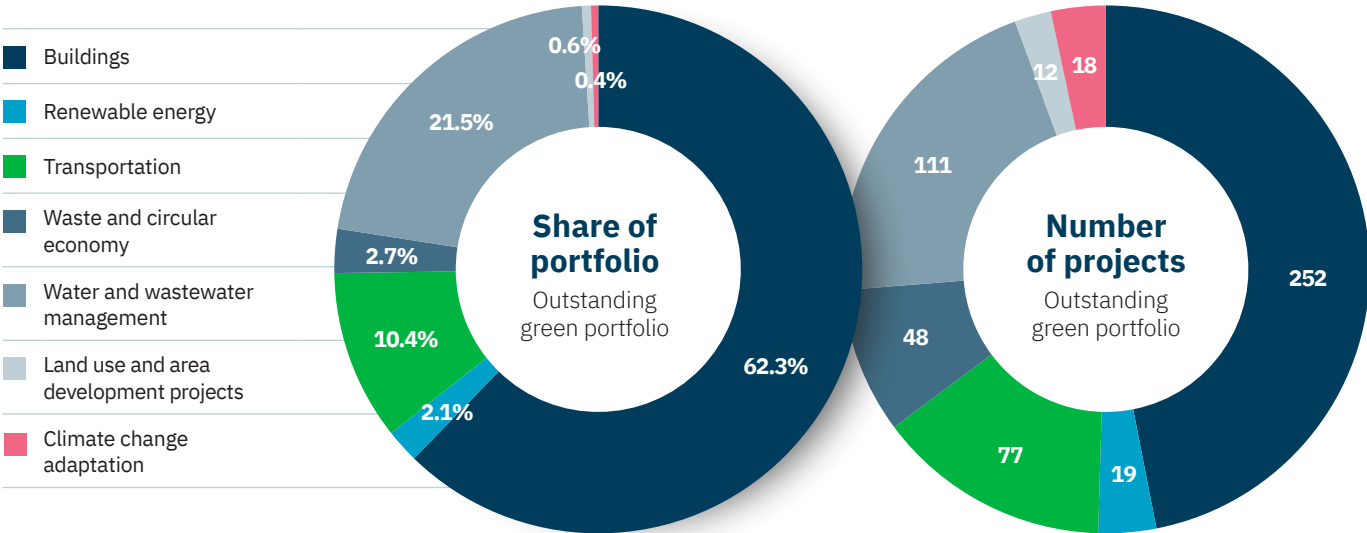
**S&P Global**  
Ratings

# Green loans

KBN offers discounted green loans to climate- and environmentally friendly investments in the Norwegian local government sector. The green loans are mainly financed with green bonds.

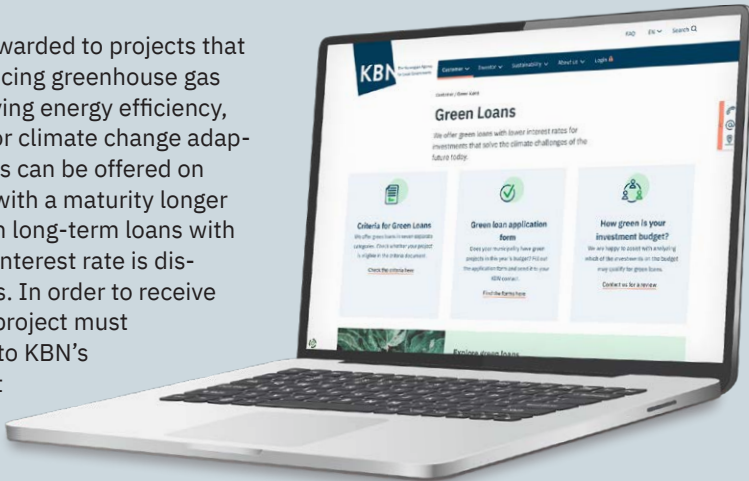
Green loans	66 billion NOK <sup>1</sup>
Share of total lending	17.8% <sup>2</sup>

1) Amount of outstanding green loans which are 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.  
2) Share of KBN's total lending which is eligible for green bond financing.

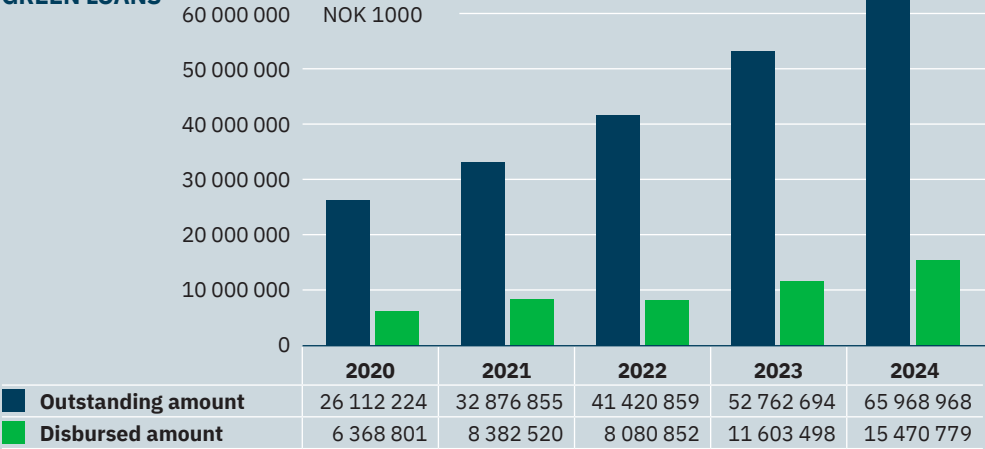


## KBN's green loans

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



## GROWTH IN GREEN LOANS





# Comments on KBN's impact reporting



KBN has been one of the leading Norwegian



Norwegian Ministry of  
Local Government and Regional Development

organisations in green finance for a long time. KBN's discounted green loans for ambitious, green investments across Norway are an important tool for achieving Norway's national emissions reduction targets. With this report, KBN provides a transparent and detailed description of the impact of its green loans, which makes it easy for stakeholders to obtain the information they need. It is positive that KBN has taken the lead in relation to climate risk in the local government sector and has been quick to adapt to growing expectations in terms of its management of its own climate risk.

## **KJERSTI STENSENG**

Minister of Local Government and Regional Development, Norway



KBN's impact reporting stands out for its transparency and practicality. The inclusion of aggregated data and detailed project-level



**NATIXIS**  
CORPORATE AND  
INVESTMENT BANKING

insights on green loans greatly enhances our understanding of environmental effects. The case study section is particularly useful for investors. KBN effectively conveys complex information, and its ongoing efforts to improve reporting reflect its serious approach to sustainable finance and the demand for accountability.

## **AMINE LAHERAITANI**

Head of Liquidity Buffer Portfolio Management, Natixis



# Green growth but **red** alert

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**BY JANNICKE TRUMPY GRANQUIST**

Chief Executive Officer, KBN

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## **Leadership and the boiling frog experiment**

The tale of the boiling frog illustrates a frog being gradually boiled to death. The idea is that if a frog is placed directly into boiling water, it will immediately leap out. However, if the frog is placed in lukewarm water that is then slowly heated to a boil, it won't notice the increasing danger and will eventually be boiled alive.

The story could be one describing humanity's sense of urgency - or ability to act - in the fight against global warming. The World Meteorological Organization (WMO) has confirmed that 2024 is the warmest year on record, 1.55 degrees (+/- 0.13 degrees) above the 1850-1900 average. Looking at the past decade, all rank among the ten warmest years on record.

"Individual years pushing past the 1.5-degree limit do not mean the long-term goal is shot. It means we need to fight even harder to get on track. Blazing temperatures in 2024 require trail-blazing climate action

in 2025," said UN Secretary-General António Guterres. "There's still time to avoid the worst of climate catastrophe. But leaders must act – now," he said.

The boiling frog story also describes a part of human psychology: we tend to react quickly to sudden events – like we did under the Covid pandemic – but fail to react to slowly changing conditions until it is too late.

## **The US jumping ship, China dominating**

With the new Trump administration in place, the US has again withdrawn from the Paris agreement and changed its policies from the transition away from fossil fuels to "drill, baby, drill", inspiring large emitters like Indonesia and Argentina to follow suit. As for 2025, green investments in the US will probably not to a great extent be affected, but the sudden change in US policies also sends a signal to banks that divesting from fossil fuels is a bigger political risk than continuing to finance fossil fuels.

There is a lack of global collective leadership, a fact that increases our responsibility as business leaders to transform the market to adapt it to a sustainable future. We should base our risk models on scientific facts, not prolong the life span of technolog-



## Green growth but red alert continued

ically outdated and inefficient solutions as part of some political agenda.

The world's largest emitter, but also the largest producer of electric cars, batteries, solar panels and wind power plants – by far – is China, making the country the leading power in the green transition currently. At the same time, China's dominant position could pose a strategic threat. The President of the European Commission, Ursula von der Leyen, now speaks of “de-risking” the relationship between China and the West, both economically and through diplomacy. This requires strengthening of domestic production.

### Updated Green Bond Framework

At KBN, we continue to support the local government sector in its transition to a low-carbon, climate resilient future. The net proceeds of green bonds issued by KBN are used to finance or re-finance eligible projects that have been evaluated and selected by KBN in accordance with our Green Bond Framework. In 2024, we launched a new framework, replacing the 2021 version. The new framework places greater emphasis on nature risks in addition to climate-related risks, including a close examination of land use in new building projects financed by green lending. We also issued a EUR 500 million Green bond under the updated framework. This was KBN's most oversubscribed Euro trade to date, with

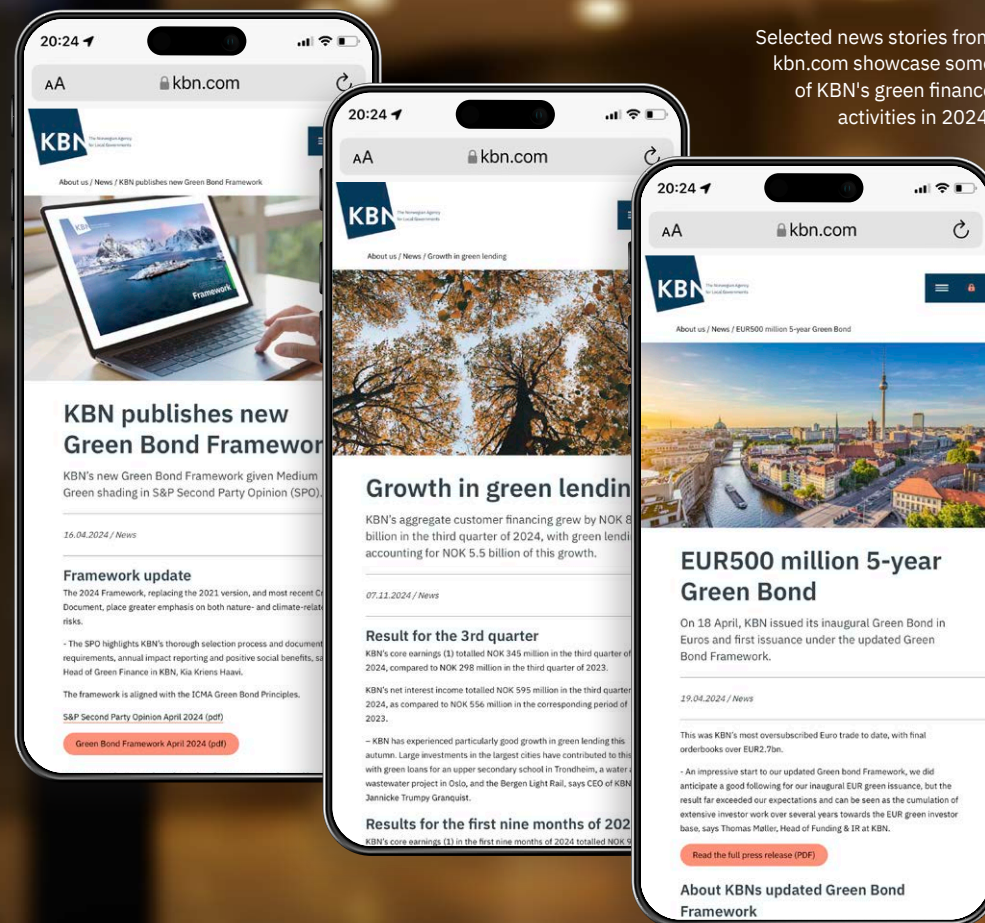
final orderbooks over EUR 2.7 billion.

At year-end 2024 KBN had outstanding green bonds in USD, AUD, CAD, EUR, SEK and NOK totaling NOK 52 billion or approximately 10.6% of KBN's total borrowings.

KBN is the Norwegian bond issuer with the longest history of listed green bonds and is also among the most active current Norwegian issuers of such bonds. A future milestone would be to issue an EU Green Bond, provided that we are able to create sufficient demand for taxonomy loans. In 2023 we issued the first taxonomy loan to a Norwegian school and in 2024 we entered into agreements with two more municipalities on taxonomy projects. With these efforts we hope to help inspire the municipal sector as well as the private sector to adjust their investments to contribute to one or more environmental objectives including for instance the transition to net zero, while at the same time doing no significant harm to other environmental objectives.

### Strong green lending growth

KBN's green lending growth in 2024 accounted for more than 80% of total lending growth for the year and took the green share of total lending up to a record high of 17.8%. The green lending portfolio on 31 December was NOK 66 billion, a growth of NOK 13.2 billion in 2024. KBN provided green loans to 65 new projects in 2024, adding to a total number of 537



Selected news stories from kbn.com showcase some of KBN's green finance activities in 2024.

green projects across Norway, from the smallest municipality of Utsira with its 200 residents, to Oslo with its 700 000 residents. The Norwegian municipal sector's projects, e.g. schools and nursing homes, have an economic life of around 30-40 years, meaning they will be with us well into the low and zero-carbon age. KBN supports the sector's green transition and works to reduce its climate risk by offering

lower interest rates to projects that cut greenhouse gas emissions, increase energy efficiency and/or constitute an adaptation to climate change.

While the temperature is rising and the Trump administration seems to be passing policies to add fuel to the fire, we remain cool and dedicated to take further action to avoid the worst of climate catastrophe. After all, we are all in this pot together.

# KBN strategy

We provide financing to the Norwegian local government sector on attractive terms, and we seek to promote sustainable local communities and contribute to the green transition.

**We finance the local communities of tomorrow.**



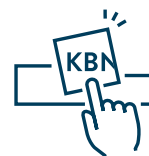


# KBN strategy

Our value creation will balance financial, social and environmental factors so that our return over time is generated within sustainable boundaries.

In 2024, we revised our three-year strategy to enhance our focus on sustainability-related activities aimed at accelerating the green transition within the local government sector. To continue to be a leader in green finance, we will further develop our efforts in several key areas. We aim to achieve significant growth in green lending, supporting municipalities in transitioning to a low-carbon society while also adapting to climate change.

We will continue our work on mapping total financed emissions and set targets for their gradual reduction. Additionally, we will expand our work on nature-related risks and provide valuable insights on environmental impact to our customers and investors. Through our continued efforts in sustainability-related initiatives we seek to stimulate increased green investments across the country.



## The customer's first choice

Our main aim is for our customers to want to use KBN for long-term financing of investment in welfare.



## Strong market participant

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



## Leader in green finance

KBN will be among the leading financial institutions for green financing solutions and insight that contribute to the transition to a sustainable economy and value creation.



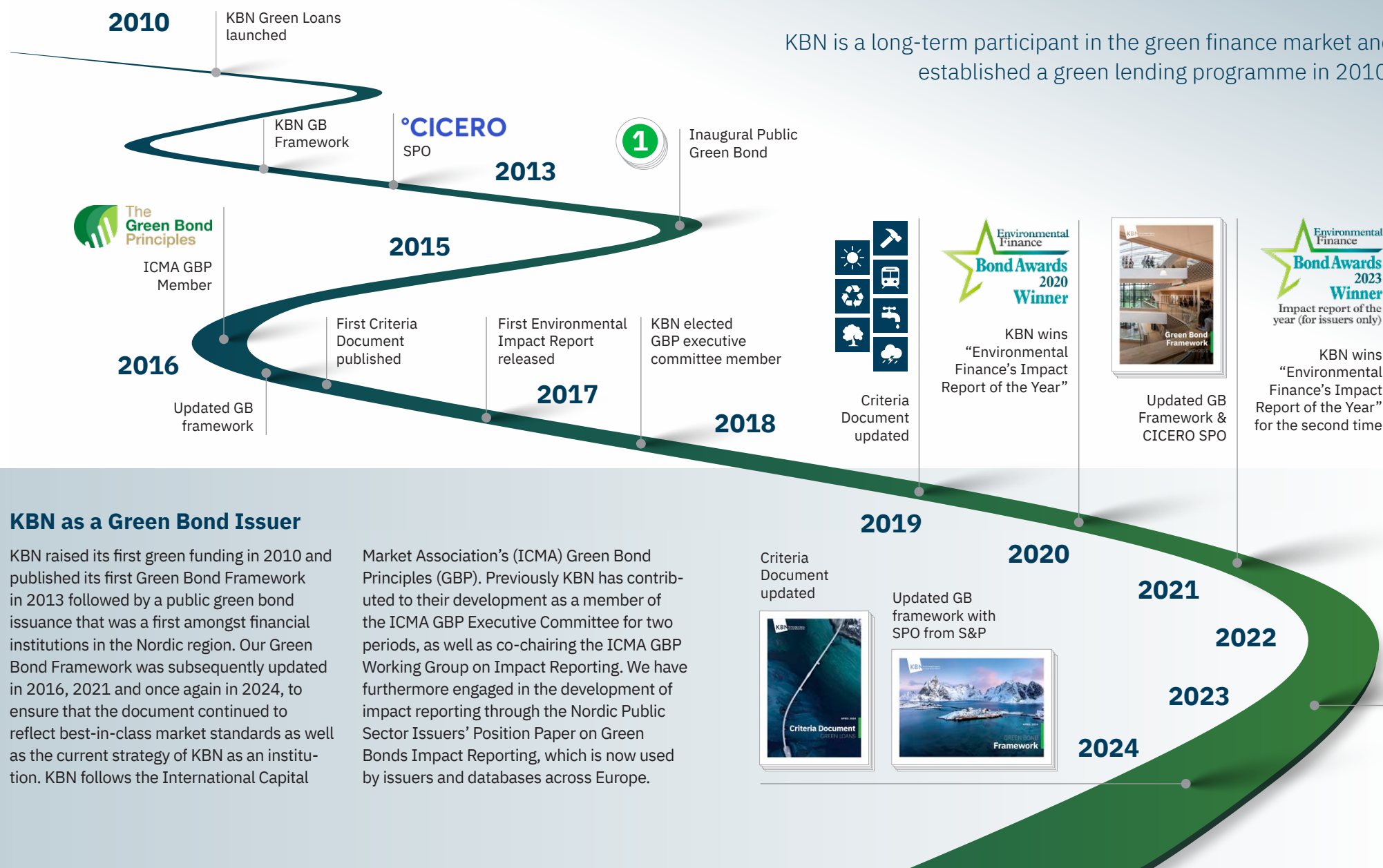
## Expertise and technology driven

The way we work will promote learning, knowledge sharing and the efficient use of technology.



# The history of KBN's green strategy

KBN is a long-term participant in the green finance market and established a green lending programme in 2010.



## KBN as a Green Bond Issuer

KBN raised its first green funding in 2010 and published its first Green Bond Framework in 2013 followed by a public green bond issuance that was a first amongst financial institutions in the Nordic region. Our Green Bond Framework was subsequently updated in 2016, 2021 and once again in 2024, to ensure that the document continued to reflect best-in-class market standards as well as the current strategy of KBN as an institution. KBN follows the International Capital

Market Association's (ICMA) Green Bond Principles (GBP). Previously KBN has contributed to their development as a member of the ICMA GBP Executive Committee for two periods, as well as co-chairing the ICMA GBP Working Group on Impact Reporting. We have furthermore engaged in the development of impact reporting through the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting, which is now used by issuers and databases across Europe.



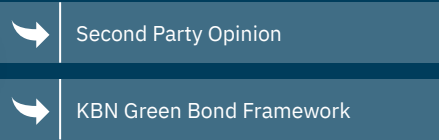
# Governance

## Green Bond Framework

■ KBN's Green Bond Framework is the governing document for KBN's green bond programme. 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 green loans, which form the underlying assets for the issuance of green bonds, as well as how the funds raised are managed. KBN's framework is aligned with the Green Bond Principles.

In April 2024, KBN launched an updated Green Bond Framework which was awarded a 'Medium Green Shading' by second party opinion provider, S&P Global. More details about our new framework and strengthened criteria can be found on the next page.



### S&P Global Second Party Opinion of KBN's Green Project Categories

Buildings	Medium to Light Green
Renewable energy	Dark to Medium Green
Transportation	Dark Green
Waste and circular economy	Dark to Medium Green
Water and wastewater management	Medium Green
Land use and area development projects	Medium to Light Green
Climate change adaptation	Dark to Medium Green

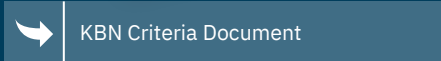
## KBN's Criteria Document for Green Loans

■ The Green Bond Framework is supplemented by KBN's Criteria Document for Green Loans. The Criteria Document establishes the minimum requirements that investments must meet to be classified as green, as well as the type of documentation customers need to provide to demonstrate that their project meets the criteria, including the relevant thresholds. For certain categories, such as energy efficient new buildings, specific thresholds are defined – e.g. a new building must use 20% less energy than the limit stipulated in the applicable national building regulations (TEK) – which customers are required to document. In other project categories, such as climate change adaptation, the customers must describe the specific climate challenges their investment addresses and how.

The Criteria Document is usually revised annually in consultation with KBN's Green Expert Committee, a panel of external experts for each category. The purpose of the Green Expert Committees is to advise and guide the continuous development of KBN's Criteria Document for Green Loans to ensure that the criteria are up-to-date and relevant. KBN seeks to update the criteria regularly based on

technological progress and advances in terms of what is expected of the local government sector's climate and environment efforts.

In addition to the Green Expert Committees, we are in regular dialogue with our peers in the local government funding agencies in Sweden, Finland and Denmark. This helps harmonise practices at every stage of the loan process – from application to reporting – throughout the Nordic region.



# KBN publishes new Green Bond Framework

KBN's new Green Bond Framework, replacing the 2021 version, places greater emphasis on nature- and climate-related risks.

The framework aligns with the ICMA Green Bond Principles and has received a Medium Green shading by S&P Global Ratings in their Second Party Opinion. This update reflects KBN's commitment to mitigating physical climate risk and conserving or restoring nature through its green lending portfolio.

- The SPO highlights KBN's thorough selection process and documentation requirements, annual impact reporting and positive social benefits, says Kia Kriens Haavi, Head of Green Finance at KBN.

## Strengthened criteria for green lending

The eligibility criteria for projects are set out in KBN's Criteria Document for Green Loans, which undergoes annual review. Selected project categories are assessed by KBN's Green Expert Committee, a panel of external experts for each category.

The Criteria Document has enhanced eligibility criteria across several project categories to reflect the development of environmental standards both in Norway and globally, and to further encourage the local government sector in their transition efforts. The most significant update

is in the Buildings category, where industry experts from the Norwegian Green Building Council, the Norwegian Environment Agency, the Norwegian Building Authority, and several municipalities, provided valuable advice and expertise for our criteria update. These updates reflect recent technological and regulatory developments, including new measures to assess climate and nature risk in new development projects.

## Nature and climate risk included in new criteria

Nature- and climate-related risks are important considerations in the transition to a more sustainable society. As of April 2024, KBN's updated green loan criteria may disqualify building projects based on land-use changes. Projects that involve building on

certain types of nature may disqualify a project from receiving a green loan, even if they meet the technical building criteria. To read more about our new nature threshold, see page 15.

For larger investments (over 300 million NOK) located within risk zones for avalanches, floods or quick clay landslides, KBN will require documentation of risk mitigation measures. Projects without proper assessments and measures will likely be disqualified from green financing.

- These measures are in line with KBN's strategy to mitigate physical climate risk and to conserve or restore nature through our green lending portfolio, says Haavi.



KBN's Green Bond Framework is the governing document for KBN's green bond programme.





# Mitigating nature risk: **New criteria address negative impact of land use changes**

In alignment with the global commitment outlined by the Kunming-Montréal Global Biodiversity Framework, KBN acknowledges the intertwined challenges of climate change and nature degradation. Our green loan criteria, traditionally focused on climate mitigation and adaptation, are now expanding to incorporate nature-based minimum requirements for new building projects.

As of April 2024, KBN's updated green loan criteria may disqualify building projects based on land-use changes. Projects that involve building on certain types of nature may disqualify a project from receiving a green loan, even if they meet the technical building criteria.

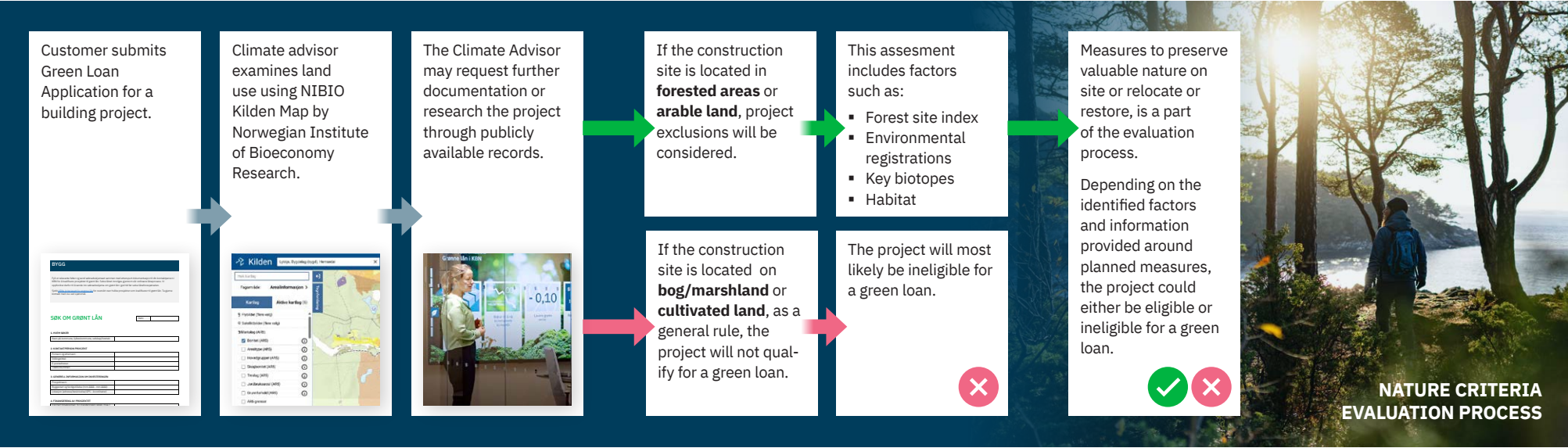
## **Project screening**

A Climate Advisor will use map data from the Norwegian Institute of Bioeconomy Research (NIBIO Kilden), which is as open source, to assess a project. Projects with construction sites on bogs, marshlands or cultivated land are generally ineligible for green loans. Evaluations are conducted

for sites in forested or arable lands, taking forest site index and biodiversity, including key biotopes or habitats, into account. For projects in these types of sensitive areas, we may request further documentation like Risk and Vulnerability Assessments or planning documents to gain more information for further evaluation. As we gain experience from this new assessment methodology, our intention is to implement this additional emphasis on nature in other categories. As of January of 2025, water treatment and wastewater facilities are also subject to a nature threshold. ►



**New criteria address negative impact of land use changes**  
continued



**Project rejections**

In 2024, three projects were declined due to nature risk considerations. The first project was planned on a site previously used as grazing land for livestock. A second project was planned on forestland of high site index. The third project, located on a combination of swamp forest and forestland, was rejected to protect sensitive ecosystems.

- ❌ **Rejected: One project planned on grazing land**
- ❌ **Rejected: One project planned on swamp forest and forest of low site index**
- ❌ **Rejected: One project planned on forest of high site index**

**Results of land use changes in eligible projects**

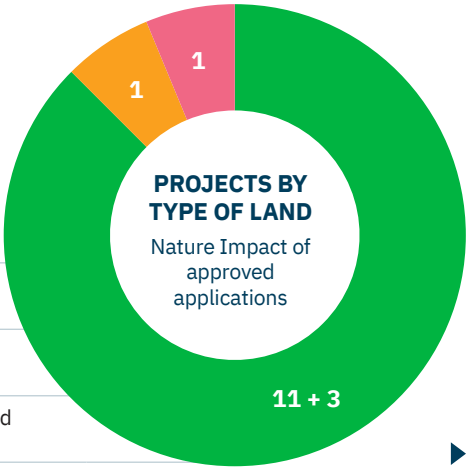
After introducing new criteria in April of 2024, we have approved 16 new green projects in the buildings category:

- 11 New construction projects on pre-developed sites: No negative or negligible on-site impact on nature.
- 3 Renovation projects: No negative on-site impact on nature.
- 1 New extension onto vacant land: In one case a pre-developed site was extended onto vacant land, possibly including a very small area of forest of high site

index. The effect is uncertain.

- 1 New construction on vacant land: One project was built on a forest area of low site quality class, with no registered key biotopes.

- Project on pre-developed sites — No negative onsite nature impact
- New construction on forestland — Slightly negative nature impact
- Pre-developed site was extended onto vacant land — Uncertain effect





Calculating CO<sub>2</sub>e emissions from financed land-use changes

Using methodology developed by the Norwegian Environment Agency we assess the impact of the land use changes on greenhouse gas emissions.

Aiming towards mitigating nature risk

While KBN is pleased to fund predominantly

projects with few negative land use changes with green lending, the significant long-term effects of even small land use changes underscore the critical need for rigorous nature-based assessments. Moving forward, KBN is committed to enhancing our methodologies and aligning with international best practices to ensure sustainable development in our portfolio.

Net CO <sub>2</sub> e emissions over 75 years from land use changes		
	Area changed	Tonnes CO <sub>2</sub> e
Forest land	8 810m <sup>2</sup>	529
Extended pre-developed site	0-317m <sup>2</sup>	0-27



METHODOLOGY AND UNCERTAINTY

For the 16 new green projects in the buildings category, we mapped the land use change based on the site’s area. For most projects, the municipality had provided sufficient site area details to estimate the project’s land use change.

However, for some projects, we used historical aerial photographs and municipal planning maps to help define the area. In cases of uncertainty, we chose a conservative approach

to reduce the likelihood of underreporting. Based on the site’s size and area type we calculated the estimated emissions from the two new building projects related to land use changes.

Using the methodology developed by the Norwegian Environment Agency we assessed the impact of the land use changes on net greenhouse gas emissions over a 75 year period.

Terminology	Description	Norwegian terminology
Land-use changes	Alterations in the way land is utilised, such as converting forests into agricultural land or urban development.	Arealbruksendringer
Bogs	Wetland areas with acidic, waterlogged soils, often rich in peat.	Myr
Marshlands	Wetlands characterised by herbaceous plants rather than woody vegetation.	Sump
Cultivated land	Land that has been prepared and used for growing crops or other agricultural activities.	Dyrka mark
Arable lands	Land suitable for growing crops, often characterised by fertile soil and favorable climate conditions.	Dyrkbar mark
Forested lands	Areas covered with forests.	Skog
Forest site index	A measure of the potential productivity of a forest site, based on factors like soil quality, climate, and tree growth rates.	Grad av bonitet
Biodiversity	The variety of life in a particular habitat or ecosystem, including the diversity of species, genetic variation, and ecosystem diversity.	Biomangfold
Key biotopes	Specific areas that provide essential habitats for certain species, often critical for their survival and reproduction.	Nøkkelbiotoper
Habitats	Natural environments where particular species live and thrive, providing the necessary conditions for their survival.	Habitat
Grazing land	Land used for livestock to graze on.	Beitemark
Forestland	Land covered with forests.	Skog
Swamp forest	A type of wetland forest found in areas with standing water, supporting unique plant and animal communities.	Sumpskog

# Project selection and reporting processes

## 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 initially assesses whether the project aligns with KBN's Criteria Document for green loans. Subsequently, an in-house green finance advisor prepares a written recommendation outlining the project's impact, documentation, and any potential uncertainties. If the project qualifies, the recommendation is reviewed for quality control by another green finance advisor. If the decision is deemed well-founded and verifiable, the application is approved.

For highly innovative projects and solutions not widely recognised in the market, the Chief Lending Officer's approval is required. This applies for all applications under the "Other" criterion for each category. While these projects must still demonstrate a significant climate or environmental impact, the evaluation process relies on an overall assessment of the documentation provided, given the absence of suitable criteria for evaluation.

## Registration and verification of environmental impact

### 3 | Registration of project information

New projects and their associated impacts are registered in an internal database for environmental impact reporting. This impact database is updated every month along with a verification process of outstanding green loans.

### 4 | Verification of data

The environmental impact of new projects undergoes quarterly verification by a green finance advisor. The verification process ensures that the data registered in the database aligns with the project-associated impact outlined in the project documentation.

## Impact reporting

### 5 | Green project list

The green project list is a digital database of projects financed with green loans. It provides short project descriptions, outstanding loan amounts as well as avoided and reduced greenhouse gas emissions. The project list is updated each quarter after the verification process.

### 6 | Annual impact reporting

The environmental impact report presents projects currently financed and is published alongside the annual report. An external reviewer will perform an internal audit covering the allocation of the green bond proceeds to eligible projects and reported impact metrics. The auditor's report can be found on page 62.



Green project list at [kbn.com](https://kbn.com)



See all the green projects in Impact report 2024 (Excel) at [kbn.com](https://kbn.com)

## Roles

KBN's Green Finance team consists of five advisors. They perform both the initial project assessments and quality control reviews, with clearly defined roles for each application process.



# Key reporting principles

KBN's impact reporting is grounded in the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting, which was updated in early 2024.

The position paper was collaboratively developed by a group of Nordic public sector issuers, including KBN, to provide practical guidance on impact reporting. Sharing experiences on this topic has proven beneficial for establishing common reporting principles, and a unified Nordic stance on the issues discussed is believed to be advantageous for other issuers as well. The position paper seeks to strike a balance between delivering impact reporting that is manageable yet as precise and quantifiable as possible.

The 2024 edition marks the fourth edition of the position paper, and it will continue to evolve as reporting methodologies advance. One of the most significant changes compared to the previous edition is the revision of the suggested baseline emission factor for electricity. However, since 2022, KBN has opted to deviate from this baseline. As all the green projects financed by green loans are situated in Norway, we deem it appropriate to utilise the latest grid factor reflecting the energy mix for Norwegian electricity when calculating the environmental impact of reduced or avoided electricity consumption. The applied grid factor, presented by The

Norwegian Water Resources and Energy Directorate (NVE), stands at 15g of CO<sub>2</sub>e/kWh, and is applied to impact measurements of all historical projects.

In the following sections, we outline how we adhere to the recommendations outlined in the Nordic Position Paper.

## The Nordic reporting recommendations in KBN's impact report

### 1 Reporting compliance with the position paper

KBN's impact reporting follows the recommendations laid out in the position paper. The following pages show how these recommendations are integrated and explain any deviations from them.

### 2 Report expected impact, aiming for actual impact

Our impact reporting is based on expected impact (ex-ante) conducted prior to project implementation. In the future we may report actual impact (ex-post). Calculation methods for the different project categories can be found on page 21.

### 3 Report based on annual impact

As recommended for issuers with

portfolio approach, our impact reporting address the annual impact from reporting year, as opposed to lifetime impacts.




### 4 Provide annual reporting

Since 2016 we have provided an annual impact report, published at the same time as KBN's annual report - all publicly available on KBN's website. We report the status and impact of our green portfolio by the calendar year.

### 5 Provide quantitative and qualitative reporting

We have established quantitative indicators for each project category and provide this data for each project whenever feasible. Additionally, we offer a qualitative description of the impact for each project. While we strive to quantify the impacts of all projects, certain projects currently yield positive environmental outcomes but lack clear metrics or adequate reference points for comparison. Consequently, the total impact reported may underestimate the actual impact.

The quantitative and qualitative information for each new project in 2024 is provided in the list of projects provided on page 26 and is also available in a separately published spreadsheet.

-  **We comply** with the reporting recommendations
-  **We partly comply** with the reporting recommendations
-  **We do not comply** with the reporting recommendations



Nordic Public Sector Issuers Position Paper on Green Bond Impact Reporting.

**6 Focus on environmental impact**  
Our reporting is focused on environmental impact and is limited to direct and indirect emissions and emission reductions under Scopes 1 and 2, following respective reporting principles. I.e. direct greenhouse gas emissions and indirect greenhouse gas emissions from the production of energy, as defined in the Greenhouse Gas Protocol.

**7 Report project-by-project, where feasible**

We report the impact of each financed project, and aggregate impacts to category level and portfolio level.

**8 Report based on the share financed**  
All impacts attributes to KBN's share of the project financing. For instance, if KBN finances half of the project's investment cost with green bonds, we report half of the project's environmental impact.

**9 Report impact by \$ only when quantifiable and relevant**

We do not report impact per invested monetary unit (e.g., X kg of CO<sub>2</sub> avoided annually per invested USD). This decision stems from the fact that not all project categories offer impacts that can be measured in CO<sub>2</sub>. Consequently, certain aspects of the impact would remain unaccounted for. Furthermore, adopting such an approach could potentially foster a false perception of quantitative precision with regards to ex-ante impact calculations.

**10 Report on bond-by-bond or portfolio approach to issuance and allocation**

The issuance and allocation of green bond proceeds follow a portfolio approach. The report thus contains information on the impact of the aggregate portfolio of eligible assets as of year-end. A breakdown of impact attributable to each outstanding bond is provided in the Executive summary on page 4.

**11 Provide both allocation and impact reporting**

This report includes both allocation and impact reporting, and the allocation of proceeds has been verified by KBN's internal auditor.

**12 Financing/refinancing**

The amount of financing and refinancing is determined by two distinct definitions, which are further described in Refinancing and the age of projects on page 22.

**13 Look-back period / Allocation period**

KBN does not apply a look-back period in the current green bond framework. We generally seek to qualify eligible projects prior to our green bond issuances, so that investors are clearly informed of the use of proceeds.

**14 Vintage reporting**

The green portfolio comprises projects approved under various framework vintages. The impact report spreadsheet specifies, for each project, the latest criteria

document it satisfies. Only new projects meeting the criteria of the most recent framework were included in the portfolio in 2024. KBN's current and past green bond frameworks are accessible on our website.

**15 Provide breakdowns on asset type, geography and sector**

The spreadsheet containing a list of the total portfolio serves as an overview of asset types. All assets are situated in Norway, and the project category indicates the sector.

**16 Maximise transparency and usability**

Impact reports and their accompanying spreadsheets are accessible on our website. To enhance accessibility for stakeholders, we also provide an executive summary with aggregate information at the beginning of the report.

**17 Framework age limit**

KBN's current Green Bond Framework underwent a Second Party Opinion by S&P in April 2024. Since the SPO remains relevant for three years, the framework and accompanying SPO will be revised in 2027.

**18 Communication of sustainability strategy**

KBN's sustainability strategy is briefly outlined on page 11 and further elaborated upon in our annual report within the Sustainability chapter.

**19 Process for identification and management of ESG risks**

We are currently developing a model to evaluate ESG risk in the municipal sector, which will be made publicly available to our customers in 2025. Measures to mitigate ESG risks in the green lending portfolio were incorporated into our Criteria Document for green lending in 2024 by introducing new minimum requirements for nature and climate risk, see page 13. For additional information regarding ESG risk, please refer to [KBN's Annual Report](#).

**20 Climate-related risks**

In addition to the information provided in point 19, KBN's climate risk tool undergoes regular development and is frequently utilised in discussions with our customers to assist them in managing their climate risk. This tool encompasses indicators for both physical and transition risk.

**21 EU Taxonomy alignment approach**








We have assessed the green portfolio against the EU taxonomy to determine the degree of alignment between our eligibility criteria and those outlined in the taxonomy. A summary of the mapping can be found on page 48, while a comprehensive assessment is available in spreadsheet format alongside the impact report.

**22 SFDR communication**

Currently, we do not provide complete information regarding all PAI indicators relevant for SFDR reporting. We plan to enhance our efforts in mapping our total financed emissions in 2025.



## Calculation methods

Category	Direct quantifiable impact, annually (estimated)	Conversion factor	Baseline
 <b>Buildings</b>	kWh avoided kWh produced	1 kWh = 0.015 kg CO <sub>2</sub> e <sup>1</sup>	Reference building constructed in accordance with the applicable building regulations (currently TEK17) Energy demand prior to renovation
 <b>Renewable energy</b>	kWh produced	1 kWh = 0.015 kg CO <sub>2</sub> e <sup>1</sup>	Use of electricity from local grid
 <b>Transportation</b>	CO <sub>2</sub> e avoided Reduction in CO <sub>2</sub> e	<b>Electric or biogas vehicle</b> Emissions new electric vehicle: 0.2 kWh/km <sup>2</sup> * 0.015 kg CO <sub>2</sub> /kWh = 0.003 kg CO <sub>2</sub> /km Emissions new biogas vehicle: 0 kg CO <sub>2</sub> /km <sup>3</sup> Emissions alternative diesel vehicle: 0.126 kg CO <sub>2</sub> /km <sup>4</sup>	Alternative conventional type of vehicle (e.g. new diesel car)
		<b>Shore-side power or electric ferry</b> 1 kWh = 0.015 kg CO <sub>2</sub> e <sup>1</sup> 1 kWh = 0.25 kg marine diesel (MDO) <sup>5</sup> 1 kg marine diesel = 3.21 kg CO <sub>2</sub> /kg diesel <sup>6</sup>	Use of marine diesel
		<b>Electric construction machinery</b> Emissions new electric construction machinery: “X” kWh/hour * 0.015 kg CO <sub>2</sub> e <sup>1</sup> /kWh = “Y” kg CO <sub>2</sub> e/hour * “Z” hours/year = amount of kg CO <sub>2</sub> e/year from new electric machinery Emissions existing diesel construction machinery: “X” liter/hour * 2.66 kg CO <sub>2</sub> <sup>7</sup> /liter = “Y” kg CO <sub>2</sub> /hour * “Z” hours/year = amount of kg CO <sub>2</sub> /year from existing machinery	Existing diesel construction machinery
 <b>Waste and circular economy</b>	Increase in capacity, tonnes kWh produced	1 kWh = 0.015 kg CO <sub>2</sub> e <sup>1</sup>	Situation before improvement Use of electricity from local grid
 <b>Water and wastewater management</b>	Increase in capacity, population equivalents kWh produced	1 kWh = 0.015 kg CO <sub>2</sub> e <sup>1</sup>	Situation before improvement Use of electricity from local grid
 <b>Land use and area development projects</b>	Area of the project	n/a	Situation before improvement
 <b>Climate change adaptation</b>	n/a	n/a	Situation before improvement

1) Average GHG emissions from usage of electricity in Norway in 2023 (NVE)

2) Average energy usage, electric vehicles 2016-2022 (The Norwegian Electric Vehicle Association)

3) KBN considers biogas as climate neutral as recommended by the Norwegian Environment Agency

4) Average CO<sub>2</sub> emissions from new diesel cars in 2017 (Anskaffelser.no). Note that this is without methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). The combustion emissions of methane and nitrous oxideare relatively low compared to the CO<sub>2</sub> emissions and give and add between 0,5-1,5 % to the CO<sub>2</sub> emissions when calculated in CO<sub>2</sub>e.

5) Conversion rate of electric shore power distributed to amount of marine diesel avoided, recommended by Plug Port (A Norwegian company that offers shore power in partnership with the ports)

6) Emission factor recommended by Plug Port

7) Emission factor for diesel as provided by the Norwegian Environment Agency. Note that this is without methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). The combustion emissions of methane and nitrous oxide are relatively low compared to the CO<sub>2</sub> emissions and add between 0,5-1,5 % to the CO<sub>2</sub> emissions when calculated in CO<sub>2</sub>e.

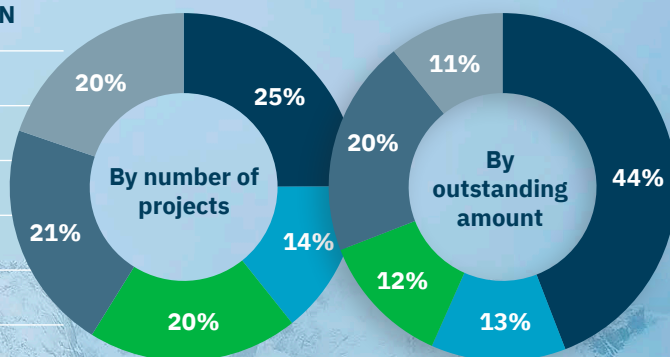
# Refinancing and the age of projects

There are various definitions of refinancing, and the table shows how the portfolio compares against some of these. The charts show the portfolio by the physical age of the projects.

KBN's green loans primarily aim to finance new green projects. Generally, green loans are not awarded to projects completed more than twelve months prior to the application date. However, upon maturity

of existing green loans, they may be refinanced within the economic lifetime of the project. In such cases, projects undergo reassessment against the latest Criteria Document for green loans.

## PROJECTS BY COMPLETION



Source	Definition	Share of KBN's green portfolio
Loans refinanced after maturity	Share of outstanding loans refinanced after maturity	2.5%
EU Green Bond Standard	Share of financing (allocated amount to projects financed after bond issuance)	0%
	Share of refinancing (allocated amount to projects financed before bond issuance) <sup>1</sup>	100%
Nordic Position Paper	Share of outstanding loans granted during the reporting year	11%
	Share of outstanding loans granted prior to the reporting year	89%

<sup>1</sup>) As described in KBN's Green Bond Framework, we generally seek to qualify eligible projects prior to our green bond issuances, so that investors are clearly informed about the use of proceeds.



# Project categories

Overview of project categories eligible for KBN's green loan financing.  
For detailed criteria applicable to each category, please refer to KBN's Criteria Document for green loans.



## Buildings

Climate-smart and/or energy efficient buildings.

<b>Subcategories</b>	1.1 Measures for existing building stock 1.2 New buildings 1.3 Other
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<b>SDGs</b>	7.3 and 12.2
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<b>The EU Environmental Objectives</b>	1, 2, 4 and 6
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## Renewable energy

Facilitating the use of renewable energy sources.

<b>Subcategories</b>	2.1 Renewable energy production 2.2 Energy storage 2.3 Energy infrastructure 2.4 Other
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<b>SDGs</b>	7.2
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<b>The EU Environmental Objectives</b>	1, 2, 5 and 6
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## Transportation

Transportation solutions which generate minimal or zero emissions.

<b>Subcategories</b>	3.1 Cycling and walking 3.2 Land transport 3.3 Maritime transport 3.4 Heavy machinery 3.5 Infrastructure 3.6 Other
<b>SDGs</b>	9.1, 9.4, 11.2 og 11.6

<b>The EU Environmental Objectives</b>	1,2 and 5
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## Waste and circular economy

Measures that contribute to waste reduction, reuse, recycling or more efficient energy consumption.

<b>Subcategories</b>	4.1 Waste prevention or reuse 4.2 Waste collection, processing and treatment 4.3 Other
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<b>SDGs</b>	11.6, 12.4 and 12.5
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<b>The EU Environmental Objectives</b>	1, 2, 4 and 5
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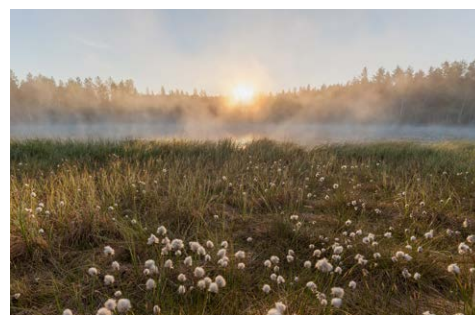
## UN Sustainable Development Goals



### Water and wastewater management

Investments intended to reduce energy consumption or leakage, or as a response to a climate change adaptation requirement.

<b>Subcategories</b>	5.1 Surface runoff management financed by wastewater charges 5.2 Small scale energy production measures 5.3 Climate-friendly facilities 5.4 Climate-friendly construction projects 5.5 Other
<b>SDGs</b>	6.1, 6.3, 6.4 and 14.1
<b>The EU Environmental Objectives</b>	1, 2, 3 and 4



### Land use and area development projects

Projects that emphasise nature, the environment and the climate, as well as antipollution measures.

<b>Subcategories</b>	6.1 Anti-pollution measures 6.2 Area development and land usage 6.3 Other
<b>SDGs</b>	11.3, 11.7, 14.2 and 15.1
<b>The EU Environmental Objectives</b>	1, 2, 5 and 6



### Climate change adaptation

Contributing measures that help local communities to withstand current climate changes or reduce future physical climate risk.

<b>Subcategories</b>	7.1 Surface runoff management 7.2 Preventative climate change adaptation 7.3 Emergency preparedness 7.4 Other
<b>SDGs</b>	11.5 and 13.1
<b>The EU Environmental Objectives</b>	2 and 3



### The EU Environmental Objectives

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems




# Key impact data








The impact reported on this page is the annual effect from all the projects in the green portfolio - both new and existing.

On the following pages, only new projects with first disbursement made in 2024 are listed. Hence, the environmental impact from the new projects represents only a portion of the totals presented in this table.

You can find a complete overview of all projects and their associated environmental impact in the spreadsheet accompanying this report or on KBN’s website.



Get a complete overview of the green projects in Impact report 2024 (Excel) or Green project list at [kbn.com](https://kbn.com).

Project categories	New green projects in 2024	Green loan outstanding (1000 NOK)	Production of renewable energy (kWh annually)	Reduced and avoided GHG (tonnes CO <sub>2</sub> e annually)	Category specific impact
 Buildings	28	41 098 623	13 751 376	1 160	Estimated energy savings (kWh annually): 47 279 301
 Renewable energy	4	1 353 028	110 709 518	1 217	Installed effect (kW): 3 387
 Transportation	4	6 878 346		10 799	<div>▪ Number of zero-emission cars: 192</div> <div>▪ Other zero emission vehicles (trams, ferries, heavy machinery): 73</div>
 Waste and circular economy	2	1 776 488	143 229	81	Increased capacity (tonnes): 132 487
 Water and wastewater management	24	14 204 455	6 383 688	31	Increased capacity (population equivalents): 631 605
 Land use and area development projects	2	367 246		n/a	Included area (m <sup>2</sup> ): 244 151
 Climate change adaptation	1	290 783		n/a	Surface area protected or relocated (m <sup>2</sup> ): 21 880
Total	65	65 968 968	130 987 811	13 288	

## DISCLAIMER

The information presented in this report has been obtained from KBN's customers. While KBN has reviewed the data, it has not undergone verification by us or a third party. The calculations of environmental impact have been conducted by KBN.

We strive to ensure the accuracy of the information in this report. However, we advise investors and other stakeholders to exercise caution when interpreting this report, as there is significant uncertainty associated with calculations of this nature.

# New green projects 2024

KBN finances projects in municipalities and counties throughout Norway. The following pages offer a complete overview of this year's projects, along with selected project examples.

School renovation aiming for net-zero emissions.



New energy center supplying secondary school.



Expansion of the Bergen Light Rail.



Wastewater system upgrade improves water quality.



Upgrade of artificial turf field to eliminate plastic debris.



Relocation of water treatment plant to mitigate climate risk.



Enhanced quay facility supports carbon capture project.





NEW PROJECTS IN 2024

## Buildings

NEW GREEN  
PROJECTS IN  
2024:

28

TOTAL  
NUMBER OF  
GREEN PROJECTS:

252

[See all the green projects in  
Impact Data 2024 \(Excel\)  
at \[kbn.com\]\(#\).](#)

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m <sup>2</sup> )	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
Vestfold Krematorium IKS	New cremation furnace with low greenhouse gas emissions	Vestfold Krematorium IKS is planning to purchase a new and environmentally friendly crematory oven. Moving away from a fossil fuel-driven solution will significantly reduce annual energy consumption and emissions	2023-2023	1.3 Other	10 603	10 338	27 500	38%		-	-	-
Engerdal municipality	Engerdal Torg care senter	New care home facilities in Engerdal, with four residential units and an activity room. The building is constructed with extensive use of wood as a building material	2021-2023	1.2.2 New buildings with climate-friendly materials	17 000	16 433	21 229	77%	351	-	-12 988	-0.2
Time municipality	Bryne sport center	The new Bryne Storhall is both a sports and multipurpose hall with a floor area of approximately 5 000 m <sup>2</sup> . The hall will achieve BREEAM-NOR Very Good certification and have low energy demand.	2022-2024	1.2.1 New low-energy buildings	148 000	145 533	185 000	79%	5 481	-	162 552	2.4
Stjørdal municipality	New Halsen primary school	Stjørdal municipality is planning to construct a new primary school in Halsen. The new school facility will incorporate several positive environmental aspects, including solar panels, connection to district heating, and recycling of rainwater for toilet use.	2023-2026	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	216 700	213 991	399 500	54%	7 000	32 139	180 728	3.2
Lillesand og Birkenes interkommunale renovasjons-selskap (LIBIR) IKS	New administration building	LiBiR IKS is planning to construct a new administration building at Knudremyr recycling facility using low-carbon concrete and timber. The building will include office space, meeting rooms, and locker facilities, among other amenities.	2023-2025	1.2.2 New buildings with climate-friendly materials	19 500	19 305	27 500	70%	600	-	590	0.0
Narvik municipality	New health centre Furumoen	New health centre in Narvik, with approximately 28% lower energy demand than the requirements in the Norwegian building code (TEK17).	2021-2024	1.2.1 New low-energy buildings	100 000	98 750	358 599	28%	6 276	-	97 474	1.5



Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans 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 reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>Gloppen municipality</b>	New Hyen school	Hyen school in Gloppen municipality is to be demolished and rebuilt as one of the most sustainable buildings in the municipality. A green profile will be evident in both execution, material selection, and energy consumption. For instance, the building will extensively use solid wood sourced from the Nordic region and reuse concrete foundations and ground walls from the old school building as elements in the outdoor area.	2024-2025	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	50 000	49 400	106 200	47%	1 019	-	17 063	0.3
<b>Lier municipality</b>	New Egge school	Expansion of Egge School with a new addition of approximately 1 500 m². The new building will have very low energy requirements, constructed with climate-friendly materials including low-carbon plus, and will install solar panels on the roof.	2023-2024	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	132 000	129 800	165 000	79%	1 526	21 240	42 976	1.0
<b>Lier municipality</b>	Expansion of Lierbyen health center	Lier municipality is constructing a new building adjacent to Lierbyen Health Center. The building will meet passive house standards, utilise cross-laminated timber in the load-bearing system and floors, and install solar panels on the roof	2023-2023	1.2.2 New buildings with climate-friendly materials	36 000	35 400	45 000	79%	631	6 780	9 034	0.2
<b>Oslo municipality</b>	New water supply Oslo, operations building	Oslo municipality is ensuring a new backup water supply for its residents. This includes, among other things, an operations building. The building has low energy consumption and will produce 43 000 kWh per year with solar panels.	2023-2027	1.2.1 New low-energy buildings and 1.2.4 Buildings with locally produced energy	100 000	100 000	200 000	50%	796	21 500	12 974	0.5
<b>Trøndelag county authority</b>	Trondheim Katedralskole	Trondheim Katedralskole is set to undergo rehabilitation and receive a new buildings. It is a school with some of the oldest buildings dating back to the 1920s. Climate-friendly materials will be used, and the construction site will be emission-free.	2023-2025	1.1.3 Renovation of existing building stock combined with a new extension building	377 000	377 000	691 800	54%	3 064	57 963	72 133	2.0
<b>Bærum municipality</b>	Rykkinn sport center	Hall B in Rykkinhallen will be replaced with a new hall. The new hall will be constructed with climate-friendly materials and have low energy use.	2024-2025	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	98 000	98 000	138 000	71%	1 716	32 324	36 558	1.0
<b>Hustadvika municipality</b>	Hustadvika Cultural School	Hustadvika Municipality is constructing a new cultural school. The school will be built using mass-timber and have heat pumps.	2023-2023	1.2.2 New buildings with climate-friendly materials	42 660	42 660	73 500	58%	975	-	5 829	0.1





## Buildings continued

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans 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 reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>Hjelmeland municipality</b>	Hjelmeland School and swimming pool	Hjelmeland Municipality are building a new secondary school and swimming pool. The new school building has low energy requirements and is constructed with environmentally friendly materials.	2024-2026	1.2.1 New low-energy buildings and 1.2.7 Swimming pools or ice rink with low resource consumption	100 000	100 000	350 000	29%	6 045	42 857	43 870	1.3
<b>Nes municipality</b>	Auli School	Nes Municipality are building a new school building, an outdoor area with parking, as well as renovations of the administration building and gymnasium. The project has low energy requirements and local energy production.	2023-2026	1.2.1 New low-energy buildings and 1.2.3 New buildings with locally produced energy	100 000	100 000	245 000	41%	2 910	32 659	39 909	1.1
<b>Nes municipality</b>	Fenstad School	Fenstad School is being expanded with two new additions. The building will have low energy requirements, and most of its energy needs will be met by self-produced solar power and geothermal energy.	2023-2026	1.2.1 New low-energy buildings and 1.2.3 New buildings with locally produced energy	50 000	50 000	106 300	47%	1 611	50 618	15 231	1.0
<b>Vågan municipality</b>	Svolvær Care Center	Vågan Municipality has installed liquid-to-water heat pumps at Svolvær Care Center.	2022-2023	1.1.5 Renewable energy in buildings	1 554	1 554	2 683	58%		165 253	-	2.5
<b>Hamarøy municipality</b>	Drag care center	Hamarøy Municipality is set to build new care homes in Drag. The buildings will be constructed using environmentally friendly materials and will have low energy requirements.	2024-2025	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	99 375	98 750	155 487	64%	2 736	-	77 325	1.2
<b>Nord-Aurdal municipality</b>	Leira nursery	The new Leira kindergarten will be built with low energy requirements, and a number of environmentally friendly material standards will be applied.	2024-2025	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	52 000	52 000	65 000	80%	1 261	-	27 238	0.4
<b>Innlandet county authority</b>	Valdres upper secondary school	Innlandet county aunicipality is renovating several buildings at Valdres upper secondary school to reduce the energy demand of the structures. The total savings from these measures amount to approximately 117 000 kWh annually. Additionally, solar panels will be installed on the new building.	2021-2023	1.1.1 Individual energy efficiency measures and 1.1.5 Renewable energy in buildings	53 800	50 754	174 274	29%	3 665	2 120	34 195	0.5
<b>Sarpsborg municipality</b>	Grålum school	Grålum primary school will be upgraded by establishing a new extension building. The building will include, among other things, classrooms, arts and crafts rooms and group rooms. The building will be energy efficient and produce its own electricity from both solar panels and geothermal energy.	2023-2024	1.2.1 New low-energy buildings and 1.2.3 New buildings with locally produced energy	88 800	88 800	115 000	77%	1 550	153 663	26 690	2.7



## Buildings continued

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans 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 reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>Trondheim municipality</b>	Stabbursmoen school	The new Stabbursmoen School will be designed to accommodate over 400 students. The building will aim to achieve BREEAM certification and incorporate mass timber in its structural system.	2024-2026	1.2.6 Eco-certified buildings	68 200	68 200	411 100	17%	6 630	-	41 136	0.6
<b>Gjesdal municipality</b>	Family centre	The Family centre is a building designed to consolidate services for children, youth, and families. The renovated building will feature geothermal heating, new windows, and the reuse of significant parts of the furnishings. The renovation results in a 43% reduction of energy consumption.	2023-2024	1.1.2 Major renovation projects b) 30% energy reduction	51 500	51 500	63 630	81%	1 820	69 606	80 449	2.3
<b>Namsskogan municipality</b>	Extension of Namsskogan school	Namsskogan School is being expanded with a new wing, with large parts constructed using environmentally certified timber. A heat pump system and a well field will be installed, covering 96% of the energy needs for the entire building complex, which includes a kindergarten, primary and secondary school, sports hall, and swimming pool.	2024-2025	1.2.2 New buildings with climate-friendly materials and 1.2.3 New buildings with locally produced energy	28 162	28 162	46 075	61%	868	305 610	1 592	4.6
<b>Rogaland county authority</b>	Skeisvang high school	Skeisvang High School is set to undergo rehabilitation with the aim of reducing the building's energy use. At the same time, a new building will be constructed on the site, and the school will be connected to solar panels and heat pumps that will produce more energy than the school's requirements.	2024-2027	1.1.3 Renovation of existing building stock combined with a new extension building	24 300	24 300	424 960	6%	8 625	18 505	23 767	0.6
<b>Rogaland county authority</b>	Øksnevad high school	A new building as an extension of Øksnevad High School. This pilot project focuses on systematic work with sustainability and will have low energy requirements. It will be constructed using climate-friendly materials and will have solar panels on the roof.	2024-2026	1.2.1 New low-energy buildings and 1.2.4 New buildings with low greenhouse gas emissions	16 100	16 100	176 100	9%	2 477	7 314	7 269	0.2
<b>Rogaland county authority</b>	Rogaland county hall	The County Hall in Rogaland is set to be rehabilitated and receive a new extension. The rehabilitation will result in significant reductions in the building's energy consumption, and the new buildings will have low energy requirements and extensive use of climate-friendly materials. A greenhouse gas accounting has been conducted, estimating that the buildings will have approximately 28% lower emissions than reference buildings.	2024-2026	1.1.3 Renovation of existing building stock combined with a new extension building	54 100	54 100	883 350	6%	18 201	-	115 538	1.7
<b>Gulen municipality</b>	Air-to-water heat pump	Gulen Municipality will install air-to-water heat pumps at four schools. An estimated 30% reduction in energy consumption is expected.	2024-2027	1.1.1 Individual energy efficiency measures	2 000	2 000	10 000	20%	-	-	-	-





## CASE

BUILDINGS

### School renovation aiming for net-zero emissions

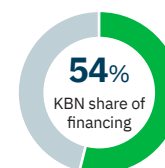
■ ■ Trondheim Cathedral School has buildings dating back to the 1920s and is now undergoing a major renovation. The project includes three existing buildings and two new ones, with a strong focus on reusing construction materials.

Wood will be the primary structural material, and all concrete used will be low-carbon, classified as A, plus, or extreme. The new buildings will have an energy demand 35% lower than regulatory requirements, and solar panels will be installed to generate over 100 000 kWh annually.

A battery system will also be implemented for energy storage. The goal is to achieve net-zero emissions in building operations. Additionally, the construction site will be emission-free, saving 108 000 liters of diesel.

Project period: 2023-2025

Trøndelag county authority







NEW PROJECTS IN 2024

## Renewable energy

NEW GREEN  
PROJECTS IN  
2024:

4

TOTAL  
NUMBER OF  
GREEN PROJECTS:

19

[See all the green projects in  
Impact Data 2024 \(Excel\)  
at kbn.com.](#)

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)	
									Energy produced (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
Stad Energi og Eigedomsutvikling KF	Upgrading the fjord-based district heating facility	Upgrading the fjord heating system that supplies local heat pumps and cooling systems in Nordfjordeid, in addition to installing solar cells on the roof. In total, the measures result in increased energy production of 1 776 000 kWh/year.	2024-2024	2.1.1 Renewable energy production e) Heat pumps and f) Other renewable energy sources	3 330	3 330	5 780	58%	1 023 197	15.3
Nordre Follo Renseanlegg IKS	New biogas turbines	Nordre Follo Renseanlegg IKS uses its own biogas to produce electricity and heat with turbines. These turbines are set to be replaced.	2024-2024	2.1.1 Renewable energy production f) Other renewable energy sources	2 000	2 000	2 500	80%	1 400 000	21.0
Hustadvika municipality	New heating plant at Fræna School	Hustadvika Municipality is establishing a new energy well to heat Fræna School and the swimming pool	2023-2024	2.1.1 Renewable energy production b) Geothermal wells	12 340	12 340	15 400	80%	517 639	7.8
Grenland havn IKS	Solar power system at Skien Port	Grenland Port IKS has installed solar panels on the roof of a building at the terminal in Skien. The total energy production is 165 737 kWh/year	2024-2024	2.1.1 Renewable energy production c) Solar panels or solar thermal collectors	1 500	1 500	1 875	80%	132 568	2.0



Photo: Adobe Stock

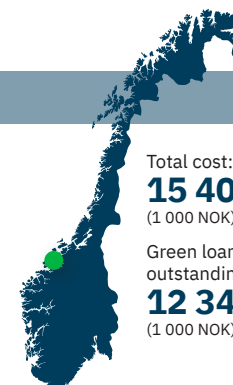
## CASE



RENEWABLE ENERGY

### New energy center supplying secondary school

■ ■ Hustadvika municipality establishes a new energy center with energy wells and heat pumps. The center will provide heating for Fræna secondary school, including a swimming pool. The average heating consumption over the past four years at the school has been 760 000 kWh, which will now be covered primarily with locally produced energy.

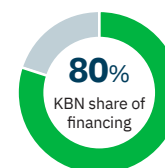


Project period: 2023-2024

Hustadvika municipality

Total cost:  
**15 400**  
(1 000 NOK)

Green loan  
outstanding:  
**12 340**  
(1 000 NOK)







## NEW PROJECTS IN 2024 Transportation

NEW GREEN  
PROJECTS IN  
2024:

4

TOTAL  
NUMBER OF  
GREEN PROJECTS:

77

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Impact Data 2024 \(Excel\)  
at \[kbn.com\]\(https://kbn.com\).](#)

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)
									Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>Romsdalshalvøya Interkomm. Renovasjonssel. IKS</b>	Procurement of two electric trucks	Procurement of two new electric trucks for the recycling facility.	2024-2024	3.4.1 Heavy machinery	1 100	1 045	1 375	76%	8.7
<b>Øvre Eiker municipality</b>	Facilitating walking and cycling	Øvre Eiker is undertaking the Mobility Project in 2024. This project comprises several sub-projects aimed at facilitating walking and cycling.	2024-2024	3.1.2 Facilitating walking or cycling	10 850	10 669	13 563	79%	-
<b>FERDE AS</b>	Bergen Light Rail	The construction of the Bergen Light Rail, which encourages more residents to use public transportation. The light rail system currently has five construction phases, with phases 1-4 completed and phase 5 in the planning stage.	2010-2037	3.5.4 Trackway and other infrastructure	1 000 000	1 000 000	19 762 000	5%	-
<b>Drammen municipality</b>	Drammen city bridge	<p>Drammen has demolished the city bridge from 1936 and is building a new city bridge, which is expected to be ready by autumn 2025. The bridge will only be to public transport, bicycles, and pedestrians. The public transport includes buses and taxis. While the buses are already electric, some of the taxis may still be running on traditional combustion engines. All taxis will however under the Regulation on Emission Requirements for Taxi Transport in Municipalities be emission free by the 1st of October 2027.</p> <p>To be aligned with our Framework stating that fossil fuel related activities are excluded, the total cost and possible green loan that can be disbursed have been reduced. This is to ensure that KBN is not financing the estimated part of the project that makes up for the taxis using the city bridge for the next two years with green lending. The intention behind the city bridge, promoting emission free public transport, bicycles and pedestrians is well aligned with the intention of our green bond programme. This project was qualified under doubt, with an escalation to KBN's Chief Lending Officer making the final decision, as described in our Green Bond Framework.</p>	2022-2026	3.1.2 Facilitating walking or cycling and 3.5.4 Trackway and other infrastructure	654 800	654 800	1 577 349	42%	-





## CASE



TRANSPORTATION

### Expansion of the Bergen Light Rail

■ Ferde AS is expanding the Bergen Light Rail by approximately 39 km. The project includes construction, upgrades, and maintenance of tracks, stations, stops, and related systems. The Bergen Light Rail system provides smart and sustainable public transport for Bergen's residents running on 100% certified renewable energy, and with about 24 million passenger trips yearly.

Note: The Bergen Light Rail was part of KBN's green loan portfolio from 2014 to 2020 until the loan was terminated. The ongoing expansion with new routes is considered a new project in our green loan portfolio, as it meets our requirements set out in our Green Bond Framework (April 2024) and criteria for green lending. Since the previous loan was terminated it is also registered as a refinanced project.

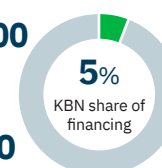
Project period: 2010-2037

Ferde AS



Total cost:  
**19 762 000**  
(1 000 NOK)

Green loan  
outstanding:  
**1 000 000**  
(1 000 NOK)







NEW PROJECTS IN 2024

## Waste and circular economy

NEW GREEN  
PROJECTS IN  
2024:

2

TOTAL  
NUMBER OF  
GREEN PROJECTS:

48

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Impact Data 2024 \(Excel\)  
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Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)			
									Total capacity (tonnes)	Increased capacity (tonnes)	Expected energy production (kWh/annually)	Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
IVAR IKS	Forus reuse centre	New reuse center with the aim of selling 2 000 tonnes of recycled goods by 2025, which is a threefold increase compared to current sales.	2023-2024	4.1.1 Measures to reduce waste or to facilitate greater reuse	9 000	9 000	11 250	80%	-	1 070	-	-
Grenland havn IKS	Infrastructure for CO <sub>2</sub> storage	Grenland Havn IKS is carrying out several upgrades to facilitate the loading of liquid CO <sub>2</sub> from CCS facilities onto ships for transport to storage.	2022-2024	4.2.7 Carbon capture and storage (CCS)	40 000	38 875	50 000	78%	-	-	-	-





## CASE



WASTE AND CIRCULAR ECONOMY

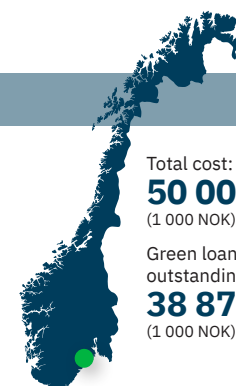
### Enhanced quay facility supports carbon capture project

■ ■ Grenland Havn IKS has upgraded their quay facility to ensure that liquid CO<sub>2</sub> from carbon capture at a nearby cement factory can be loaded onto ships and transported by sea.

The infrastructure at the terminal ensures the efficient transport of CO<sub>2</sub> to permanent storage sites, which is essential for the implementation of the carbon capture project at the cement factory. The upgrade also includes the installation of charging stations for shore power.

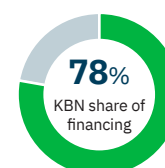
Project period: 2022-2024

Grenland Havn IKS



Total cost:  
**50 000**  
(1 000 NOK)

Green loan  
outstanding:  
**38 875**  
(1 000 NOK)





NEW PROJECTS IN 2024

## Water and wastewater management

NEW GREEN  
PROJECTS IN  
2024:

24

TOTAL  
NUMBER OF  
GREEN PROJECTS:

111

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Impact Data 2024 \(Excel\)  
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Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)			
									Estimated increase in capacity (PE)	Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
Øvre Eiker municipality	Renovation of pumping stations	The upgrading of the pumping system associated with the wastewater treatment plant in Hokksund is underway. Additionally, insulation is being installed on the corresponding building, which is estimated to result in a total energy savings of 30%.	2023-2025	5.3.1 Measures at existing water facilities: a) Delivers a 20% increase in energy efficiency	1 500	1 475	7 500	20%	-	-	-	-
Øvre Eiker municipality	Hokksund wastewater treatment facility	The Hokksund treatment plant is being upgraded with significantly increased capacity and improved treatment processes to meet stricter requirements for secondary treatment, including nitrogen removal, phosphorus removal, and bacterial reduction. This contributes to a cleaner Drammen River and Fjord, as well as reduced nitrogen input to the Oslo Fjord.	2023-2025	5.3.6 New facilities for wastewater: c) Reduces adverse impact on the local environment	158 000	155 367	437 500	36%	-	-	-	-
Øvre Eiker municipality	Upgrading the water and wastewater network	Øvre Eiker municipality is set to replace water pipes and install new wastewater pipes to connect new households to the municipal system. This initiative aims to prevent runoff towards Fiskumvannet and Eikern, which serve as sources of drinking water and bird reserves.	2024-2025	5.3.6 New facilities for wastewater: c) Reduces adverse impact on the local environment	30 000	29 500	30 000	98%	-	-	-	-
IVAR IKS	Rehabilitation of Storevatn dam	Rehabilitation of the dam at Storevatn, one of the water sources for IVAR IKS, which was built in 1959. Low-carbon concrete plus will be used in the rehabilitation, which will provide a CO <sub>2</sub> reduction from material use of 45%. The work is divided into two seasons due to noise for red-listed species.	2024-2026	5.3.1 Measures at existing water facilities: d) Use of climate-friendly materials	140 000	140 000	175 000	80%	-	-	-	-
IVAR IKS	Relocation of wastewater pipe Strandgata	Relocation of existing wastewater pipes from Strandgata to Gandsfjorden using no-dig methods. By laying a subsea pipeline, trenching and mass transport is avoided.	2023-2025	5.4.2 No-dig projects	25 000	25 000	31 250	80%	-	-	-	-



## Water and wastewater management continued

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)			
									Estimated increase in capacity (PE)	Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>IVAR IKS</b>	Upgrading of biogas plant Sentralrenseanlegg Nord-Jæren	Upgrading the existing production plant for biogas, Sentralrenseanlegg Nord-Jæren (SNJ). They treat sludge from their own treatment plant, which receives waste water from around 35 000 people. Today's plant produces sludge of 8-9 000 tonnes dry matter/year, with an upgraded plant 13 000 tonnes/year is expected.	2024-2026	5.3.4 Sludge treatment facilities for biogas production	50 000	50 000	62 500	80%	-	-	-	-
<b>Oslo municipality</b>	New water supply	Oslo municipality is securing a new backup water supply for its residents, which involves drilling two tunnels of 19 and 12 km, as well as constructing a new water treatment plant. All tunneling work is 100% emission-free, and the construction sites aim to be emission-free, with full implementation by 01.01.25. The tunnel drilling is also "no-dig", minimizing area impact.	2020-2027	5.4.1 Zero-emission excavation works/ construction sites and 5.4.2 No-dig projects	4 400 000	4 400 000	25 535 628	17%	-	-	-	1 464.6
<b>Bærum municipality</b>	Upgrade of sewage pipeline network	Renewal of sewage pipelines to reduce environmental emissions, leaks, and overflows. Primarily, no-dig methods will be used.	2024-2026	5.3.2 Measures at existing wastewater facilities c) Reduces the use of chemicals or leakages/pollution	64 380	64 380	198 880	32%	-	-	-	-
<b>Bærum municipality</b>	Upgrade of water pipeline network	Replacement of water pipelines to prevent deterioration of the network. The initiative aims to help the municipality achieve its goal of reducing leaks to below 20% by 2030.	2024-2026	5.3.1 Measures at existing water facilities c) Reduces the use of chemicals or leakages	125 660	125 660	383 660	33%	-	-	-	-
<b>Bærum municipality</b>	Separating wastewater and surface runoff	Bærum municipality is establishing a separate pipeline network for wastewater and surface runoff to prevent overloading and overflows. This measure will reduce emissions into streams, rivers, and fjords, and increase the capacity to handle wastewater and stormwater in the system.	2024-2026	5.1.1 Separating wastewater and surface runoff	137 940	137 940	338 275	41%	-	-	-	-
<b>GIVAS IKS</b>	Alternative water supply	A new reserve water pipeline between Grue municipality (GIVAS) and Åsnes municipality will be installed using no-dig methods.	2024-2027	5.4.2 No-dig projects	1 760	1 760	2 200	80%	-	-	-	-
<b>GIVAS IKS</b>	Increased delivery security through digitalization	GIVAS IKS will implement a digitalization project. The project can prevent leaks and ensure they are fixed more quickly.	2024-2027	5.3.1 Measures at existing water facilities c) Reduces the use of chemicals or leakages	60	60	2 566	2%	-	-	-	-





## Water and wastewater management continued

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)			
									Estimated increase in capacity (PE)	Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
Malvik municipality	Saksvik wastewater treatment facility	The new Saksvik wastewater treatment plant is being designed to accommodate population growth in Malvik and will provide better particle filtration in wastewater than the current facility. The plant is being constructed with the ability to adapt to stricter treatment requirements in the future, and a new discharge and overflow pipeline is also being installed.	2022-2024	5.3.6 New facilities for wastewater: c) Reduces adverse impact on the local environment	200 000	200 000	204 000	98%	8 191	-	-	-
Vågan municipality	Wastewater Garsosen	The establishment of a wastewater treatment system serving approximately 700 people involves the separation of sewage and stormwater, as well as the installation of several new water and wastewater pipelines.	2020-2024	5.1.1 Separating wastewater and surface runoff	40 000	40 000	50 000	80%	-	-	-	-
Hamarøy municipality	Rehabilitation of the wastewater network	Hamarøy Municipality will renovate the old wastewater network and improve the existing sewage system in Drag. The upgrades will prevent leaks and separate stormwater from sewage.	2024-2026	5.1.1 Separating wastewater and surface runoff and 5.3.2 Measures at existing wastewater facilities c) Reduces the use of chemicals or leakages/pollution	33 066	32 786	55 000	60%	-	-	-	-
Sarpsborg municipality	Separating wastewater and surface runoff	Separation of wastewater and surface runoff in Sarpsborg municipality.	2022-2031	5.1.1 Separating wastewater and surface runoff	271 200	271 200	2 849 000	10%	-	-	-	-
Vadsø vann og avløp KF	New wastewater facility Golnes	New wastewater treatment plant in Golnes, Vadsø, including separation og wastewater and surface runoff and replacement of water pipes to reduce leakage.	2023-2024	5.3.6 New facilities for wastewater: c) Reduces adverse impact on the local environment and 5.1.1 Separating wastewater and surface runoff	14 200	14 200	20 000	71%	78	-	-	-
Nittedal municipality	Transfer of wastewater and new water pipeline	Nittedal municipality will transfer wastewater to a larger treatment plant. This will prevent discharges into the Nitelva river. At the same time, a new water pipeline will be installed to ensure water supply and prevent leaks.	2024-2026	5.3.6 New facilities for wastewater: c) Reduces adverse impact on the local environment and 5.3.5 New facilities for water c) Reduces adverse impact on the local environment	132 000	132 000	450 000	29%	-	-	-	-



## Water and wastewater management continued

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)			
									Estimated increase in capacity (PE)	Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>Askøy municipality</b>	Skarholmen wastewater treatment facility	The Skarholmen treatment plant will replace the current mechanical treatment facility with biological secondary treatment. The plant will have a capacity to serve 20 000 PE and include energy recovery from wastewater.	2023-2027	5.3.6 New facilities for wastewater: c) Reduces adverse impact on the local environment and 5.2.1 Heat recovery	150 000	150 000	503 682	30%	5 956	67 900	-	1.0
<b>Askøy municipality</b>	Horsøy wastewater treatment facility	The Horsøy treatment plant will replace the current mechanical treatment facility with biological secondary treatment. The plant will have a capacity to serve 15 000 PE and include energy recovery from wastewater.	2023-2027	5.3.6 New facilities for wastewater: c) Reduces adverse impact on the local environment and 5.2.1 Heat recovery	150 000	150 000	302 160	50%	7 446	85 385	-	1.3
<b>Marker municipality</b>	Bommen wastewater treatment facility	Marker Municipality is going to build a new resource facility for wastewater in Ørje. The Bommen facility treats wastewater from the Ørje urban area in Marker Municipality, with discharge into the Ørje River and the Halden watercourse.	2024-2026	5.3.6 New facilities for wastewater: a) Delivers a 20% increase in energy efficiency	39 500	39 500	275 000	14%			15 477	0.2
<b>Nordreisa municipality</b>	Upgrade of sewage pipeline network	Nordreisa municipality is set to upgrade its wastewater system by upgrading aging utility access points to improve wastewater management, upgrading pump stations, and replacing outdated pipelines.	2024-2026	5.3.2 Measures at existing wastewater facilities c) Reduces the use of chemicals or leakages/pollution	4 000	4 000	12 000	33%			-	-
<b>Lyngen municipality</b>	New wastewater and surface runoff pipelines at Hamneset	New wastewater and surface runoff pipelines will help reduce flooding along Hamnesveien and decrease the pressure on the wastewater facility.	2024-2024	5.1.1 Separating wastewater and surface runoff	2 850	2 850	3 563	80%			-	-
<b>Lyngen municipality</b>	New water supply for Lyngseidet and groundwater facility at Furufalten	New water treatment plants at Furufalten and Lyngseidet, including pipelines and elevated reservoirs. The pumps will have frequency converters, resulting in lower energy consumption at the facilities.	2022-2026	5.3.5 New facilities for water a) Delivers a 20% increase in energy efficiency	13 000	13 000	78 894	16%			906	-



Photo: Azora Reinholt, Lofotposten

## CASE



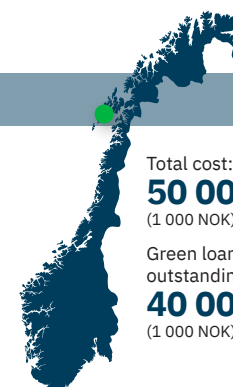
WATER AND WASTEWATER MANAGEMENT

### Wastewater system upgrade improves water quality

■ ■ Vågan municipality is upgrading the sewage system around Garsosen to collect wastewater from approximately 700 people into the municipal sewer network.

The existing combined sewer system has been replaced with separate systems for wastewater and stormwater, eliminating previously untreated discharges. New water pipes are also being installed in the same trench as the sewer lines.

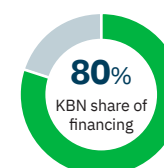
The project has significantly improved water quality, with samples from four locations now showing good results. The area has become a suitable spot for swimming and recreation, greatly benefiting the local community.



Project period: 2020-2024

Vågan municipality

Total cost:  
**50 000**  
(1 000 NOK)  
Green loan  
outstanding:  
**40 000**  
(1 000 NOK)







NEW PROJECTS IN 2024

## Land use and area development projects

NEW GREEN  
PROJECTS IN  
2024:

2

TOTAL  
NUMBER OF  
GREEN PROJECTS:

12

[See all the green projects in  
Impact Data 2024 \(Excel\)  
at \[kbn.com\]\(https://kbn.com\).](#)

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)
									Area (m²)
Sortland Havn KF	Maritime circular port development	Sortland Port KF is implementing a project for circular development in the port. The goal of the project is to integrate circular economy principles into the operations and development plans, including smart technology to enhance efficiency, renewable energy production, measures to improve water quality, cleaner fuel alternatives for shipping, and initiatives to promote biodiversity in the area.	2026-2028	6.2.1 Climate and environmentally friendly area development	1 750	1 750	250 000	1 %	630
Vega municipality	Gladstad artificial turf	The artificial turf pitch at Gladstad in Vega municipality currently uses traditional rubber granulate. However this will be replaced with a new type of turf that does not use granulate or infill.	2024-2024	6.1.1 Measures against pollution on land	5 000	2 250	6 621	34 %	-



Photo: Illustration, iStock

## CASE

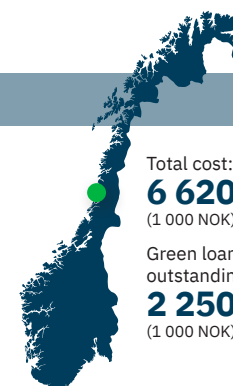


LAND USE AND AREA  
DEVELOPMENT PROJECTS

### Upgrade of artificial turf field to eliminate plastic debris

■ Vega municipality upgrades Gladstad artificial turf field to eliminate plastic debris. The previous artificial turf used regular plastic granulate, causing plastic pollution because there was no system in place to collect the plastic - a common issue with most artificial turf fields.

To address this, Vega is replacing the 5 959 m<sup>2</sup> field with a “non-infill” artificial turf designed to simulate the qualities of natural grass. The new turf uses specific yarn combinations to provide a soft surface and ensures durability, player comfort and minimising maintenance.

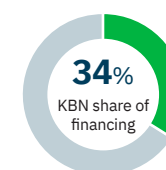


Project period: 2024

Vega municipality

Total cost:  
**6 620**  
(1 000 NOK)

Green loan  
outstanding:  
**2 250**  
(1 000 NOK)







NEW PROJECTS IN 2024

Climate change adaptation

NEW GREEN PROJECTS IN 2024:

1

TOTAL NUMBER OF GREEN PROJECTS:

18

[See all the green projects in Impact Data 2024 \(Excel\) at \*\*kbn.com\*\*.](#)

Borrower	Project name	Description	Project period (est.)	Criterion met	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing
GIVAS IKS	New Granli Water Treatment Plant	The municipal councils of Kongsvinger and Grue have decided to build a new water treatment plant at Granli. The new facility will be relocated to a site less prone to flooding, situated above the elevation for a 200-year flood event.	2019-2024	7.2.2 Infrastructure relocation	7 272	7 272	89 700	8%



Photo: GIVAS IKS

## CASE



CLIMATE CHANGE ADAPTATION

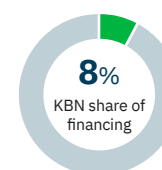
### Relocation of water treatment plant to mitigate climate risk

■ ■ The new Granli water treatment plant replaces an older facility built in the late 1960s facing several challenges, including its vulnerability to flooding and the increasing demand related to future capacity requirements. In 1995, the plant was exposed to what's considered a 200-year flood, and after preventative measures, the facility was still exposed to climate risk.

The new plant represents a significant upgrade over the existing infrastructure by focusing on safety, capacity, modern design, and climate change preparedness. The plant is also re-located to a location that is less vulnerable to flooding and is considered to be a long-term solution adapting to future climate changes.

Project period: 2019-2024

GIVAS IKS





# KBN and sustainability reporting



Read more about KBN's sustainability reporting in the Annual Report 2024

KBN is committed to being one of the leading financial institutions in the areas of sustainability and green financing solutions. With increasing regulatory demands in the EU, particularly through the EU's Green Deal, a new ecosystem for sustainability reporting has been introduced.

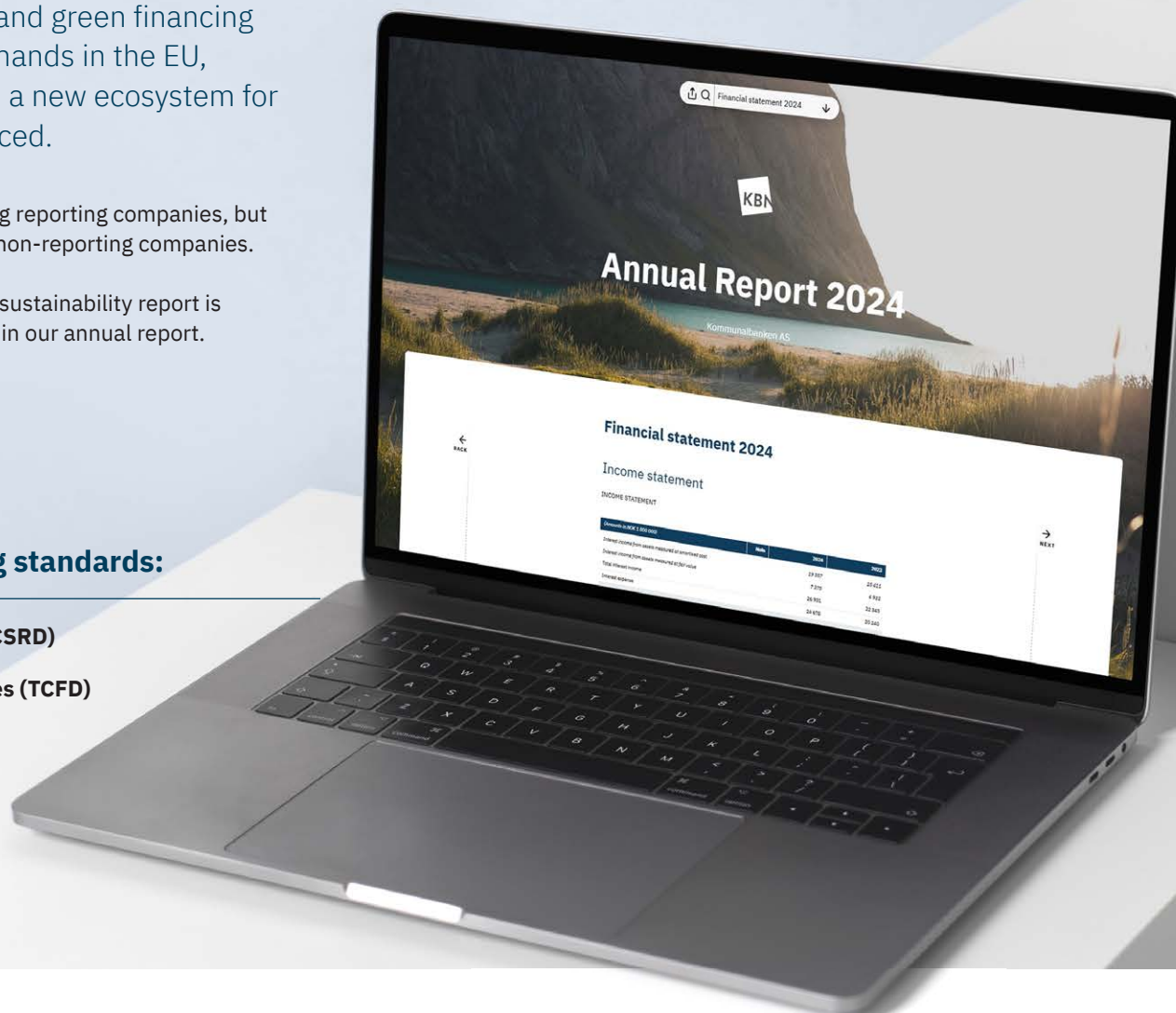
In 2024 KBN has undertaken significant steps to adapt our 2024 sustainability reporting to the CSRD requirements. The CSRD introduces significant changes to the way companies report on sustainability. We believe increased transparency and reliability of sustainability reporting can enhance sustainability efforts and commitments, not only

benefiting reporting companies, but also the non-reporting companies.

Our new sustainability report is included in our annual report.

## KBN reports according to the following standards:

- ➔ EUs Corporate Sustainability Reporting Directive (CSRD)
- ➔ Task Force on Climate-Related Financial Disclosures (TCFD)
- ➔ Carbon Disclosure Project (CDP)
- ➔ Eco-lighthouse



# Mapping against the EU Taxonomy

The following pages present KBN's self-assessment of its green project portfolio against the technical screening criteria outlined in the EU taxonomy, encompassing both the “Substantial Contribution” and “Do No Significant Harm” criteria.

This exercise is undertaken to identify gaps between KBN's eligibility criteria and the taxonomy, utilising the findings to shape the improvement of KBN's green lending programme.

The results are published to foster transparency regarding our findings. While a summary is provided in the following pages, the complete mapping, along with comments, is also available for download.


### About the findings

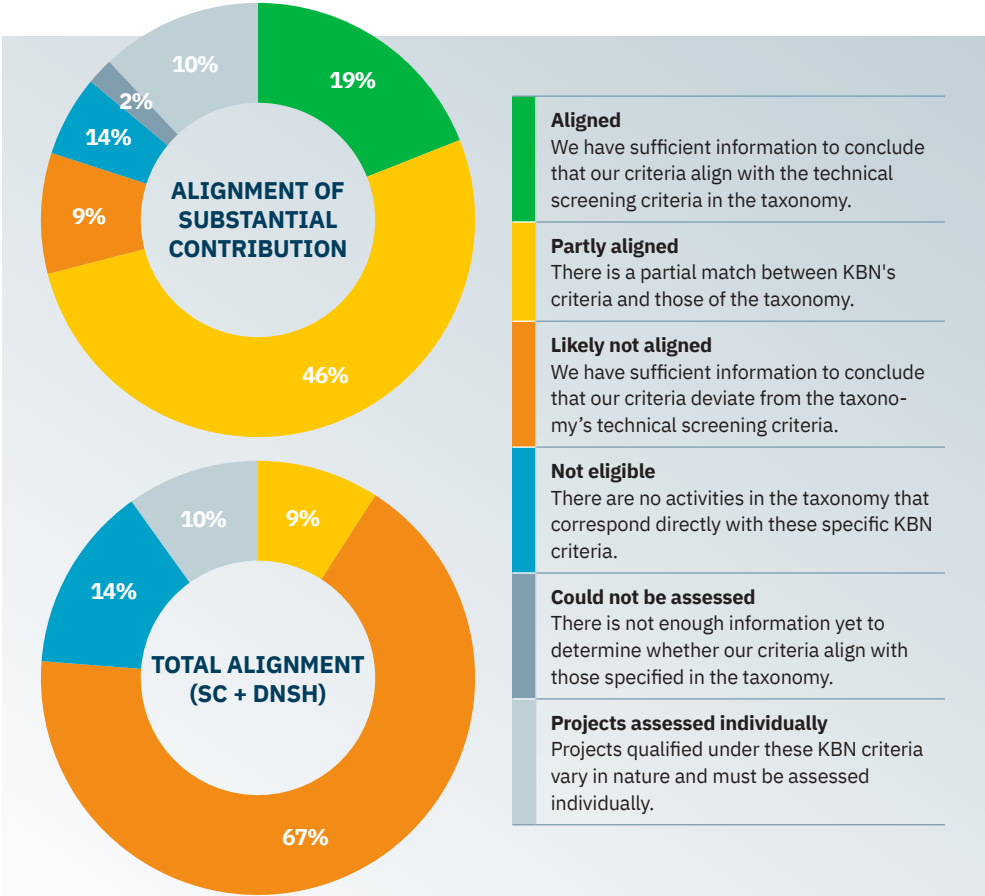
65% of KBN's portfolio is identified as either aligned or partly aligned with the Substantial Contribution criteria of the taxonomy. Project types include measures to improve the energy efficiency of buildings, low-carbon public land and maritime transportation, installation of solar energy equipment and new low-energy buildings.

The significant proportion of partly aligned projects is primarily attributed to criterion 1.2.1: New low-energy buildings larger than 5 000 m<sup>2</sup>.

We consider the criteria for energy performance to be met, a determination facilitated by a Norwegian nZEB (nearly zero-emission building) definition published by Norwegian authorities in 2023. Air-tightness is also deemed to be fulfilled, but there is insufficient information available to assess whether the criteria regarding the life cycle Global Warming Potential (GWP) are met for all projects larger than 5 000 m<sup>2</sup>.

While we identify numerous criteria to be aligned or likely aligned with the SC criteria, there is no full alignment with both SC and DNSH criteria. This primarily stems from the fact that extensive risk, water, and biodiversity assessments, as referred to in most DNSH criteria, are typically not conducted for smaller scale projects within the Norwegian local government sector. The absence of full alignment with SC and DNSH criteria across all project types underscores the complexity of the taxonomy and

 The full mapping can be found in spreadsheet format at [kbn.com](https://kbn.com).







its documentation requirements, and that the market for taxonomy-compliant projects in Norway is still in its early stages.

Several project types financed by KBN under its green lending programme lack a direct match in the taxonomy and are consequently classified as not eligible. Examples include initiatives such as protection against natural disasters and the development of zero-emission heavy machinery and related infrastructure.

The lack of high-quality and comparable data of sufficient detail remains a key challenge, and for several criteria it is still unclear what type and level of documentation are necessary to confirm taxonomy compliance.

### Minimum safeguards

In addition to meeting the technical screening criteria, a green project must adhere to the Minimum Safeguards (MS) to be considered taxonomy aligned.

The MS primarily applies to business entities, including public companies owned by public entities. Entities like municipalities and regional governments necessitate a distinct assessment method, as the UNGPs and OECD guidelines do not specifically cover lending to public authorities.

Following the recommendations outlined in the EU Platform on Sustainable Finance Final Report on Minimum Safeguards (October 2022), our assessment combines two approaches to examine the human rights situation within Norway and subsequently its municipalities and counties.

First, Norway demonstrates its commitment to human rights through the ratification of core UN human rights conventions and maintaining mechanisms for monitoring and reporting. Second, country ratings on human rights, such as those from Freedom House and Transparency International, consistently rank Norway highly across multiple human rights indicators.

While individual projects are not subject to assessment within the MS evaluation, Norway's general commitment to human rights obligations and strong performance in external rankings indicate a general compliance with minimum safeguards for municipalities and counties.

### Some notes on methodology

- The mapping undertaken is voluntary and conducted to the best of our ability. It is important to note that while we strive to analyse the taxonomy comprehensively, there are some limitations due to insufficient information or data availability. Therefore, the results should be interpreted with caution.
- The analysis is conducted at the project category level; individual projects are not evaluated separately. Each KBN project type is typically mapped to the taxonomy activity that best aligns with its characteristics, although there may be exceptions to this rule in certain cases.
- The analysis has been carried out internally by KBN's green finance team. When uncertainty arises, particularly regarding specific sectors, we have sought input from relevant open sources and engaged in dialogue with stakeholders with sectoral expertise. However, the final interpretation remains KBN's own.
- We generally assume compliance with sectoral legislation, unless information such as public reports or stakeholder feedback suggests otherwise.
- KBN's Criteria Document for green loans (dated April 2024) has been reviewed against the most recent version of the taxonomy available at the time of publication, specifically, the Climate and Environmental Delegated Acts that entered into force and were published in the Official Journal, and outlined in the [EU Commission's Taxonomy Compass](#).



The TEG final report explains the overarching design of the Taxonomy.

## Buildings

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
1.1 Measures for existing building stock	1.1.1 Individual energy efficiency measures	Installation, maintenance and repair of energy efficiency equipment (EO1)	Eligible	Partly aligned	Partly aligned	24	235 774
	1.1.2 Major renovation projects						
	a) Energy efficiency increased by 30%	Renovation of existing buildings (EO1)	Eligible	Partly aligned	Likely not aligned	9	1 539 339
	b) Delivered energy is reduced by 30%	Renovation of existing buildings (EO1)	Eligible	Partly aligned	Likely not aligned	1	51 500
	c) On-site renewable energy production	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	d) Extensive use of climate friendly materials	Renovation of existing buildings (EO4)	Eligible	Likely not aligned	Likely not aligned	0	-
	e) Certification schemes	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.1.3 Renovation of existing building stock combined with a new extension building	n/a (EO1)	Not eligible	Projects assessed individually	Projects assessed individually	3	455 400
	1.1.4 Adapting existing buildings to climate change	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.1.5 Renewable energy in buildings	Installation, maintenance and repair of renewable energy technologies (EO1)	Eligible	Aligned	Partly aligned	5	12 947
	1.1.6 Energy storage in buildings	Installation, maintenance and repair of renewable energy technologies (EO1)	Eligible	Aligned	Partly aligned	0	-
1.2 New buildings	1.2.1 New low-energy buildings <5 000 m <sup>2</sup>	Construction of new buildings (EO1)	Eligible	Aligned	Likely not aligned	15	1 321 623
	1.2.1 New low-energy buildings >5 000 m <sup>2</sup>	Construction of new buildings (EO1)	Eligible	Partly aligned	Likely not aligned	14	5 495 791
	1.2.2 New buildings with climate-friendly materials	Construction of new buildings (EO4)	Eligible	Likely not aligned	Likely not aligned	2	47 030
	1.2.3 Buildings with locally produced energy	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.2.4 New buildings with low greenhouse gas emissions	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.2.5 Emission-free construction and construction site	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.2.6 Eco-certified buildings	n/a (EO1)	Not eligible	Not eligible	Not eligible	2	165 068
1.3 Other	1.3 Other	n/a	Not eligible	Projects assessed individually	Projects assessed individually	0	-



## Renewable energy

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
2.1 Renewable energy production	2.1.1 Renewable energy production						
	a) Plant for biogas production	Electricity generation from bioenergy (EO1)	Eligible	Could not be assessed	Likely not aligned	0	-
		Manufacture of biogas and biofuels for use in transport and of bioliquids (EO1)	Eligible	Could not be assessed	Likely not aligned		
	b) Geo-thermal energy production systems (geothermal wells)	Production of heat/cool from geothermal energy (EO1)	Eligible	Partly aligned	Partly aligned	2	16 840
		Cogeneration of heat/cool and power from geothermal energy (EO1)	Eligible	Partly aligned	Partly aligned		
	c) Solar energy	Electricity generation using solar photovoltaic technology (EO1)	Eligible	Aligned	Partly aligned	5	15 519
		Electricity generation using concentrated solar power (CSP) technology (EO1)	Eligible	Aligned	Partly aligned		
		Cogeneration of heat/cool and power from solar energy (EO1)	Eligible	Aligned	Partly aligned		
		Production of heat/cool from solar thermal heating (EO1)	Eligible	Aligned	Partly aligned		
	d) Bio-based heating	Production of heat/cool from bioenergy (EO1)	Eligible	Could not be assessed	Likely not aligned	0	-
		Cogeneration of heat/cool and power from bioenergy (EO1)	Eligible	Could not be assessed	Likely not aligned		
	e) Heat pumps	Installation and operation of electric heat pumps (EO1)	Eligible	Partly aligned	Partly aligned	1	3 330
	f) Other renewable energy production	n/a	Not eligible	Projects assessed individually	Projects assessed individually	1	2 000
2.2 Energy storage	2.2.1 Energy storage in connection with production plants						
	a) Electric energy storage, i.e. in batteries	Storage of electricity (EO1)	Eligible	Aligned	Partly aligned	1	1 339
	b) Thermal energy storage	Storage of thermal energy (EO1)	Eligible	Aligned	Partly aligned	0	0
	c) Energy storage in hydrogen	Storage of hydrogen (EO1)	Eligible	Aligned	Partly aligned	0	0



Renewable energy continued

2.3 Energy infrastructure	2.3.1 Network capacity	Transmission and distribution of electricity (EO1)	Eligible	Aligned	Partly aligned	0	0
	2.3.2 District heating/cooling	District heating/cooling distribution (EO1)	Eligible	Partly aligned	Partly aligned	3	11 504
2.4 Other	2.4 Other	n/a	Not eligible	Projects assessed individually	Projects assessed individually	1	450 427



## Transportation

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
3.1 Cycling and walking	3.1.1 Bicycles	Operation of personal mobility devices (EO1)	Eligible	Aligned	Partly aligned	1	1 145
	3.1.2 Facilitating walking and cycling	Infrastructure for personal mobility, cycle logistics (EO1)	Eligible	Aligned	Partly aligned	16	1 163 802
3.2 Land transport	3.2.1 Zero-emission vehicles	Urban, suburban and road passenger transport (EO1)	Eligible	Aligned	Partly aligned	1	2 897
	3.2.2 Equipment for rail-based public transport	Infrastructure enabling low-carbon road transport and public transport (EO1)	Eligible	Aligned	Likely not aligned	1	3 061 000
3.3 Maritime transport	3.3.1 Zero-emission maritime transport	Sea and coastal passenger water transport (EO1)	Eligible	Aligned	Partly aligned	0	-
3.4 Heavy machinery	3.4.1 Zero-emission heavy machinery	n/a (EO1)	Not eligible	Not eligible	Not eligible	6	63 009
3.5 Infrastructure	3.5.1 Charging points for vehicles	Infrastructure enabling low-carbon road transport (EO1)	Eligible	Aligned	Likely not aligned	9	6 727
	3.5.2 Filling stations for green hydrogen and biogas	Infrastructure enabling low-carbon road transport (EO1)	Eligible	Aligned	Likely not aligned	1	7 117
	3.5.3 Operating equipment for public transport	Infrastructure for rail transport (EO1)	Eligible	Aligned	Likely not aligned	1	1 060 000
		Infrastructure enabling low-carbon road transport (EO1)	Eligible	Aligned	Likely not aligned	0	-
	3.5.4 Trackway and other infrastructure	Infrastructure for rail transport (EO1)	Eligible	Aligned	Likely not aligned	1	1 000 000
	3.5.5 Shore-side power supplies and charging	Infrastructure enabling low-carbon water transport (EO1)	Eligible	Aligned	Likely not aligned	13	205 190
	3.5.6 Other port infrastructure	Infrastructure enabling low-carbon water transport (EO1)	Eligible	Aligned	Likely not aligned	2	26 453
	3.5.7 Infrastructure for zero-emission heavy machinery	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
3.6 Other	3.6 Other	n/a	Not eligible	Projects assessed individually	Projects assessed individually	3	11 005

## Waste and circular economy

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
<b>4.1 Waste prevention and reuse</b>	4.1.1 Measures to reduce waste or to facilitate greater reuse	Preparation for re-use of end-of-life products and product components (EO4)	Eligible	Partly aligned	Likely not aligned	3	95 463
<b>4.2 Waste collection, processing and treatment</b>	4.2.1 Measures to increase the waste sorting rate	Collection and transport of non-hazardous and hazardous waste (EO4)	Eligible	Aligned	Partly aligned	1	21 167
	4.2.2 More efficient waste collection	n/a (EO1)	Not eligible	Not eligible	Not eligible	6	15 254
	4.2.3 Measures at existing facilities						
	a) Contributes to waste prevention	Preparation for re-use of end-of-life products and product components (EO4)	Eligible	Partly aligned	Likely not aligned	0	-
	b) Increases preparation for reuse	Preparation for re-use of end-of-life products and product components (EO4)	Eligible	Partly aligned	Likely not aligned	0	-
	c) Increases material recovery rate	Sorting and material recovery of non-hazardous waste (EO4)	Eligible	Partly aligned	Partly aligned	0	-
	d) Reduces the facility's emissions	n/a (EO1)	Not eligible	Not eligible	Not eligible	1	39 000
	4.2.4 New facilities for receiving, sorting or managing waste	Sorting and material recovery of non-hazardous waste (EO4)	Eligible	Partly aligned	Partly aligned	0	-
	4.2.5 Sludge treatment facilities for biogas production	Recovery of bio-waste by anaerobic digestion and/or composting (EO4)	Eligible	Could not be assessed	Likely not aligned	0	-
<b>4.3 Other</b>	4.2.6 Measures at existing landfill sites	Remediation of legally non-conforming landfills and abandoned or illegal waste dumps (EO5)	Eligible	Could not be assessed	Likely not aligned	0	-
	4.2.7 Carbon capture and storage (CCS)	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	4.3 Other	n/a	Not eligible	Projects assessed individually	Projects assessed individually	1	38 875

## Water and wastewater management

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
<b>5.1 Surface runoff management financed by water charges</b>	5.1.1 Separating wastewater and surface runoff	Urban Wastewater Treatment (EO3)	Eligible	Partly aligned	Partly aligned	24	1 938 769
<b>5.2 Small scale energy production measures</b>	5.2.1 Heat recovery	Production of heat/cool using waste heat (EO1)	Eligible	Aligned	Partly aligned	0	0
	5.2.2 Energy recovery	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	0
<b>5.3 Climate-friendly processing facilities</b>	5.3.1 Measures at existing water facilities						
	a) Increase in energy efficiency of at least 20%	Renewal of water collection, treatment and supply systems (EO1)	Eligible	Aligned	Partly aligned	4	309 821
	b) Climate change adaptation of existing facilities	Renewal of water collection, treatment and supply systems (EO2)	Eligible	Likely not aligned	Likely not aligned	2	53 530
	c) Reduces the use of chemicals or the negative impact on the local environment	Water supply (EO3)	Eligible	Could not be assessed	Likely not aligned	6	652 469
	d) Use of climate-friendly materials	n/a (EO)	Eligible	Not eligible	Not eligible	1	140 000
	5.3.2 Measures at existing wastewater facilities						
	a) Increase in energy efficiency of at least 20%	Renewal of waste water collection and treatment (EO1)	Eligible	Aligned	Partly aligned	1	75 140
	b) Climate change adaptation of existing facilities	Renewal of waste water collection and treatment (EO2)	Eligible	Likely not aligned	Likely not aligned	0	0
	c) Reduces the use of chemicals or reduces local pollution	n/a (EO5)	Not eligible	Not eligible	Not eligible	11	398 202
	d) Use of climate-friendly materials	n/a (EO)	Not eligible	Not eligible	Not eligible	0	0
	5.3.3 Phosphorous recovery	Phosphorus recovery from waste water (EO4)	Eligible	Could not be assessed	Likely not aligned	0	0
	5.3.4 Sludge treatment for biogas production (wastewater)	Anaerobic digestion of sewage sludge (EO1)	Eligible	Partly aligned	Likely not aligned	0	0





## Water and wastewater management continued

	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	Construction, extension and operation of water collection, treatment and supply systems (EO1)	Eligible	Could not be assessed	Likely not aligned	1 13 000
	b) Facility constructed as a response to a climate change adaptation need	Construction, extension and operation of water collection, treatment and supply systems (EO2)	Eligible	Likely not aligned	Likely not aligned	5 1 415 149
	c) Reduces the use of chemicals or the negative impact on the local environment	n/a (EO5)	Not eligible	Not eligible	Not eligible	7 368 617
	d) Use of climate-friendly materials	n/a (EO)	Not eligible	Not eligible	Not eligible	0 0
	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	Construction, extension and operation of waste water collection and treatment (EO1)	Eligible	Likely not aligned	Likely not aligned	1 39 500
	b) Facility constructed as a response to a climate change adaptation need	Construction, extension and operation of waste water collection and treatment (EO2)	Eligible	Likely not aligned	Likely not aligned	3 41 655
	c) Reduces the use of chemicals or the negative impact on the local environment	n/a (EO5)	Not eligible	Not eligible	Not eligible	21 2 699 739
	d) Use of climate-friendly materials	n/a (EO)	Not eligible	Not eligible	Not eligible	0 0
<b>5.4 Climate-friendly construction projects</b>	5.4.1 Fossil-fuel-free or zero-emission excavation works/ construction sites	n/a (EO1)	Not eligible	Not eligible	Not eligible	1 4 400 000
	5.4.2 No-dig projects	n/a (EO1)	Not eligible	Not eligible	Not eligible	5 325 207
<b>5.5 Other</b>	5.5 Other	n/a	Not eligible	Projects assessed individually	Projects assessed individually	5 247 117



## Land use and area development projects

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
6.1 Anti-pollution measures	6.1.1 Measures against pollution on land	Remediation activities for pollution prevention and control (EO5)	Eligible	Likely not aligned	Likely not aligned	4	15 581
	6.1.2 Measures against water pollution (ports, seas, rivers, watercourses etc.)	Remediation activities for pollution prevention and control (EO5)	Eligible	Likely not aligned	Likely not aligned	2	39 493
6.2 Area development and land usage	6.2.1 Climate and environmentally friendly area development	n/a (EO1)	Not eligible	Not eligible	Not eligible	1	1 750
	6.2.2 Restoration of natural areas	Restoration of biodiversity and ecosystems (EO6)	Eligible	Likely not aligned	Likely not aligned	0	-
6.3 Other	6.3 Other	n/a	Not eligible	Projects assessed individually	Projects assessed individually	0	-



## Climate change adaptation

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
<b>7.1 Surface runoff management</b>	7.1.1 Surface runoff management	Sustainable urban drainage systems (SUDS) (EO3)	Eligible	Partly aligned	Partly aligned	4	65 505
<b>7.2 Climate change adaptation</b>	7.2.1 Protection against natural disasters	n/a (EO2)	Not eligible	Not eligible	Not eligible	11	201 746
	7.2.2 Infrastructure relocation	n/a (EO2)	Not eligible	Not eligible	Not eligible	2	22 053
<b>7.3 Emergency preparedness</b>	7.3.1 Warning systems and emergency preparedness	Emergency services (EO2)	Eligible	Likely not aligned	Likely not aligned	1	1 479
<b>7.4 Other</b>	7.4 Other	n/a	Not eligible	Projects assessed individually	Projects assessed individually	0	0





## Projects qualified under previous criteria documents

Criteria document	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Taxonomy eligibility	Assessment of Substantial Contribution alignment	Assessment of total SC + DNSH alignment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
Buildings (2023)	1.1.2 Major renovation projects						
	b) Climate friendly materials	Construction of new buildings and major renovations of buildings (EO4)	Eligible	Likely not aligned	Likely not aligned	0	-
	c) Certification schemes	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	d) On-site renewable energy production	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.1.3 Renovation of existing building stock combined with a new extension building	n/a (EO1)	Not eligible	Projects assessed individually	Projects assessed individually	4	1 432 048
	1.1.7 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of building renovation	n/a (EO1)	Not eligible	Projects assessed individually	Projects assessed individually	0	-
	1.2.1 New low-energy buildings <5 000m <sup>2</sup>	Construction of new buildings (EO1)	Eligible	Aligned	Likely not aligned	51	3 642 066
	1.2.1 New low-energy buildings >5 000m <sup>2</sup>	Construction of new buildings (EO1)	Eligible	Partly aligned	Likely not aligned	64	18 662 885
	1.2.2 New buildings with climate-friendly materials	Construction of new buildings (EO1)	Eligible	Likely not aligned	Likely not aligned	7	475 667
	1.2.3 Eco-certified building	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.2.4 Buildings with locally produced energy	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
	1.2.5 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Criteria Wizard for Sustainable Public Procurement: Energy	n/a (EO1)	Not eligible	Projects assessed individually	Projects assessed individually	0	-
	1.2.6 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Greenhouse gas calculator for new buildings: Materials	n/a (EO1)	Not eligible	Projects assessed individually	Projects assessed individually	0	-
	1.3 Other	n/a (EO1)	Not eligible	Projects assessed individually	Projects assessed individually	9	3 874 558



## Projects qualified under previous criteria documents continued

<b>Buildings (2021)</b>	1.1.2 Major renovation projects						
	b) Climate friendly materials	Construction of new buildings and major renovations of buildings (EO4)	Eligible		Likely not aligned	Likely not aligned	0 -
	1.2.2 New buildings with climate-friendly materials	Construction of new buildings (EO4)	Eligible		Likely not aligned	Likely not aligned	28 2 627 025
<b>Renewable energy (2023)</b>	2.1.1 Renewable energy production						
	a) Plant for biogas production	Electricity generation from bioenergy (EO1)	Eligible		Could not be assessed	Likely not aligned	2 476 055
		Manufacture of biogas and biofuels for use in transport and of bioliquids (EO1)	Eligible		Could not be assessed	Likely not aligned	
	d) Bio-based heating	Production of heat/cool from bioenergy (EO1)	Eligible		Could not be assessed	Likely not aligned	2 8 913
		Cogeneration of heat/cool and power from bioenergy (EO1)	Eligible		Could not be assessed	Likely not aligned	
	2.3.2 District heating/cooling	District heating/cooling distribution (EO1)	Eligible		Partly aligned	Partly aligned	1 367 100
	2.1.1 Renewable energy production						
<b>Transportation (2023)</b>	f) Other renewable energy production	n/a (EO1)	Not eligible		Projects assessed individually	Projects assessed individually	0 -
	3.3.1 Zero-emission maritime transport	Sea and coastal passenger water transport (EO1)	Eligible		Aligned	Partly aligned	3 183 638
	3.4.2 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of heavy machinery	n/a (EO1)	Not eligible		Not eligible	Not eligible	0 -
<b>Transportation (2021)</b>	3.2.1 Light or heavy vehicles	Transport by motorbikes, passenger cars and light commercial vehicles (EO1)	Eligible		Aligned	Partly aligned	14 52 166
<b>Waste and circular economy (2023)</b>	4.2.5 Sludge treatment for biogas production (bio-waste)	Recovery of bio-waste by anaerobic digestion and/or composting (EO4)	Eligible		Could not be assessed	Likely not aligned	1 41 479
	4.2.6 Measures at existing landfill sites	Remediation of legally non-conforming landfills and abandoned or illegal waste dumps (EO5)	Eligible		Could not be assessed	Likely not aligned	0 -



## Projects qualified under previous criteria documents continued

<b>Waste and circular economy (2021)</b>	4.2.1 Collection measures that increase waste sorting at source	Collection and transport of non-hazardous and hazardous waste (EO4)	Eligible	Aligned	Partly aligned	18	415 168
	4.2.3 New facilities for sorting waste	Sorting and material recovery of non-hazardous waste (EO4)	Eligible	Partly aligned	Partly aligned	11	1 042 539
	4.2.4 New facilities for waste treatment	Sorting and material recovery of non-hazardous waste (EO4)	Eligible	Partly aligned	Partly aligned	1	30 038
	4.2.6 Measures at existing facilities	Sorting and material recovery of non-hazardous waste (EO4)	Eligible	Partly aligned	Partly aligned	1	15 800
	4.2.7 Measures at existing landfill sites	Remediation of legally non-conforming landfills and abandoned or illegal waste dumps (EO5)	Eligible	Could not be assessed	Likely not aligned	1	3 520
	4.2.8 Carbon capture and storage (CCS)	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
<b>Water and wastewater management (2023)</b>	5.3.4 Sludge treatment for biogas production (wastewater)	Anaerobic digestion of sewage sludge (EO1)	Eligible	Partly aligned	Likely not aligned	3	602 165
<b>Land use and area development projects (2023)</b>	6.2.1 Climate and environmentally friendly area development	n/a (EO1)	Not eligible	Not eligible	Not eligible	0	-
<b>Land use and area development projects (2021)</b>	6.2.1 Sustainable area development	n/a (EO1)	Not eligible	Not eligible	Not eligible	5	310 421
	6.2.2 Restoration of natural areas	Restoration of biodiversity and ecosystems (EO6)	Eligible	Likely not aligned	Likely not aligned	0	-
<b>Climate change adaptation (2023)</b>	7.2.2 Infrastructure relocation	n/a (EO2)	Not eligible	Not eligible	Not eligible	0	-
<b>All project categories (2016)</b>	Projects qualified under the KBN 2016 Criteria document	n/a	Eligible	Likely not aligned	Likely not aligned	32	1 596 656



# Internal auditor's report



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## Independent review of compliance with KBN's Green Bond Framework and the allocation of green bond proceeds 2024

On behalf of the Board of Directors of Kommunalbanken AS (KBN), Internal Audit has conducted an independent review of compliance with KBN's Green Bond Framework 2024, including control of reporting on the allocation of green bond proceeds in Impact Report 2024.

### *KBN's responsibility*

KBN's management is responsible for the implementation of processes and reporting in accordance with the applicable criteria, explained in KBN's Green Bond Framework 2024 (available on <https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/kbn-green-bond-framework-2024.pdf>) as well as the calculation principles that the company has developed itself. This responsibility also includes internal control relevant for granting loans, management and preparation of the reporting.

### *Internal audit actions performed*

Internal Audit has reviewed the processes and procedures established to ensure compliance with the Green Bond Framework 2024 in the following areas:

- Evaluation and selection of projects for allocation (lending) of funds from green bonds
- Reporting, including review of Impact Report 2024 and control of reporting on allocation of green bond proceeds

Internal Audits actions are agreed with KBN and are based on the criteria defined by KBN's management.

The actions carried out will not provide an absolute certainty that the reporting in Impact Report 2024 is without significant errors. If additional review procedures had been performed, other matters may have been observed and come to our attention that would be reported.

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## Conclusions

- Internal Audit considers that processes and procedures have been established that provide a satisfactory basis for implementing the KBN Green Bond Framework. Our control actions have not revealed factors indicating that KBN's lending and reporting as of December 31, 2024 as described in internal procedures and in impact report 2024, have not been carried out in accordance with the criteria set out in the Green Bond Framework.
- Internal Audit has reviewed KBN's reporting on the allocation of green bond proceeds in Impact Report 2024 and has noted that the reporting has been carried out in accordance with the Green Bond Framework 2024. Furthermore, we have not found any discrepancies in the rendering of information in the Impact Report 2024 compared to data we have collected about KBN's lending.

Oslo, March 28<sup>th</sup> 2025  
KPMG AS

Kine Kjærnet  
*Partner/  
Head of Internal Audit*

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