

2021

Impact Report

Green Loans Financed with Green Bonds



Table of contents



KBN

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

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

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

AAA

Standard & Poor's
Moody's

99.7%

of Norwegian
municipalities are
KBN customers

45%

of municipal debt
is financed
through KBN

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2021 Highlights

This report presents the environmental impact of KBN's green loan program as of 31 December 2021. All funds raised by KBN's green bond issuances will be used exclusively to finance green loans in the Norwegian municipal sector.



26 bn.
NOK

GREEN BONDS

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



33 bn.
NOK

GREEN LOANS

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



A new school in Kautokeino which will honour Sami culture and architecture - built with mass timber elements and a low energy demand.
Illustration: Ola Roald Arkitektur

OUR GREEN LOAN PROGRAM HELPS FINANCE

37 181

tonnes of CO₂e reduced and avoided annually¹

482 450

Population equivalents increase in water and wastewater capacity²

79

GWh renewable energy produced annually

38

GWh energy reduced and avoided annually

150 134

tonnes increased waste management capacity

11%

of the portfolio is found to be in aligned with the EU Taxonomy's Technical Screening Criteria³

342

TOTAL NUMBER OF GREEN PROJECTS

74

NEW GREEN PROJECTS IN 2021

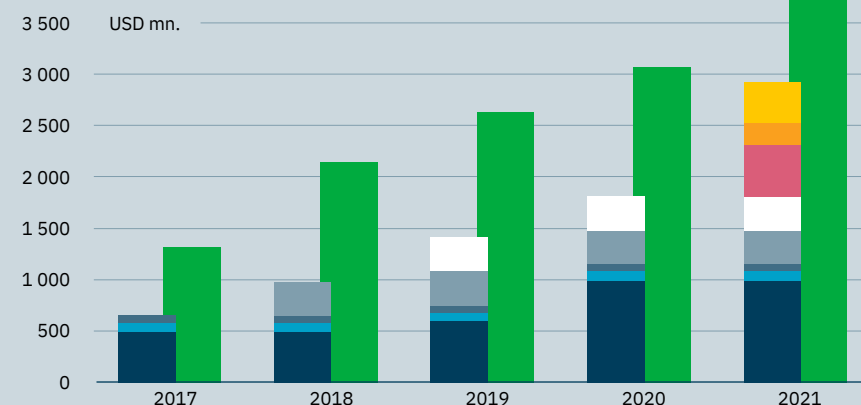
¹ We do our best to ensure the quality of the information provided; however, the reader should be aware that there is uncertainty related to estimating climate and environmental impact from investments. Read more about reporting principles on page 18 in this report.
² Population equivalents is an expression that describes the load and capacity of water and wastewater supply.
³ Self-assessment carried out by KBN. The assessment only evaluates the taxonomy's technical screening criteria and we have not analysed the "do no significant harm" criteria or the "minimum social safeguards". Read more about KBN and the taxonomy on page 21.

➔ See all the green projects in Impact report 2021 (Excel) at kbn.com.

Executive summary

As of 31 Dec 2021

GREEN BONDS ISSUANCE AND PORTFOLIO OF GREEN LENDING

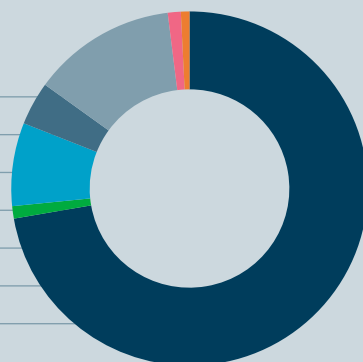


- USD 1 bn Green Bond (11 Feb 2025)*
- NOK 750 mn Green Bond (29 Nov 2027)
- NOK 600 mn Green Bond (29 Nov 2032)
- AUD 450 mn Green Bond (05 Sep 2023)
- SEK 3 bn Green Bond (28 Aug 2026)
- USD 500 mn Green Bond (21 Oct 2024)
- AUD 300 mn Green Bond (08 Oct 2024)
- CAD 500 mn Green Bond (18 Oct 2024)
- Outstanding green lending

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

OUTSTANDING GREEN LOANS

Buildings	72%
Renewable energy	1%
Transportation	8%
Waste and circular economy	4%
Water and wastewater management	13%
Land use and area development projects	1%
Climate change adaptation	1%



PROJECT CATEGORIES AND ENVIRONMENTAL IMPACT ¹

Project category	Green loan outstanding (1000 NOK)	Reduced and avoided GHG (tonnes CO ₂ e annually)	Impact tonnes CO ₂ e per million NOK ²
Buildings	23 762 231	14 779	0.6
Renewable energy	371 751	21 498	57.8
Transportation	2 497 477	740	0.3
Waste and circular economy	1 301 259	164	0.1
Water and wastewater management	4 301 108	n/a	n/a
Land use and area development projects	387 716	n/a	n/a
Climate change adaptation	255 312	n/a	n/a
Total	32 876 855	37 181	58.8

Renewable energy generated annually 78 551 024 kWh

Energy reduced/avoided annually 38 361 315 kWh

¹ The impact reported corresponds to the share of the project financed by us. A grid factor of 315g CO₂e per kWh electricity is applied throughout when converting electricity to emissions, as this is recommended by the Nordic Public Sector Issuers. Read more about calculation methods on page 18.

² Tonnes CO₂e reduced or avoided per million NOK of green lending.

IMPACT ATTRIBUTABLE TO GREEN BOND INVESTORS

Total outstanding green bonds divided by total outstanding loans disbursed, as of 31 December 2021 (in NOK)				79% of which
ISIN	Issue date	Amount	Maturity Date	
XS1188118100/ US50048MBX74	11 Feb 2015	USD 1 billion	11 Feb 2025	27%
NO0010811276	29 Nov 2017	NOK 750 million	29 Nov 2027	2%
NO0010811284	29 Nov 2017	NOK 600 million	29 Nov 2032	2%
AU3CB0256162	05 Sept 2018	AUD 450 million	05 Sept 2023	9%
XS2047497289	28 Aug 2019	SEK 3 billion	28 Aug 2026	9%
XS2333390164/ US50048MDA53	21 Apr 2021	USD 500 million	21 Oct 2024	13%
AU3CB0283596	08 Oct 2021	AUD 300 million	08 Oct 2024	6%
XS2398386776/ US50047JAJ79	18 Oct 2021	CAD 500 million	18 Oct 2024	11%

BASIC INFORMATION

Current Green Bond Framework	KBN Green Bond Framework, dated March 2021
Reporting period	Calendar year 2021. The report summarizes projects financed from the start of the green bond and green loan programmes. The project list in this report lists new projects added in 2021. For a complete overview of all projects in the portfolio, an extended version of the report in spreadsheet format can be found at kbn.com .
Date of publication	25 February 2022
Reporting frequency	Annually, next report scheduled February 2023
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 of guidelines and routines related to green loans and bonds, as well as allocation. Conducted by KPMG. See page 55

Comments on KBN's impact reporting



KBN has been one of the leading Norwegian 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.



Kommunal- og distriktsdepartementet

BJØRN ARILD GRAM

Minister of Local Government and Regional Development, Norway



At AGF, we believe KBN's Impact Report is among the very best in the industry as the level of detail and transparency enables us to better measure and also report to our clients the impact of our investments, including relative to the UN Sustainable Development Goals.

DAVID STONEHOUSE

Senior Vice-President and Head of North American and Specialty Investments, AGF Investments Inc.



For QIC, selecting sustainable investments with a high level of confidence in how capital is deployed is essential. KBN's reporting represents a model of transparency and gives us ongoing visibility of the ultimate impact of our investment. As a manager whose success is built on the trust we are afforded by our institutional and sovereign clients, that allows us to invest with confidence at a time when sustainability objectives are paramount.



MARAYKA WARD

Director LMG Sustainable Investments, Liquid Markets Group, Queensland Investment Corporation



A record-breaking 2021

A record-high NOK 9.8 billion in green funding and NOK 7.9 billion disbursed in green loans marks a milestone for KBN.

BY JANNICKE TRUMPY GRANQUIST

Chief Executive Officer (CEO), KBN

On the funding side KBN carried out three green transactions in three different currencies, totaling NOK 9.8 billion. A CAD 500 million deal marking KBN's largest ever CAD

Benchmark followed bond issues in both US dollars and Australian dollars earlier this year and strengthens KBN's presence in the global green finance markets.

Green bonds are helping KBN access a wider investor universe, achieve more competitive funding levels and diversifying order books. Due to the size of the ESG



A record-breaking 2021, continued

motivated interest in the Canadian dollar deal it's reasonable to assume that it may not have taken place had it not been in a green bond format. For the 300 million Australian dollars transaction, 75% of the investors had an ESG mandate. The order book for the green bond we issued in US dollars (USD 500 million) was 2.4 times oversubscribed. Two thirds of the amount raised was provided by central banks and public sector institutions, which illustrates the quality of the investors.

All three transactions were issued on KBN's updated Green Bond Framework, which was launched in April. The 2021 Framework, which is KBN's third, includes important updates to KBN's governance structure for green finance. It maps eligible project categories against the UN Sustainable Development Goals (SDGs), lays out a commitment to carry out annual assessments of eligible projects against the EU Taxonomy for sustainable economic activities and commits to annual third-party reviews of both the asset selection process and the allocation of proceeds. The funds KBN raises by issuing green bonds are lent out to finance green projects undertaken by the Norwegian local government sector. Net growth of NOK 6.7 billion in green lending in 2021 increased KBN's green portfolio to more than 10% of our total outstanding lending portfolio. Examples of new projects include new trams for Oslo, a shore-side

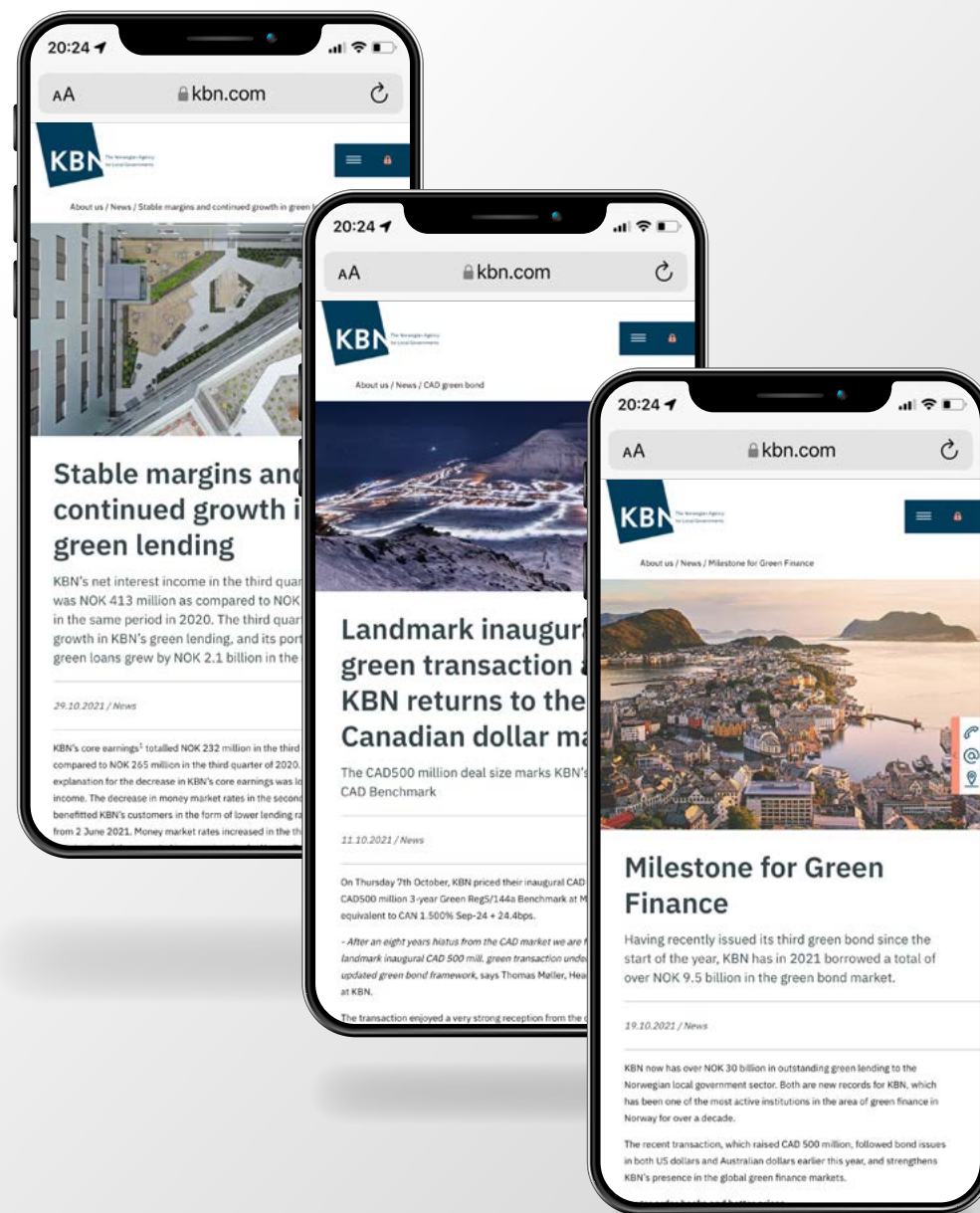
power supply for Harstad port, and a biofuel plant in Øvre Romerike. In total, our green lending totals NOK 33 billion across 342 green projects right across Norway, from the smallest municipality of Utsira with its 200 residents, to Oslo with its 700 000 residents.

The Norwegian local government sector's projects, for example school buildings and nursing homes, have an economic life of around 30-40 years. Our customers' investment decisions taken today will accordingly be with us well into the low and zero-carbon age. KBN wants to help the sector achieve its green transition and reduce its climate risk by offering lower interest rates to projects that help reduce greenhouse gas emissions, increase energy efficiency and/or constitute an adaptation to climate change.

2021 was a great year for green finance at KBN and our inspiration is to continue to work with investors and customers to keep raising the bar.

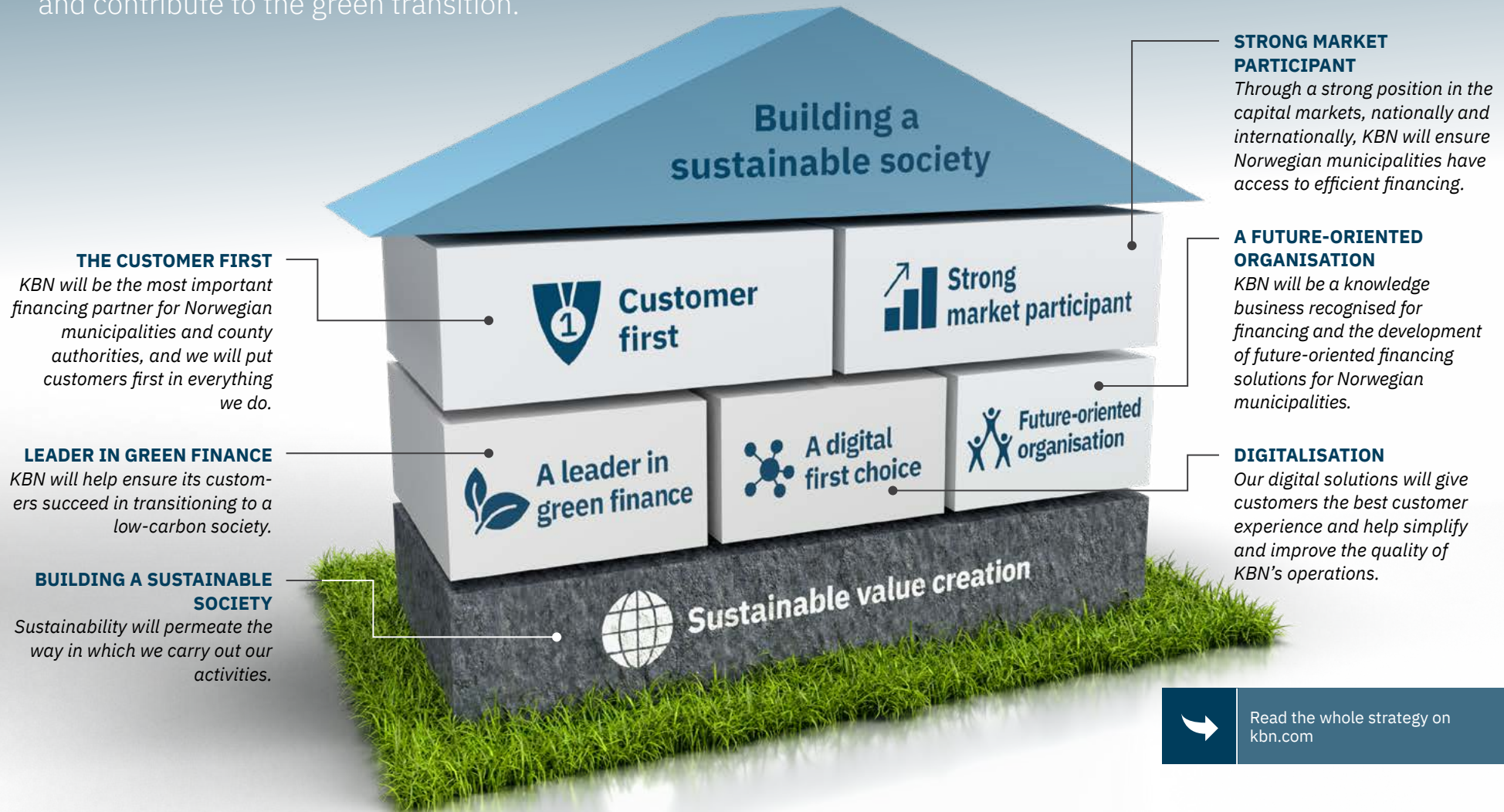



You can read more about the framework update on page 14.



KBN strategy

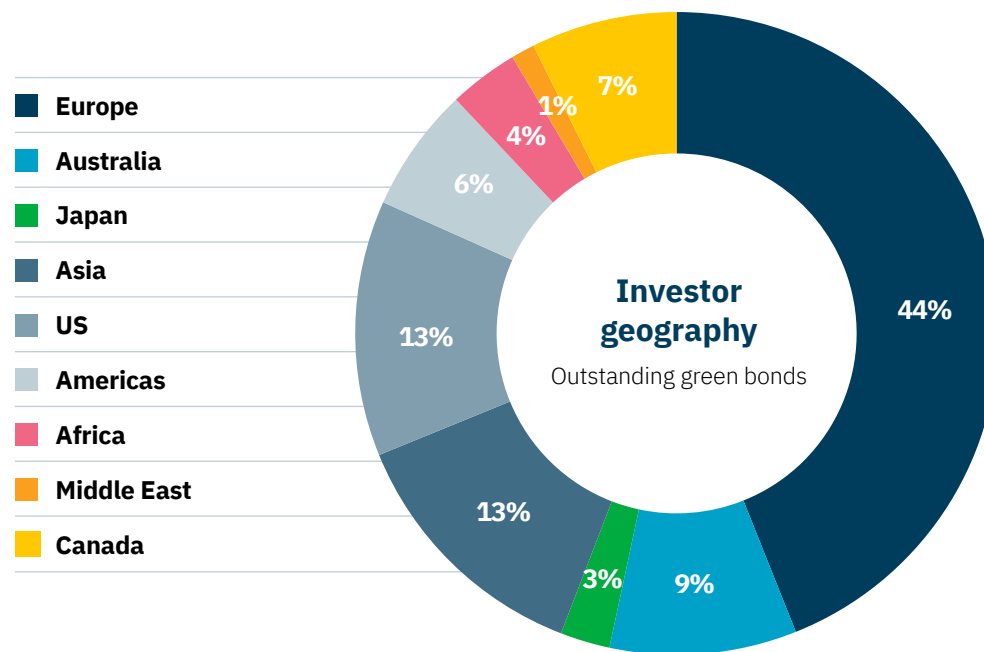
We provide financing to the Norwegian local government sector on attractive terms, and we seek to promote sustainable local communities and contribute to the green transition.



 Read the whole strategy on kbn.com

Green bonds

KBN is the Norwegian bond issuer with the longest history of listed green bonds and is also among the most active Norwegian issuers of such bonds. As of today we have eight bonds in five different currencies outstanding, totalling NOK 25.8 billion in green funding.



CICERO Medium Green Shading with Excellent governance score



In 2021 KBN published its third Green Bond Framework, setting the bar for governance and project quality for any subsequent green funding. The updated Framework has been reviewed by CICERO, who

concludes on an overall Medium Green shading of the project categories and an Excellent governance score. Read more about KBN's 2021 Green Bond Framework and Second Opinion on page 14-15.



OUTSTANDING GREEN BONDS

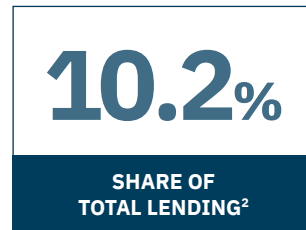
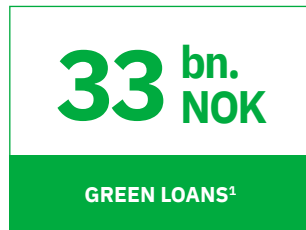
Date	Amount	Maturity	Coupon	ISIN
11 Feb 2015	USD 1 billion ¹	11 Feb 2025	2.13%	XS1188118100 / US50048MBX74
29 Nov 2017	NOK 750 million	29 Nov 2027	2.20%	NO0010811276
29 Nov 2017	NOK 600 million	29 Nov 2032	2.00%	NO0010811284
05 Sept 2018	AUD 450 million	05 Sep 2023	2.70%	AU3CB0256162
28 Aug 2019	SEK 3 billion	28 Aug 2026	0.13%	XS2047497289
21 Apr 2021	USD 500 million	21 Oct 2024	0.50%	XS2333390164 / US50048MDA53
08 Oct 2021	AUD 300 million	08 Oct 2024	0.50%	AU3CB0283596
18 Oct 2021	CAD 500 million	18 Oct 2024	1.00%	XS2398386776 / US50047JAJ79

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

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

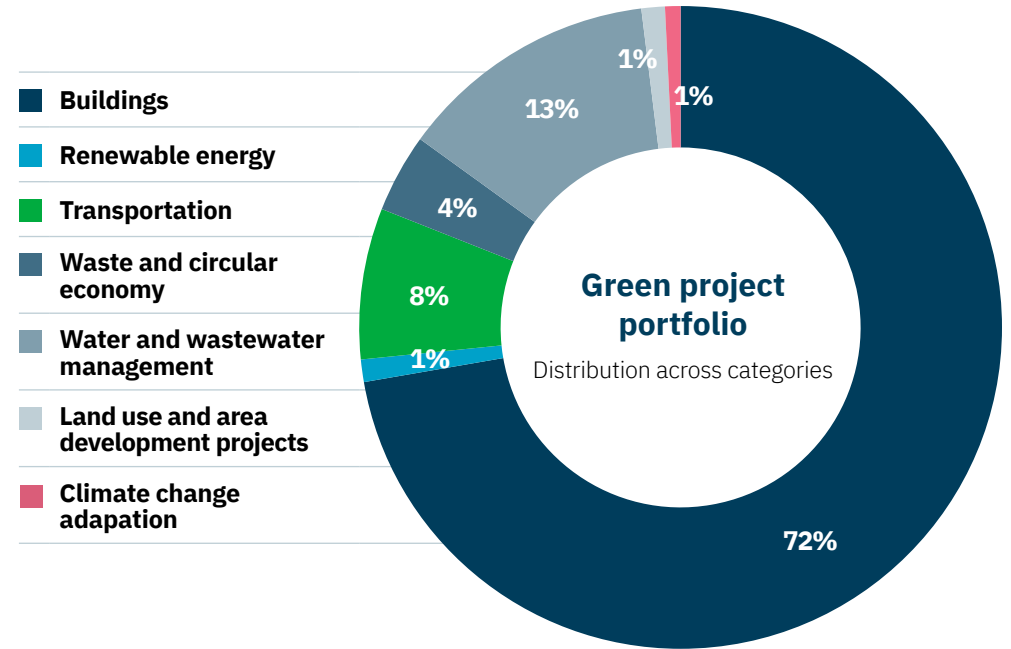
Green loans

We offer discounted green loans to climate- and environmentally friendly investments in the Norwegian municipal sector. The green loans are financed with green bonds.



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.



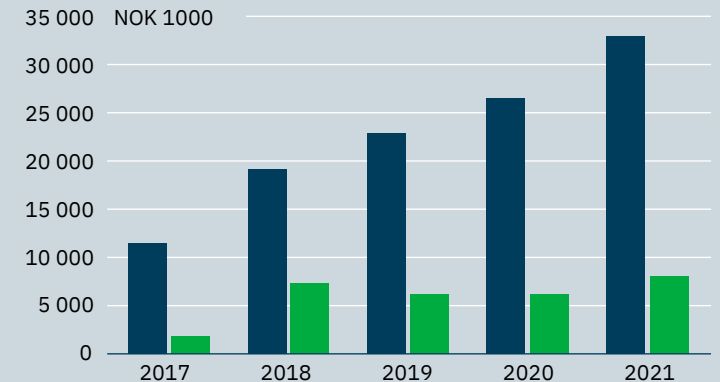
KBN's green loans

Green loans are awarded to projects that contribute to reducing greenhouse gas emissions, energy efficiency and/or climate change adaptation. Green loans can be offered on all loan products with a maturity longer than three years. On long-term loans with installments, the 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.



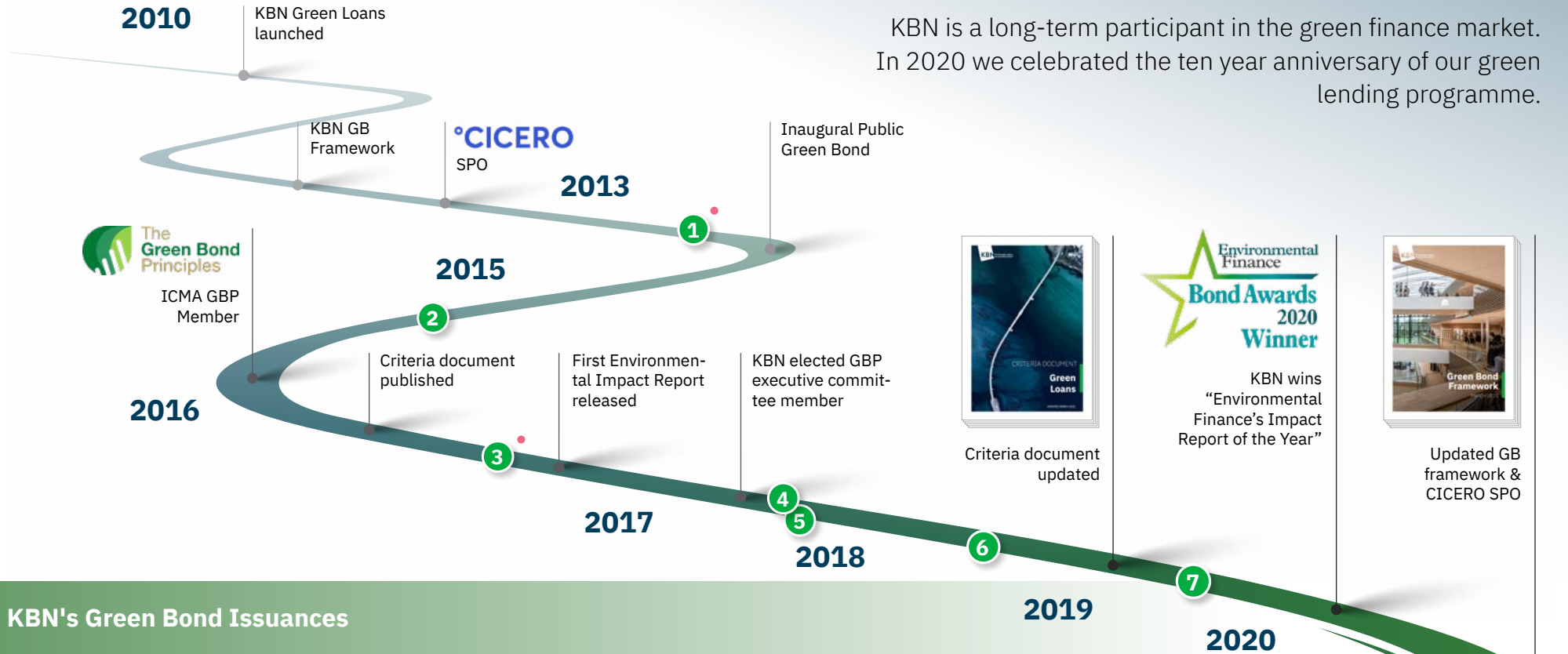
GROWTH IN GREEN LOANS

■ Outstanding amount
■ Disbursed amount



The evolution of KBN's green strategy

KBN is a long-term participant in the green finance market. In 2020 we celebrated the ten year anniversary of our green lending programme.



KBN's Green Bond Issuances

	ISSUED	MATURITY	AMOUNT
①	Nov 2013	Nov 2016 •	USD 500 M
②	Feb 2015	Feb 2025	USD 1.0 Bn
③	Oct 2016	Oct 2020 •	USD 500 M
④	Nov 2017	Nov 2027	NOK 750 M
⑤	Nov 2017	Nov 2032	NOK 600 M
⑥	Sep 2018	Sep 2023	AUD 450 M

	ISSUED	MATURITY	AMOUNT
⑦	Aug 2019	Aug 2026	SEK 3.0 Bn
⑧	Apr 2021	Oct 2024	USD 500 M
⑨	Oct 2021	Oct 2024	AUD 300 M
⑩	Oct 2021	Oct 2024	CAD 500 M

• MATURED

KBN's efforts to reduce ESG risks

As all financial institutions, KBN is exposed to ESG risks, mainly through our portfolios. We are constantly working to analyse and minimise these risks, both as a response to increasing regulatory expectations and to have the best basis for making business-related decisions.

KBN functions as a tool for achieving the state's sector-political objectives and is the largest source of financing for the local government sector. Thus, KBN is in a unique position in terms of influencing how local communities across Norway develop.

We therefore also work actively with municipalities, counties, and other relevant public and private parties to increase knowledge about how ESG risk affects the Norwegian local government sector.

Below are some examples of activities we undertake in order to uncover and manage ESG-related risks. The list is non-exhaustive - KBN's 2021 annual report, which includes our TCFD report and 2022 objectives, gives further detail.

- In 2021, KBN has continued to work to increase knowledge about climate risk in its own organisation. Climate risk was a priority project at company level in KBN's business plan for 2021, including developing a model for climate risk that can be integrated into KBN's model for credit assessment of lending customers. The project has resulted in a "beta version" of a climate risk model for Norwegian municipalities. Based on eight microeconomic indicators, each municipality is assigned a risk score on the scale "Very low", "Low", "Medium", "High" or "Very high". This risk score will be integrated into the ordinary credit model.
- KBN has started and will in 2022 continue to include ESG-risk into its risk measures. Following this, ESG-risk will be fully reflected in KBN's risk appetite and capital requirements.

- KBN has a strong green lending programme which we constantly strive to evolve, and green loans are only awarded to ambitious projects. Green investments can be regarded as an indication that the municipality is adaptable, aware of its role in the transition to a low-emission society and makes long-term investment decisions. Thus, a high share of green loans might be associated with lower climate risk.
- KBN has conducted a screening of its green portfolio against the technical screening criteria from the EU Taxonomy for sustainable economic activities.
- The board adopted updated [General Guidelines for Sustainability](#).
- In 2021, KBN took important steps towards creating an ESG-strategy for its liquidity portfolio. From 2022 onwards KBN will conduct quarterly ESG-screenings of the liquidity portfolio.
- The board receives an update on the status for green lending as well as KBN's own emissions, at least quarterly.
- KBN offers a free, online [climate risk portal](#) which offers municipal level data related to climate risk.
- Climate risk is a central factor in our [expectations of suppliers](#), published in 2020.



Read more about KBN's work with climate risk in the Annual Report 2021

Governance

Green Bond Framework

KBN's Green Bond Framework is the governing document for KBN's green bond program. It defines at the overall level the type of projects and project categories that can qualify for a green loan. It also describes KBN's procedures and processes for granting, evaluating, and reporting on green loans, which are the assets basis for the green bonds, as well as how the funds raised are managed. KBN's framework is aligned with the Green Bond Principles. In March 2021, KBN launched an updated Green Bond Framework which received an Excellent governance score and Medium Green Shading by second opinion provider CICERO.

KBN's Criteria Document for Green Loans

The Green Bond Framework is supplemented by KBN's Criteria Document for Green Loans. The Criteria Document defines the thresholds that must be met for given types of investments to be classified as green, as well as the type of documentation customers need to submit in order to demonstrate that their project meets the criteria, including the relevant thresholds. For some categories, such as energy efficient new buildings, there are quantifiable thresholds – e.g. a new building must use 20% less energy than the limit stipulated in the applicable national building regulations (TEK) – and the customer must document this. For other project categories, such as climate change adaptation, it is sufficient to demonstrate that the measure is needed.

The Criteria Document is revised each year in consultation with KBN's Green Expert Committee, an external body that consists of specialists from relevant sectors. More information on this can be found on page 16. In addition, we have good relationships and are in regular dialogue with our peers in the local government funding agencies in Sweden, Finland and Denmark. This helps harmonise practices and how rules are interpreted at every stage of the loan process – from application to reporting – throughout the Nordic region.



Green Bond Framework update

KBN's third green bond framework confirms our commitment to supporting sustainable projects in the local government sector while contributing to a well-functioning and high-integrity market for sustainable finance. The 2021 Green Bond Framework replaces KBN's 2016 Framework.

What's new?

The updated framework builds on the previous framework(s), however some features have been added in order to reflect the market development and the increased sophistication of the green bond programme. First, the new framework better situates the green bond and green loan programmes in the context of KBN's overarching strategy of providing financing on attractive terms while promoting sustainable local communities. Second, the framework better describes governing structures and reporting principles. Third, it commits us to an annual screening of the green lending against the technical screening criteria of the EU Taxonomy for sustainable activities. Fourth, it commits us to a third party review of asset selection process and allocation.

Project eligibility determined by updated selection criteria

As in the previous KBN Green Bond Framework, the 2021 Framework refers to the

project eligibility criteria defined in KBN's unique Criteria Document for Green Loans. The Criteria Document is subject to annual revision by a committee of external experts. Due to this mechanism the selection criteria for new green assets are reviewed annually, even if the Green Bond Framework itself has not been updated.

Second Opinion assessment: Medium green and excellent governance

CICERO has provided a Second Opinion on KBN's 2021 Green Bond Framework. The second opinion concludes that "Sustainability work is comprehensively integrated in KBN and the selection of eligibility criteria is based on independent expert advice. (...) Management of proceeds is well aligned with the Green Bond Principles and reporting is excellent."

The framework receives a governance score of Excellent. While most project categories received a Medium to Dark Green shading in CICERO's review, the largest





category, Buildings, and hence the overall shading arrives at Medium Green.

What happens to existing projects?

All proceeds from bonds and taps dated after the framework update will be allocated to projects in line with the 2021 version of the Criteria Document.

However, as KBN is a veteran in providing green lending, we also fund projects which were awarded green loans under previous frameworks and criteria documents. Some of these will not meet today's criteria and will therefore not be financed

with new issuances or taps. The long-time nature of municipal investments requires long-term funding, so these projects remain on KBN's balance sheet. This impact report and the key figures in it reflect the impact from all projects in the portfolio, also the older ones. However, all new projects presented from page 25 and onwards satisfy the criteria from the updated framework. In the spreadsheet version of the report, however, we will indicate which projects fail to meet today's standard (and hence will not be financed with KBN Green Bonds or taps dated 2021 or later) so that they may easily be removed from the analysis if desired.



Cicero Second Opinion of KBN's Green Project Categories	
Buildings	● Medium Green
Renewable energy	● Medium to Dark Green
Transportation	● Medium to Dark Green
Waste and circular economy	● Medium to Dark Green
Water and wastewater management	● Dark Green
Land use and area development projects	● Medium to Dark Green
Climate change adaptation	● Medium Green

Share of total green portfolio that qualifies under the 2021 framework	
Buildings	95%
Renewable energy	100%
Transportation	97%
Waste and circular economy	99%
Water and wastewater management	86%
Land use and area development projects	100%
Climate change adaptation	100%



KBN's Green Expert Committee

KBN has formed an expert committee including professionals from the climate and energy field in the local government sector and the Norwegian state's administration.

MEMBERS

(As of 31 December 2021)

■ ■ The purpose of the Green Expert Committee is to advise and guide the continuing development of KBN's Criteria Document for Green Loans in order to ensure that the criteria are up-to-date and relevant.

KBN seeks to update the criteria regularly on the basis of technological progress and advances in terms of what is expected of the local government sector's climate and environment efforts.

The Committee meets twice a year to discuss developments and to provide input on changes to KBN's Criteria Document for Green Loans on the basis of its specialist insight and independent judgement.



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



Tor Brekke
Energy Performance
Certification Scheme
Manager, buildings,
Enova



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



Bjørn Nordby
Environmental
advisor, Asker
municipality



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



Lars Strøm Prestvik
Chief Lending
Officer,
KBN

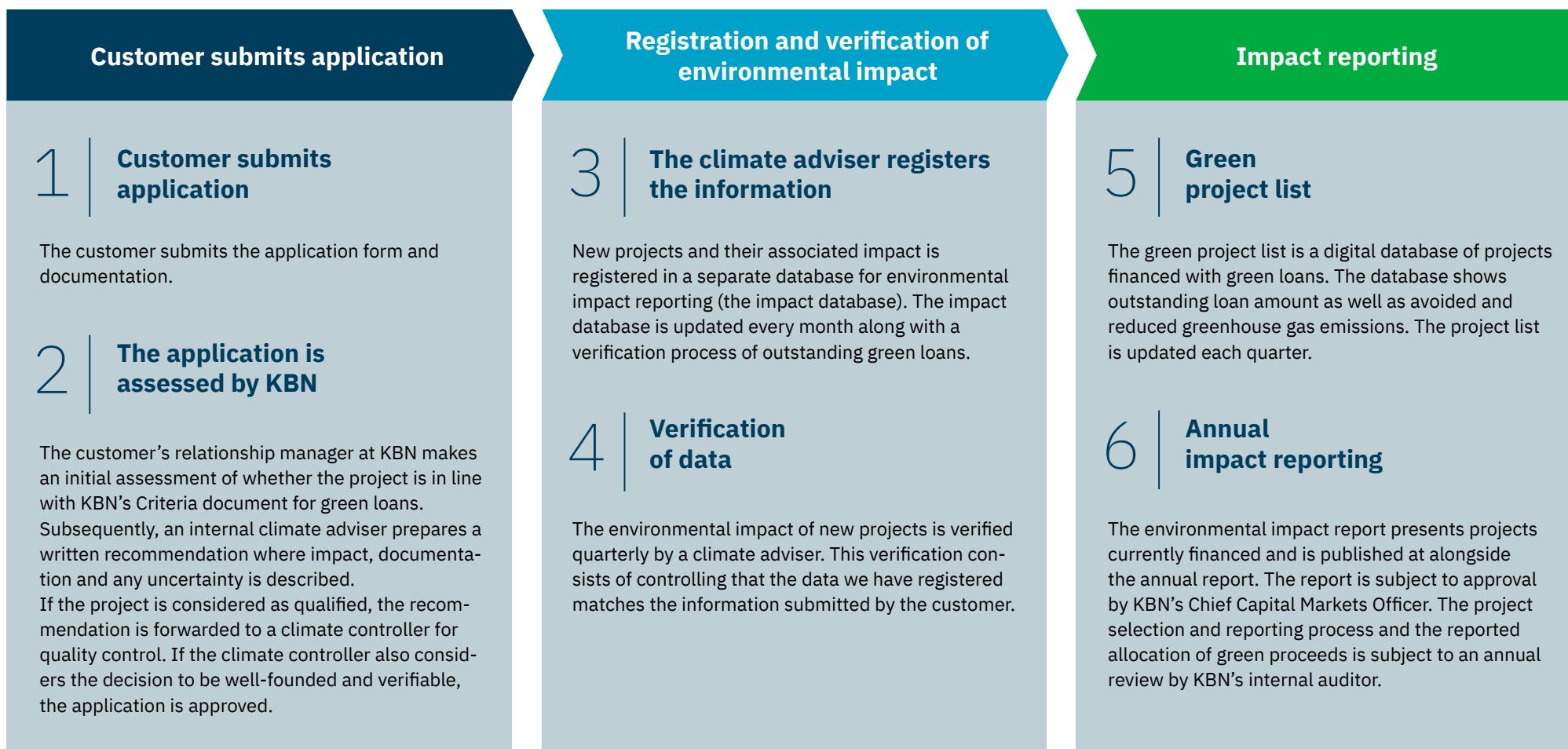


Tor Ole Steinsland
Chief of Staff,
KBN



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

Project selection and reporting processes



Roles

KBN employs three climate and green finance advisers. The advisers can act both as climate advisers and climate controllers, but for each individual application process it is clearly defined what role the individual has.

Key reporting principles

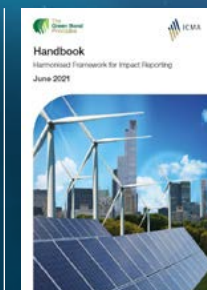
KBN base our impact reporting on GBP's Handbook – Harmonized Framework and Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting.

- Our reports include information at the project level, category level and portfolio level.
- The impact we report relates to the proportion of the project we financed. If, for example, we provided half the financing for a project, we report half of the project's environmental impact.
- All investments we finance with green bonds form part of a combined green portfolio. The table on page 4 shows what proportion of this portfolio each of KBN's green bond issues has financed.
- We report the expected impact of projects (ex ante), but we may in future report actual impacts (ex post).
- Our reporting is limited to emissions and emissions reductions that fall under Scopes 1 and 2, i.e. direct greenhouse gas emissions and indirect greenhouse gas emissions from the production of energy, as defined in the Greenhouse Gas Protocol.
- Electricity consumption is converted to greenhouse gas emissions using an emissions factor for the continental EU + Norway. This factor was selected because of a desire for a common factor to be applied to all the Nordic countries, the electricity networks of which are closely connected with the rest of Europe. The factor applied in 2021 was 315 grams of CO₂e per kilowatt hour, in line with the Position Paper.
- We report which of the UN's Sustainable Development Goals and which of the EU's six environmental objectives the various project categories help to achieve.
- We map our project categories against the technical screening criteria from the EU Taxonomy, see page 21.

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



Nordic Public Sector Issuers Position Paper on Green Bond Impact Reporting



The ICMA Handbook on Green Bond Impact Reporting










EU Taxonomy: Final report of the Technical Expert Group on Sustainable Finance





Calculation methods

Category	Direct quantifiable results	Greenhouse gas emissions reduced/avoided	Conversion factor	Baseline
 Buildings	kWh avoided, kWh produced per year, estimate	Avoided	1 kWh = 0.315 kg CO ₂ e	Reference building constructed in accordance with the applicable building regulations (currently TEK17) Energy demand prior to renovation
 Renewable energy	kWh produced per year, estimate	Avoided Reduced	1 kWh = 0.315 kg CO ₂ e	n/a
 Transportation	Reduction in CO ₂ e, CO ₂ e avoided per year, estimate	Avoided Reduced	Electric cars: 0.2 kWh/km Alternative: new diesel car, 0.126 kg CO ₂ e/km (the Norwegian Agency for Public and Financial Management's impact calculator)	Alternative, conventional type of vehicle (e.g. new diesel car instead of electric car)
 Waste and circular economy	Increase in capacity, tonnes	Avoided	n/a	Situation before improvement
 Water and wastewater management	Increase in capacity, population equivalents	n/a	n/a	Situation before improvement
 Land use and area development projects	Area of the project	n/a	n/a	Situation before improvement
 Climate change adaptation	n/a	n/a	n/a	Situation before improvement

We only calculate quantifiable environmental impact

Many projects will have a positive environmental impact for which no tangible environmental impact data is provided in this report. This may be because the impact cannot be measured, and/or because there is no sufficient basis for comparison. This is particularly true for climate change adaptation projects but can also apply to new structures.

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

A natural consequence of this is that the total impact that we report is probably somewhat smaller than the actual impact.

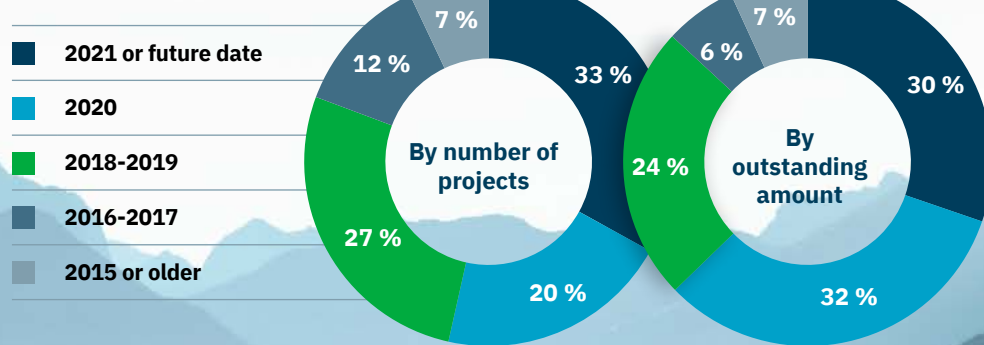
Refinancing and the age of projects

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

The purpose of KBN's green loans is financing new green projects, and as a general rule green loans are not awarded to projects that were completed more than twelve months prior to the application date.

When existing green loans mature these can be refinanced within the lifetime of the project as long as the project meets the relevant criteria in the recent version of the Criteria Document for green loans.

PROJECTS BY COMPLETION



Source	Definition	Share of KBN's green portfolio
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) ¹	100%
Nordic Position Paper	Share of loans that were granted during the reporting year	17%
	Share of loans that were granted prior to the reporting year	83%

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

KBN's green lending and the EU taxonomy

KBN has for the third time screened the green lending portfolio against the Technical Screening Criteria (TSC) in the EU taxonomy for sustainable economic activities – including all six environmental objectives.

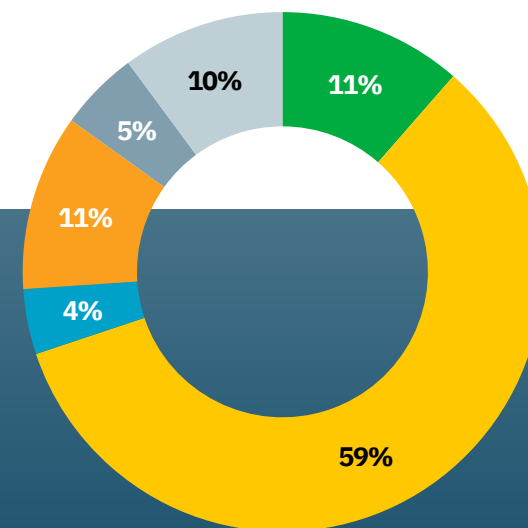
As the study reveals, around 11% of our current portfolio is found to be aligned with the TSCs in the taxonomy. These projects are mainly related to renewable energy, transportation and waste collection. Some 59% of the portfolio is found to be “likely aligned”. Although this category holds several project types, the largest is by far new low energy buildings. The conclusion arrives at “likely aligned” for this type of project mainly because there not yet exists a Norwegian NZEB (nearly zero-emission building) regulation, which is the main baseline in the taxonomy. We believe our criteria of a 20% reduction in energy demand against the Norwegian building code is equivalent but must await confirmation from Norwegian authorities and/or an updated building code before stating clearly that there is a full alignment.

Our portfolio also contains projects that either have no direct matching activity in the taxonomy, or where we lack sufficient information to conclude. Around 11% of our portfolio is also found not to be aligned with the TSCs. Examples of these projects are construction of new buildings in climate-friendly materials, or climate

change adaptation measures aimed at protection against natural disasters. These are similar activities with the same environmental aims as described in the taxonomy, however thresholds and metrics differ. The excessive documentation required to qualify under the relevant taxonomy criteria is for the moment normally not obtainable from small-scale public sector activities in Norway.

From page 44 we present a summary of this screening exercise. The full assessment can be downloaded from our websites. In our 2021 green bond framework update, we committed to repeating this screening exercise annually.

- ➔ See a summary of the taxonomy mapping from page 44.
- ➔ The full mapping can be found in spreadsheet format at kbn.com.



KBN SELF-ASSESSMENT

- **Aligned**
We have sufficient information to conclude that there is a match between our criteria and the technical screening criteria in the taxonomy.
- **Likely aligned**
We use different indicators and/or baselines, but believe our criteria are equivalent to those in the taxonomy. Further confirmation is needed in order to determine full alignment.
- **No corresponding taxonomy activity**
There are no activities in the taxonomy that overlaps with this specific KBN criterion.
- **Likely not aligned**
We have sufficient information to conclude that our criteria deviate from the taxonomy’s technical screening criteria.
- **Could not be assessed**
There is not yet enough information to determine whether our criteria match those of the taxonomy.
- **Projects assessed individually**
Projects qualified under KBN criteria vary in nature and must be assessed individually.

Project categories

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



Buildings

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

Subcategories	1.1 Measures for existing building stock 1.2 New buildings 1.3 Other
SDGs	7.3 and 12.2
The EU Environmental Objectives	1, 2, 4 and 6



Renewable energy

Facilitating the use of renewable energy sources.

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



Transportation

Transport solutions with minimal or zero emissions.

Subcategories	3.1 Cycling and walking 3.2 Land transport 3.3 Maritime transport 3.4 Heavy machinery 3.5 Infrastructure 3.6 Other
SDGs	9.1, 9.4, 11.2 og 11.6
The EU Environmental Objectives	1, 2 and 5



Waste and circular economy

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

Subcategories	4.1 Waste prevention and reuse 4.2 Waste collection, processing and treatment 4.3 Other
SDGs	11.6, 12.4 and 12.5
The EU Environmental Objectives	1, 2, 4 and 5



UN Sustainable Development Goals



Water and wastewater management

Water and wastewater investments with a climate and environmental profile.

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



Land use and area development projects

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

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



Climate change adaptation

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

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











The EU Environmental Objectives

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Key impact data

The impact we report on this page is the annual effect from all the projects in the green portfolio - both new and older. Only new projects are included in the project list on the following pages. By new projects we mean projects to which the first disbursement has been made in 2021. The environmental impact from the new projects is thus only a part of the amounts presented in this table. You can find a complete overview of all projects and their associated environmental impact on KBN's website.

 Get a complete overview of the green projects in Impact report 2021 (Excel) or Green project list at kbn.com.

Project categories	New green projects in 2021	Green loan outstanding (1000 NOK)	Production of renewable energy (kWh annually)	Corresponds to reduced and avoided GHG (tonnes CO ₂ e annually)	Category specific impact
 Buildings	30	23 762 231	8 556 557	14 779	Estimated energy savings (kWh annually): 38 361 315
 Renewable energy	4	371 751	68 246 814	21 498	Installed effect, estimated (kW): 3 871
 Transportation	11	2 497 477	n/a	740	Number of electric cars: 130
 Waste and circular economy	6	1 301 259	1 747 653	164	Increased capacity (tonnes): 150 134
 Water and wastewater management	15	4 301 108	n/a	n/a	Increased capacity (population equivalents): 482 450
 Land use and area development projects	3	387 716	n/a	n/a	Included area (m2): 458 140
 Climate change adaptation	5	255 312	n/a	n/a	-
Total	74	32 876 855	78 551 024	37 181	

DISCLAIMER

The information presented in this report has been obtained from KBN's customers. The data has been reviewed by KBN but has not been verified by us or a third party. The calculations of environmental impact have been carried out by KBN. We do our best to assure the quality of the information in this report.

However, we ask that investors and other stakeholders take a cautious approach when interpreting this report, as there is significant uncertainty associated with calculations of this type. At present we do not report climate risk at the project level, but we are paying close attention to the topic of possible consequences of climate risk to the projects we finance. Read more about KBN's approach to ESG risk on page 12.



NEW PROJECTS IN 2021

Buildings

NEW GREEN
PROJECTS IN
2021:**30**TOTAL
NUMBER OF
GREEN PROJECTS:**156**See all the green projects in
Impact Data 2021 (Excel)
at kbn.com.

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO ₂ e annually)
Gjøvik Boligstiftelse	Biri care centre	2018-2021	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	Mass timber in the structure above ground and low-carbon concrete below ground. The building is also very energy efficient, nearly 29% lower than the energy consumption requirement in the building regulations (TEK).	28 000	27 140	280 000	10%	5 400	6 539	29 206	11
Bardu municipality	Bardu elementary and lower secondary school	2020-2021	1.2.1 New low-energy buildings	The school will have two levels and space for a total of 500 pupils. It is being built as a Passive House with bedrock heating.	150 000	150 000	502 500	30%	9 039	125 373	99 834	71
Stjørdal municipality	Fossli care centre	2021-2023	1.2.1 New low-energy buildings	The new buildings will provide 76 new care places designed for people with dementia, as well as a service building. The buildings will be energy-efficient, and geothermal wells and solar panels will help produce renewable energy. The buildings will be built using environmentally friendly materials such as low-carbon concrete, timber for cladding and previously used roof tiles. The project will achieve a score equivalent to BREEAM Very Good.	117 097	115 633	276 550	42%	7 113	152 671	136 513	91
Bodø Spektrum AS	Bodø Spektrum swimming pool	2021-2022	1.3 Other	The project is a combination of the refurbishment of the existing pool facilities and the construction of a new competition pool. A range of measures have been taken to reduce the climate footprint, and overall the project is considered to be ambitious. The plan is for the new building to be certified as BREEAM Very Good, and for the existing facilities to use 30% less energy. The developer has also linked up with research teams to find solutions to help the facility make the best possible use of electricity and heating.	320 000	100 000	320 000	31%	4 050	n/a	37 716	12
Lørenskog municipality	Fjellhamar school	2020-2023	1.2.1 New low-energy buildings	The school building has a range of 'green' characteristics, such as a target of generating 30-40% less greenhouse gas emissions (from materials and energy combined) than a reference building, the use of low-carbon concrete in the load-bearing structures, and thermal heating and cooling solutions.	350 000	345 625	900 000	38%	16 555	261 139	189 456	142



Buildings, continued

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO ₂ e annually)
Holmestrand municipality	New Kleiverud school	2020-2022	1.2.1 New low-energy buildings	The school has been built to be very energy efficient and meets KBN's criteria by a good margin. The school is designed for 200 pupils.	68 000	67 575	115 000	59%	3 600	n/a	77 984	25
Holmestrand municipality	Downtown schools in Sande	2021-2023	1.2.1 New low-energy buildings	The school is very energy efficient and is dimensioned for 588 pupils in the elementary school and 450 pupils in the lower secondary school. The school will be run as two separate schools, but large parts of the building will be shared.	101 280	100 647	474 600	21%	15 800	n/a	147 514	46
Horten municipality	Fagerheim school	2021-2022	1.2.3 Eco-certified buildings	The new elementary school will be built in accordance with FutureBuilt's nearly zero-energy building (nZEB) method. The construction site for the project will also be fossil-free, the school will use energy from a local wood chip district heating system, and mass timber will be used as a building material.	18 278	18 031	125 888	14%	2 381	4 684	8 730	4
Horten municipality	Bakkeåsen care homes	2020-2021	1.2.2 New buildings with climate-friendly materials	Horten municipality is building new sheltered housing units consisting of eight apartments, one staff base and communal areas. The project has received support from the Norwegian Environment Agency to enable mass timber to be used and the construction site to be fossil-free, and it is a pilot for the Norwegian Agency for Public and Financial Management's criteria guide for sustainable procurement. The project will use Norway's first complete, pre-insulated mass timber sections.	653	644	58 875	1%	909	n/a	-228	0
Horten municipality	Nordskogen school	2021-2022	1.1.2 a) Major renovation projects: Energy efficiency	Horten municipality is fully renovating Nordskogen school, including its cloakrooms and gym. Following the renovation work, the school will meet the requirements in the building regulations (TEK17) to the greatest extent possible, and its energy demand will be approximately 30% lower.	97 074	95 762	125 800	76%	3 825	n/a	151 408	48
Molde municipality	Hattelia kindergarden	2018-2020	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	Hattelia nursery is a nursery that emphasises the outdoors. It is being built using mass timber and to the Passive-House standard, and its heating is from geothermal wells.	39 000	38 443	50 000	77%	1 000	n/a	43 594	14
Molde municipality	Sports centre	2018-2020	1.2.2 New buildings with climate-friendly materials	The Idrettens Hus sports venue is part of the New Molde sports park project. The new building makes extensive use of mass timber for its load-bearing structures, exterior walls, interior walls and separating floors.	141 000	138 986	183 000	76%	7 786	n/a	47 898	15



Buildings, continued

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO ₂ e annually)
Trondheim municipality	Klæbu health and welfare center	2019-2021	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	Trondheim municipality is investing in a nursing home, to be called Klæbu Health and Welfare Centre. The centre will be built to the Passive-House standard using environmentally friendly materials such as Class A low-carbon concrete. The building site will be fossil-free, the building's heating demand will be met by biomass-based (wood chip) district heating, and solar panels will be fitted to its roof that will produce around 100,000 kWh of electricity per year (to be used in the building). The municipality has set a requirement that means the greenhouse gas emissions associated with the building's energy consumption and the materials used must be 30% lower than with a reference building.	133 000	133 000	248 900	53%	6 136	53 435	162 300	68
Trondheim municipality	Nidarvoll rehabilitation center	2021-2024	1.2.1 New low-energy buildings and 1.2.4 Buildings with locally produced energy	Trondheim municipality is building a new health/rehabilitation centre. The focus is on ensuring the building has a low energy demand, and the building will meet the requirements of FutureBuilt's energy-plus standard.	74 100	74 100	464 300	16%	9 243	10 054	198 406	66
Trondheim municipality	Nidarvoll school and sports center	2021-2024	1.2.1 New low-energy buildings and 1.2.4 Buildings with locally produced energy	The new Nidarvoll school and sports hall are being built to have a low energy demand. The project is a pilot project for +CityxChange and the ZEN Research Centre.	119 500	119 500	670 000	18%	15 852	22 027	174 447	62
Rana municipality	Båsmo school	2019-2022	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	Båsmo school will have space for 350 pupils and is being built to be energy efficient. Its energy demand will be 27% lower than the requirements in the building regulations (TEK17). Mass timber will also be used for the load-bearing structures.	96 000	96 000	247 500	39%	4 259	n/a	50 055	16
Rana municipality	Gruben school	2018-2021	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	The new Gruben school will have space for 450 pupils, and it will be built to the Passive-House standard. The school will be energy efficient, as its energy demand will be 27% lower than the requirement in the building regulations (TEK17). Mass timber will be used, and the building will be connected to a district heating system.	204 000	204 000	271 000	75%	4 920	n/a	112 220	35
Ås municipality	Åsgård school and sports center	2021-2023	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	The new Åsgård school will have a low energy demand and is being built using low-carbon concrete (Class B). The associated multipurpose hall will be built using mass-timber for the load-bearing structure. A green roof featuring solar panels to produce renewable energy is also planned.	83 250	78 572	475 000	17%	10 473	26 797	46 081	23



Buildings, continued

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO ₂ e annually)
The City of Oslo	Ruseløkka school	2019-2021	1.2.1 New low-energy buildings and 1.2.3 Eco-certified buildings	Ruseløkka school is an elementary and lower secondary school for 690 pupils in Vika in Oslo. Previously used bricks have been used for its internal walls, and ultra-low-carbon concrete has been used for all cast-in-place concrete. The school building meets the energy requirements of a nearly zero-energy building (nZEB) and it has solar panels on its roof, which have been combined with a green roof to slow surface runoff.	454 000	454 000	589 700	77%	9 780	61 591	262 778	102
The City of Oslo	Tøyenbadet swimming pool	2021-2024	1.3 Other	The new Tøyenbadet swimming complex will be one of Norway's biggest and most visited swimming complexes. The City of Oslo has very high ambitions in relation to the energy efficiency of swimming facilities, and has implemented measures including in the area of energy efficiency, a fossil-free building site, local energy production, a green roof, greater use of timber, and water recovery.	546 000	546 000	1 653 300	33%	13 779	499 006	168 368	210
Bergen municipality	Åsaheimen nursing home	2020-2023	1.2.1 New low-energy buildings and 1.2.3 Eco-certified buildings and 1.2.4 Buildings with locally produced energy	Åsaheimen nursing home, which will have 100 bedrooms, will be energy efficient, as its energy demand will be approximately 29% lower than the requirements in the building regulations. In addition, energy will be produced by its solar panels, and the building site will be fossil-free. The building will be BREEAM certified as Excellent.	160 000	160 000	673 000	24%	10 081	97 065	133 974	73
Bergen municipality	Kristianborg nursery	2021	1.2.1 New low-energy buildings	Kristianborg nursery has space for 80 children, and is being built to be energy efficient. The nursery's energy demand will be 42% lower than the requirements in the building regulations (TEK17).	40 000	40 000	57 300	70%	914	n/a	35 794	11
Bergen municipality	Renovation of Bergen City Hall	2019-2022	1.1.2 a) Major renovation projects: Energy efficiency	Bergen City Hall is being renovated, and will be made more energy-efficient. Following the renovation, the building's energy demand will be 35% lower.	387 500	387 500	608 000	64%	9 758	n/a	541 063	170
Lørenskog municipality	Fjellhamar sports center	2020-2023	1.3 Other	The sports complex will consist of a double multi-use hall and a swimming pool. The heating will be provided by renewable energy, and measures will be taken to increase the complex's energy efficiency and to recover heat from used water. Climate-friendly materials will also be used, and the building will have a green roof.	250 000	250 000	740 000	34%	10 324	302 365	21 276	102



Buildings, continued

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m2)	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO ₂ e annually)
Røst municipality	Røst early development centre	2021-2022	1.2.1 New low-energy buildings	Røst early development centre consists of a school, a before-and-after school program, a nursery, a dental practice and a library. The building's energy demand is 24% lower than the requirements in the building regulations.	19 500	19 250	96 300	20%	1 156	n/a	6 101	2
Sel municipality	Otta school and sports center	2021-2023	1.2.1 New low-energy buildings	A new elementary school and multi-purpose hall are being built in Otta. The new elementary school in Otta will, together with the Ottahallen sports complex, Otta upper secondary school, Otta lower secondary school and the new multi-purpose hall represent a combined educational centre and valuable activity centre for the local community in Otta. Importance has been attached to reducing greenhouse gas emissions, including by means of energy-efficiency measures and addressing the climate impact of the construction site.	40 000	40 000	272 000	15%	6 798	n/a	29 391	9
Modum municipality	Ambulance central	2020-2021	1.2.2 New buildings with climate-friendly materials	Modum municipality is building a new ambulance station and premises for home-based services. The building will be built from climate-friendly materials, as it is being constructed using mass timber elements for the load-bearing structures.	5 919	5 919	63 500	9%	1 905	n/a	2 113	1
Kautokeino municipality - Guovdageainnu Suohkan	Kautokeino school and sports hall	2021-2023	1.2.1 New low-energy buildings and 1.2.2 New buildings with climate-friendly materials	The new Kautokeino school will include classrooms, a swimming pool, a volleyball hall, a library and a sports hall for years 1-10. The school will have a very low energy demand, and mass timber elements will be used for the load-bearing structures in the roof, outer and inner walls, and floors.	225 000	125 000	357 500	35%	6 083	n/a	96 137	30
Båtsfjord municipality	Båtsfjord school and sports hall	2021-2023	1.2.1 New low-energy buildings	Båtsfjord municipality is building a new school with a swimming pool, volleyball hall, library, cultural space, office premises for educational and psychological services and child protection, and a health station. The municipality has specified that the sports hall/swimming complex must require 30% less energy than the requirements in the building regulations (TEK17), while the school part must require 40% less energy. The school part is also being built using mass timber and glulam.	287 875	65 000	396 250	16%	6 329	n/a	47 653	15
Rendalen municipality	Improving energy efficiency with an EPC project	2021-2023	1.1.1 Individual energy efficiency measures	Various measures to improve energy efficiency in the municipal buildings, such as installing a Central Operational Control System, changing windows and upgrading air conditioning systems.	1 200	1 066	1 500	71%	n/a	n/a	20 665	7



NEW PROJECTS IN 2021

Renewable energy

NEW GREEN
PROJECTS IN
2021:

4

TOTAL
NUMBER OF
GREEN PROJECTS:

8

See all the green projects in
Impact Data 2021 (Excel)
at kbn.com.

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)		
									Installed capacity (kW)	Expected energy production (kWh/annually)	Corresponds to avoided GHG (tonnes CO ₂ e) annually
Øvre Romerike Avfallsselskap IKS	Bio heating and biochar production	2021	2.1.1 d) Renewable energy production: Pellet or wood chip heating systems	Construction of a biofuel heating plant which will use wood chips from waste timber and garden waste to generate hot water for a local heating system, and biochar will be recovered.	8 400	8 160	8 400	97%	n/a	1 262 857	398
Borg Havn IKS	Battery for energy storage	2021	2.2.1 Energy storage in connection with energy production facilities: Electrical storage	Borg Havn IKS is installing solar panels at its terminal in Øra, and in connection with this will install an energy storage battery. The battery will be used to store solar energy.	1 575	1 575	1 969	80%	72	n/a	n/a
Borg Havn IKS	Solar power system	2021	2.1.1 Renewable energy production: Solar cells or solar thermal collectors	Installation of solar panels that will produce electrical energy to operate electrical equipment at the Øra terminal at the port of Borg, including cranes, vehicle charging, shore-side power and buildings.	5 806	5 806	7 258	80%	n/a	691 304	218
Stad Fjordvarme KF	Energy collector facility	2020-2021	2.3.2 District heating/cooling	Construction of a collector system and associated on-land infrastructure at Stad business park. The project will enable the buildings in the business park to connect to the collector system and to obtain renewable energy from the sea for heating and cooling purposes, with the help of liquid/water heat pumps and free cooling.	950	950	2 775	34%	103	n/a	n/a



NEW PROJECTS IN 2021 Transportation

NEW GREEN
PROJECTS IN
2021: **11**

TOTAL
NUMBER OF
GREEN PROJECTS: **49**

See all the green projects in
Impact Data 2021 (Excel)
at kbn.com.

Borrower	Project name	Project period (est.)	Criterion met	Description	Total 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 ₂ e) annually
Romsdalshalvøya Interkommunale Renovasjonsselskap IKS	Procurement of an electric truck	2020	3.4.1 Heavy machinery	RIR is working to replace its diesel-powered construction machinery. The first vehicle procured in this regard is an electric truck.	500	475	625	76%	n/a
Harstad havn KF	Shore-side power supply	2020	3.5.5 Shore-side power connections and charging points	Harstad Havn KF is installing a new shore-side power system for ships at its quay facilities at Stangnes Kai 2 and 3 in Harstad port. The investment is intended to protect the environment and surroundings from pollution and noise.	7 260	6 988	7 260	96%	n/a
Karmsund Havn IKS	New electric vehicle	2021	3.2.1 Light or heavy vehicles	Procurement of electric cars that will be used as administration cars.	300	293	300	98%	0,5
The City of Oslo	New trams	2016-2024	3.2.2 Equipment for rail-based public transport	Procurement of 87 new trams to provide the population of Oslo with a robust and future-oriented tram service. Oslo's tram system runs on electricity and will consequently continue to be emissions-free.	1 000 000	1 000 000	4 165 000	24%	n/a
Romsdalshalvøya Interkommunale Renovasjonsselskap IKS	Procurement of electric sorting machine	2021	3.4.1 Heavy machinery	RIR IKS is procuring an electric excavator as part of its work to replace its diesel-powered construction machinery.	2 590	2 590	3 250	80%	20,7
Romsdalshalvøya Interkommunale Renovasjonsselskap IKS	Procurement of electric wheel loader	2021	3.4.1 Heavy machinery	RIR IKS is procuring an electric loader as part of its work to replace its diesel-powered construction machinery.	1 400	1 400	3 250	43%	6,0
Sel municipality	Procurement of electric cars	2021	3.2.1 Light or heavy vehicles	Sel municipality is procuring 12 new electric cars for its home care service. The cars run solely on electricity. The estimated annual mileage is 20,000 km per car.	2 000	2 000	5 760	35%	5,3
Vefsn municipality	Charging stations for electric cars	2020-2023	3.5.1 Charging points for vehicles	Procurement and installation of electric car chargers for the municipality's electric cars. The municipality has also received a grant from the Norwegian Environment Agency's Klimasats scheme for this project.	380	380	2 588	15%	n/a
Vefsn municipality	Electric cars	2021	3.2.1 Light or heavy vehicles	Procurement of six electric cars in line with the municipality's objective of increasing the proportion of its service vehicles that are electric.	2 222	2 222	2 410	92%	3,5
Rendalen municipality	Charging station for electric cars	2020-2021	3.5.1 Charging points for vehicles	Installation of new charging stations for electric cars in Rendalen municipality.	3 600	3 199	4 500	71%	n/a
Rendalen municipality	Pedestrian and cycling path Øvre Rendalen	2021-2023	3.1.2 Facilitating walking and cycling	Extension of existing pedestrian and cycling paths in Øvre Rendal, along fylkesvei 30.	500	444	8 750	5%	n/a



NEW PROJECTS IN 2021

Waste and circular economy

NEW GREEN
PROJECTS IN
2021:

6

TOTAL
NUMBER OF
GREEN PROJECTS:

38

See all the green projects in
Impact Data 2021 (Excel)
at kbn.com.

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)	
									Total capacity (tonnes)	Increased capacity (tonnes)
Romsdalshalvøya Interkommunale Renovasjonsselskap IKS	Investment in underground waste solutions	2021-2024	4.2.2 More efficient waste collection	Installation of underground containers as a waste solution as part of new and old residential projects/joint ownership dwellings/housing cooperatives. This will reduce the need for transportation and encourage more extensive and higher-quality sorting of waste.	1 000	950	4 000	24%	n/a	n/a
Romsdalshalvøya Interkommunale Renovasjonsselskap IKS	Manufacturing equipment for sorting hall	2021	4.2.3 New facilities for sorting waste	The investment will help the company to replace its old diesel-powered machines with electric machines, to improve the energy efficiency and automation of its equipment, and to increase the material recovery rate.	25 500	24 225	31 875	76%	9 880	n/a
Øvre Romerike Avfallsselskap IKS	Recycling Warehouse	2021	4.1.1 Measures to reduce waste	Construction of a warehouse that will include a shop for used items. The intermunicipal company has in recent years received nearly 200,000 kg of items that people no longer want. The project will increase capacity and improve the company's facilities for systematic re-use. The need is increasing, and a warehouse is needed in which to receive, store, prepare and sell items.	2 600	2 526	2 600	97%	n/a	n/a
Indre Østfold Renovasjon IKS	New household waste facility	2021-2023	4.2.1 Measures to increase the waste sorting rate	New indoor loading hall for collected household waste, which will improve the quality of the waste because it will be less exposed to wind and rain. This will help more material to be recovered from the household waste.	25 000	25 000	31 250	80%	11 200	11 200
Søre Sunnmøre Reinholdsverk IKS	Securing of landfill Fløstranda	2022	4.2.7 Measures at existing landfill sites	Improvements to a landfill site in Fløstranda to reduce runoff into the sea.	4 000	4 000	6 250	64%	n/a	n/a
Volda og Ørsta Reinholdsverk IKS	Waste reloading facility	2020-2022	4.2.3 New facilities for sorting waste	New loading facility for waste, including food waste, that will mean VØR will not have to drive the food waste to Sunnmøre and can make preparations for a future biogas plant. Importance has also been attached to environmental requirements in the buildings/hall themselves, such as heat pumps and a green roof.	24 000	24 000	98 090	24%	n/a	n/a



NEW PROJECTS IN 2021

Water and wastewater management

NEW GREEN PROJECTS IN 2021:

15

TOTAL NUMBER OF GREEN PROJECTS:

67

See all the green projects in Impact Data 2021 (Excel) at kbn.com.

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)
									Estimated increase in capacity (PE)
Nord-Fron municipality	Strengthening the wastewater system	2016-2025	5.1.1 Separating wastewater and surface runoff	The measure involves separating wastewater and surface runoff and replacing wastewater pipes. The project is the result of a decision to expand the Frya treatment plant.	15 000	14 750	35 000	42%	n/a
Vestfold Vann IKS	Pump room Seierstad	2020-2021	5.3.1 a) Measures at existing water facilities: Energy efficiency	The pump room is being upgraded with new pumps, motors and electrical equipment. This will help reduce energy consumption by 35%.	33 000	32 175	33 000	98%	n/a
Vestfold Vann IKS	Two new elevation pools	2020-2023	5.3.1 a) Measures at existing water facilities: Energy efficiency	New water holding pool that will help the pumping stations in the pipe network to use 50% less energy.	137 000	135 097	330 000	41%	n/a
Strand municipality	Separating waste water and surface water	2020-2021	5.1.1 Separating wastewater and surface runoff	By separating surface runoff into separate pipes, the amount of wastewater (sewage) sent to the treatment plant and pumping station will decrease. This will reduce operating costs and energy costs.	200	197	200	98%	n/a
Strand municipality	Separating waste water and surface water	2020-2021	5.1.1 Separating wastewater and surface runoff	By separating surface runoff into separate pipes, the amount of wastewater (sewage) sent to the treatment plant and pumping station will decrease. This will reduce operating costs and energy costs.	2 465	2 424	4 781	51%	n/a
Strand municipality	Separating waste water and surface water	2019-2020	5.1.1 Separating wastewater and surface runoff	By separating surface runoff into separate pipes, the amount of wastewater (sewage) sent to the treatment plant and pumping station will decrease. This will reduce operating costs and energy costs.	854	839	1 719	49%	n/a
Lyngen municipality	Sludge separator	2021	5.3.2 c) Measures at existing wastewater facilities: Reduces chemicals or pollution	Thanks to new piping and a sludge separator, the amount of discharge and pollution flowing into the fjord will be reduced. The discharge pipe will also be extended so that the wastewater will be discharged into deeper water.	3 830	3 830	52 038	7%	n/a
HIAS IKS	Phosphorous recovery from wastewater	2018-2021	5.3.2 c) Measures at existing wastewater facilities: Reduces chemicals or pollution	The treatment facility will be upgraded with the aim of addressing and recovering resources contained in the wastewater. The recovery rate for phosphorus is expected to be 40-60%. A new treatment process will increase the facility's capacity in order to equip it for future demand.	20 000	20 000	107 000	19%	18 692
Longyearbyen Community Council	Mechanical wastewater treatment	2021-2022	5.3.2 c) Measures at existing wastewater facilities: Reduces chemicals or pollution	The introduction of a mechanical treatment process for wastewater in Longyearbyen will remove waste from the wastewater and thereby reduce the pollution released into the fjord.	1 400	1 400	7 700	18%	n/a



Water and wastewater management, continued

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)	
									Estimated increase in capacity (PE)	
Nesodden municipality	Rehabilitation of water supply network	2021	5.3.1 c) Measures at existing water facilities: Reduces chemicals or leakages and 5.4.2 No-dig projects	The main water supply will be replaced to prevent leaks. To reduce pollution, a no-dig solution in the form of pipe-bursting has been chosen.	4 100	4 100	11 400	36%		n/a
Nesodden municipality	Carbon filter at Bleksli water facility	2021-2022	5.3.1 b) Measures at existing water facilities: Climate change adaptation	The treatment process at the waterworks will be expanded to include a new treatment phase involving granular activated carbon, which will combat the undesirable smell and taste sometimes found in drinking water as a result of greater runoff flowing into the water source due to climate change.	2 000	2 000	29 000	7%		n/a
Nesodden municipality	Upgrade of Spro wastewater facility	2021-2023	5.3.6 c) New facilities for wastewater: Reduces chemicals or negative impact on the local environment	The wastewater treatment facility in Spro will be upgraded in order to provide houses and cabins in the area with a connection to the municipal wastewater network, which will reduce their negative impact on the local environment and the aquatic environment in Oslo fjord.	2 000	2 000	32 000	6%		n/a
Nesodden municipality	New water and wastewater network Seterveien	2021-2022	5.3.6 c) New facilities for wastewater: Reduces chemicals or negative impact on the local environment	The pipeline will help reduce local emissions, and will serve a settlement of around 100 households.	500	500	25 000	2%		n/a
Nesodden municipality	Upgrade of wastewater network Nesodden	2021-2021	5.3.1 b) Measures at existing water facilities: Climate change adaptation and c) Reduces chemicals and leakages and 5.4.2 No-dig projects	The new wastewater system will replace a system from the 50s/60s that is prone to leaking. No-dig solutions have been used for large parts of the new system.	5 400	5 400	22 800	24%		n/a
Nesodden municipality	Water and wastewater network Nordstrand-Dalbo	2021-2025	5.3.6 c) New facilities for wastewater: Reduces chemicals or negative impact on the local environment	An existing settlement in the area will be connected to the municipal wastewater system, and in connection with this new water distribution and wastewater connections will be provided.	3 000	3 000	70 000	4%		n/a



NEW PROJECTS IN 2021

Land use and area development projects

NEW GREEN
PROJECTS IN
2021:

3

TOTAL
NUMBER OF
GREEN PROJECTS:

9

See all the green projects in
Impact Data 2021 (Excel)
at kbn.com.

Borrower	Project name	Project period (est.)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Total area (m2)
Lørenskog municipality	Skårersletta environmentally friendly street	2021-2023	6.2.1 Sustainable area development	Development of a central social area with a focus on material reuse, emissions sources during the construction phase, climate change adaptation, and high-quality ecosystems following project completion.	200 000	196 250	745 000	26%	30 000
Dirdal sports club	Artificial turf pitch	2021	6.1.1 Measures against pollution on land	A new artificial grass pitch will help reduce plastic usage, as well as the dispersal of and pollution from micro plastics.	8 100	8 100	9 050	90%	10 340
Longyearbyen Community Council	Upgrade of pedestrian zone	2021	6.2.1 Sustainable area development	Gågata, a street in Longyearbyen, will be upgraded and equipped to help create a vibrant centre for permanent residents and visitors. The works include maintenance in relation to the wastewater system, repairing dropped paving, and installing a new play area and seating for children and young people. The project recognises the importance of re-using bricks and other materials.	19 000	19 000	19 000	100%	3 500



NEW PROJECTS IN 2021

Climate change adaptation

NEW GREEN
PROJECTS IN
2021:

5

TOTAL
NUMBER OF
GREEN PROJECTS:

15

See all the green projects in
Impact Data 2021 (Excel)
at kbn.com.

Borrower	Project name	Project period (estimated)	Criterion met	Description	Total disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing
Nord-Fron municipality	Flood protection Givra	2019-2022	7.2.1 Protection against natural disasters	A range of measures of varying sizes are being taken, including the construction of a new flood control channel and new culverts. The area has suffered flooding on a number of occasions in recent years.	41 200	40 513	41 200	98%
Port of Båtsfjord	New climate resilient dock	2021	7.2.1 Protection against natural disasters	The current quay is being replaced due to the risk of landslides. The new quay will be adapted for climate change and will incorporate a range of environmental measures.	95 000	64 000	103 750	62%
Strand municipality	Flood protection for Jørpeland	2020-2021	7.2.1 Protection against natural disasters	The investment involves a flood risk assessment, calculations and simulations for the town of Jørpeland. The municipality will also implement measures to prevent flood damage to the village and its infrastructure.	4 689	4 611	4 689	98%
Strand municipality	Flood protection for Tau	2020-2021	7.2.1 Protection against natural disasters	The investment involves a flood risk assessment, calculations and simulations for the village of Tau. The municipality will also implement measures to prevent flood damage to the village and its infrastructure.	3 665	3 604	3 665	98%
Indre Østfold Renovasjon IKS	Storm water basin	2021	7.1.1 Surface runoff management and 7.2.1 Protection against natural disasters	Indre Østfold Renovasjon IKS is constructing a 2,000 m ³ retention basin for surface runoff management. This will provide greater control over surface runoff from asphalted surfaces, and will prevent extensive surface runoff from flowing into a stream that is located next to the landfill site and that bursts its banks in the event of heavy precipitation.	3 000	3 000	3 750	80%



Photo: Renate Bævre Gilde

CASE



BUILDINGS

A kindergarten in natural environments

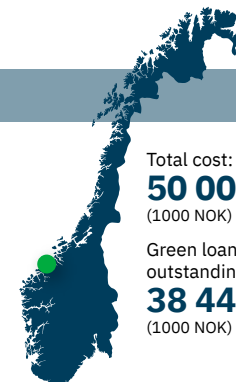
■ Hatlelia kindergarten is built according to the passive house standard and has a low demand for energy. The building is built in massive timber, with heating from energy wells. The inside surfaces consist of wood and concrete, with large windows that provide light and good views.

Hatlelia has a focus on outdoor activities. The children's outdoor time has an educational content on a par with what they get inside, where environmental protection and sustainability is central. Outside they have their own kitchen garden with vegetables, fruit trees, berry bushes and composting.

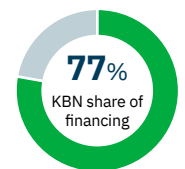
Estimated impact:
14 tonnes CO₂e reduced

Project period: 2018-2020

Molde municipality



Total cost:
50 000
(1000 NOK)
Green loan
outstanding:
38 443
(1000 NOK)





CASE



RENEWABLE ENERGY

Investments in biochar production cuts emissions

■ ■ Øvre Romerike Avfallsselskap (ØRAS) replaces ordinary wood chip firing with pyrolysis in a new bio-firing plant. The investment makes it possible to utilise waste to create a new product and produce energy at the same time as cutting emissions.

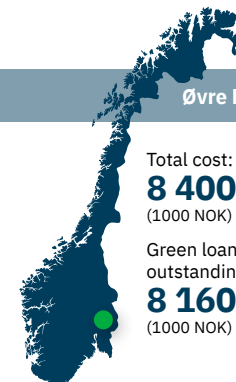
ØRAS receives large amounts of untreated wood daily, which is fed into the pyrolysis plant and is charred to biochar. In this process, CO₂ is formed, but instead of releasing the gases into the atmosphere, most of the carbon is captured in the biochar that is produced. In addition, emissions are saved by avoiding landfilling of ash.

The biochar can be used in compost, water purification and soil improvement. Biochar can also be used for surface water management, as well as binding carbon and nutrients to the soil.

Expected annual energy production: 1 262 857 kWh/year

Project period: 2021

Øvre Romerike Avfallsselskap



Total cost:
8 400
(1000 NOK)

Green loan outstanding:
8 160
(1000 NOK)

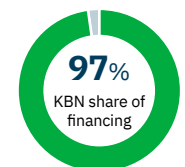


Photo: Øvre Romerike Avfallsselskap



Photo: Jungheinrich

CASE



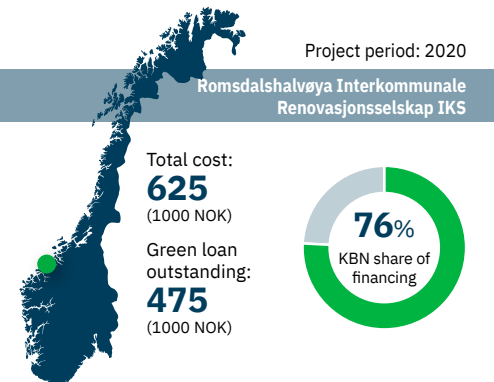
TRANSPORTATION

A small step towards the green transition

■ ■ More and more companies are joining the green transition. A waste management company at the Romsdal peninsula (RIR IKS) is now investing in green solutions.

The company has an ambitious goal: “RIR IKS shall be a leading waste management company, both in terms of quality and the environment. The idea of a circular economy should form the basis for all activities in the company.”

Therefore, it is only fitting that RIR IKS was granted a green loan from KBN to finance an electric forklift truck. The company plans to replace diesel-powered construction machines with electric ones, and this forklift is the first in line.





CASE



WASTE AND CIRCULAR ECONOMY

Building a new local waste facility reduces the need for transportation

■ ■ Volda og Ørsta Reinholdsverk waste management company is building a new waste facility for organic waste, paper/cardboard, plastic, glass, metal and residual waste. The facility consists of four buildings.

Today, organic waste is transported to the neighbouring town of Ulsteinvik, where it gets reloaded. By building the new facility in Ørsta/Volda, approximately 22.000 km of driving will be avoided per year.

The office building and changing rooms at the facility will be heated using heat pumps. Minimising waste will be an important aspect of the building process, and the waste that is produced will be reused or recycled. The materials used in the buildings will also be suitable for recycling.

The buildings will have green roofs, which will function as a stormwater basin for precipitation.

Project period: 2020 -2022

Volda og Ørsta Reinholdsverk IKS



Total cost:
98 089
(1000 NOK)

Green loan outstanding:
24 000
(1000 NOK)

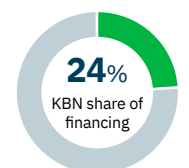


Photo: Volda og Ørsta Reinholdsverk IKS



CASE



WATER AND WASTEWATER MANAGEMENT

Reducing pressure on the wastewater network

■ ■ In Strand municipality, surface runoff and wastewater share the same pipe network. As a result, both wastewater and rainwater are channeled into the treatment plant. Pumping and cleaning the water requires considerable amounts of energy. Climate change will cause increased precipitation and more extreme weather events in the future, which will lead to increased pressure on the wastewater network.

To address this challenge, Strand will separate surface runoff and wastewater in two individual pipe networks. By handling surface runoff in a separate pipe, the amount of wastewater going into the treatment plant is reduced. This way they avoid cleaning rainwater which is already considered pure, which again will free capacity for the wastewater network. This will save substantial amounts of energy. During the same project, the municipality will install new water pipe systems.

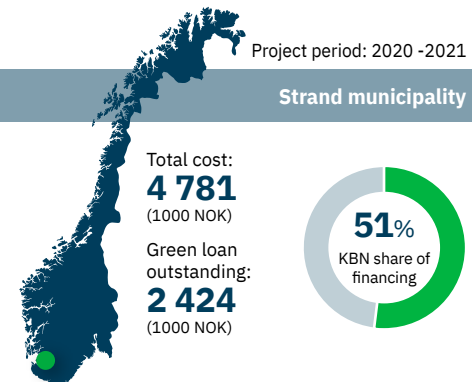


Illustration: HIAS, Photo: Øyvind Haug



CASE



LAND USE AND AREA
DEVELOPMENT PROJECTS

Climate-smart city center: a boost for the municipality - and the economy

■ ■ Skårersletta in Lørenskog will be a climate-smart and pleasant city center that invites activities and recreation for its citizens. Bike lanes, wider sidewalks and easier access to public transport will reduce transportation by car, and in order to manage surface runoff and protect biodiversity, trees and flower beds are planted along the street. In addition, the municipality saves millions on financing the project with a green loan in KBN.

The clear climate ambitions of the project led to the granting of a green loan by KBN. Lørenskog municipality was granted NOK 200 million in a green loan and received a discount on the ordinary interest rate. By choosing a green loan compared to an ordinary loan, the municipality will save NOK 3.5 million during the lifetime of the loan.

Lørenskog municipality has systematically set environmental goals and prepared climate budgets and accounting for all its construction projects. Skårersletta is a pilot project which allows the municipality to implement various environmental measures and set environmental goals in line with its own climate guide.

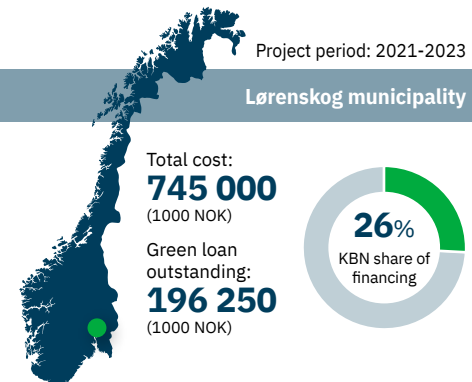


Illustration: Norconsult/Baezeni



CASE



CLIMATE CHANGE ADAPTATION

Replacing the dock to withstand rising sea levels

■ ■ Rocks sliding into the harbour basin has caused damage to the dock in Båtsfjord. This has caused the foundation to weaken, which leads to uncertainty about the load-bearing capacity of the dock. There is also a risk of further slides into the ocean.

The port of Båtsfjord has decided to replace the existing dock. The port is an essential piece of infrastructure for the local fishing and shipping industry. The new dock is 300 meters long and will be built to withstand climate change - several efforts will be made to secure buildings and infrastructure against storm surges and changes in sea level. The front of the dock will be raised to allow for higher water levels in the future.

Concrete from the old dock will be recycled and used as filler compound on land. The project also involves an improvement of the water and wastewater system by building a new and more energy efficient treatment plant.

By installing onshore power supply for boats, the port of Båtsfjord prepares for increased electric sea transport for the coming years.

Project period: 2021

Båtsfjord Havn KF

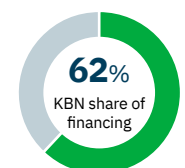



Photo: Anne Jenny Dvergsdal

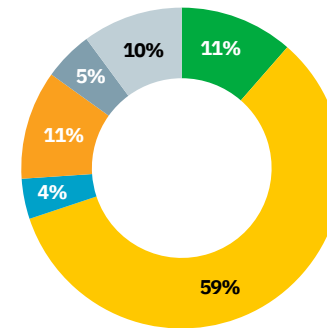
Mapping against the EU taxonomy

The following pages presents KBN's self-assessment of our green project portfolio against the technical screening criteria in the EU taxonomy. We perform this exercise to learn more about the gaps between our criteria and the taxonomy, and we to publish the results in order to be transparent about our findings. The following pages will present a summary of our assessment, and the full mapping can be downloaded in spreadsheet format.

Please note the following:

- The mapping is voluntary, preliminary, and done on a best effort basis. We have done our utmost to analyse the taxonomy and have consulted relevant experts but might not yet have the full picture. The results must be used with caution.
- The taxonomy is not yet complete or adopted in its final form and is likely to change over time. In this report we have mapped against [the April 2021 taxonomy delegated act and its annexes](#) and the technical working group's [suggested criteria for objectives 3-6](#).
- In this exercise we map our criteria against the taxonomy's technical screening criteria. We have not yet screened against the Do No Significant Harm-criteria.
- As there are several sets of criteria for each activity (covering the six environmental objectives), there may be several conclusions. If there is a match between our criteria and at least one set of criteria in the taxonomy, the conclusion will be that the criteria are aligned. However, we clearly indicate which set of criteria ours align with.
- The analysis is performed on the criteria level – we have not evaluated each individual project.

 The full mapping can be found in spreadsheet format at kbn.com.



Aligned

We have sufficient information to conclude that there is a match between our criteria and the technical screening criteria in the taxonomy.

Likely aligned

We use different indicators and/or baselines, but believe our criteria are equivalent to those in the taxonomy. Further confirmation is needed in order to determine full alignment.

No corresponding taxonomy activity

There are no activities in the taxonomy that overlaps with this specific KBN criterion.

Likely not aligned

We have sufficient information to conclude that our criteria deviate from the taxonomy's technical screening criteria.

Could not be assessed

There is not yet enough information to determine whether our criteria match those of the taxonomy.

Projects assessed individually

Projects qualified under KBN criteria vary in nature and must be assessed individually.

Buildings

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	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	7.3 Installation, maintenance and repair of energy efficiency equipment (EO1, EO2)	Likely aligned with EO1 (7.3 and 7.5)	15	518 005
		7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (EO1, EO2)			
	1.1.2 Major renovation projects				
	a) Energy efficiency increased by 30%	7.2 Renovation of existing buildings (EO1, EO2)	Likely aligned with EO1	2	270 762
		5.1 Construction of new buildings and major renovations of buildings (EO4)			
		5.2 Construction of new buildings and major renovations of buildings (EO6)			
	b) Climate friendly materials	5.1 Construction of new buildings and major renovations of buildings (EO4)	Likely not aligned	0	-
	c) Certification schemes	n/a	No corresponding taxonomy activity	0	-
	d) On-site renewable energy production	n/a	No corresponding taxonomy activity	0	-
	1.1.3 Renovation of existing building stock in conjunction combined with a new extension building	n/a	Projects assessed individually	2	912 500
	1.1.4 Adapting existing buildings to climate change	7.2. Renovation of existing buildings (EO2)	Likely not aligned	0	-
	1.1.5 Renewable energy in buildings	7.6 Installation, maintenance and repair of renewable energy technologies (EO1, EO2)	Aligned with EO1	3	9 140
		5.2 Construction of new buildings and major renovations of buildings (EO6)			
1.1.6 Energy storage in buildings	7.6 Installation, maintenance and repair of renewable energy technologies (EO1, EO2)	Aligned with EO1	0	-	
	5.2 Construction of new buildings and major renovations of buildings (EO6)				
1.1.7 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of building renovation	n/a	Projects assessed individually	0	-	



Buildings, continued

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
1.2 New buildings	1.2.1 New low-energy buildings	7.1 Construction of new buildings (EO1, EO2)	Likely aligned with EO1	95	17 509 020
	1.2.2 New buildings with climate-friendly materials	5.1 Construction of new buildings and major renovations of buildings (EO4)	Likely not aligned	19	1 508 084
	1.2.3 Eco-certified building	n/a	No corresponding taxonomy activity	1	18 031
	1.2.4 Buildings with locally produced energy	n/a	No corresponding taxonomy activity	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	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	Projects assessed individually	0	-
1.3 Other	1.3 Other	n/a	Projects assessed individually	7	1 893 058
Older	Projects qualified under the KBN 2016 Criteria document	n/a	Likely not aligned	12	1 123 632

Renewable energy

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	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	4.8 Electricity generation from bioenergy (EO1, EO2)	Could not be assessed	1	340 405
			4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids (EO1, EO2)			
			3.2 Electricity generation from bioenergy for protection and restoration of biodiversity and ecosystems (EO6)			
			3.11 Electricity generation from biogas (EO5)			
			3.16 Power from cogeneration of heat/cool and power from biogas (EO5)			
		b) Geo-thermal energy production systems (geothermal wells)	4.22 Production of heat/cool from geothermal energy (EO1, EO2)	Likely aligned with EO1 (4.22 and 4.18)	0	-
			4.18 Cogeneration of heat/cool and power from geothermal energy (EO1, EO2)			
			3.13 Power from cogeneration of heat/cool and power from geothermal energy (EO5)			
		c) Solar energy	4.1 Electricity generation using solar photovoltaic technology (EO1, EO2)	Aligned with EO1 (4.1, 4.2, 4.17 and 4.21)	1	5 806
			3.3 Electricity generation using solar photovoltaic technology (EO5)			
			4.2 Electricity generation using concentrated solar power (CSP) technology (EO1, EO2)			
			3.4 Electricity generation using concentrated solar power (CSP) technology (EO5)			
			3.12 Power from cogeneration of heat/cool and power from solar energy (EO5)			
			4.17 Cogeneration of heat/cool and power from solar energy (EO1, EO2)			
		4.21 Production of heat/cool from solar thermal heating (EO1, EO2)				



Renewable energy, continued

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
	d) Bio-based heating	4.24 Production of heat/cool from bioenergy (EO1, EO2)	Could not be assessed	2	10 633
		4.20 Cogeneration of heat/cool and power from bioenergy (EO1, EO2)			
		3.16 Power from cogeneration of heat/cool and power from biogas (EO5)			
	e) Other renewable energy production	n/a	Projects assessed individually	0	-
2.2 Energy storage	2.2.1 Energy storage in connection with production plants;				
	a) Electric energy storage, i.a. in batteries	4.10 Storage of electricity (EO1, EO2)	Aligned with EO1	1	1 575
	b) Thermal energy storage	4.11 Storage of thermal energy (EO1, EO2)	Aligned with EO1	0	-
	c) Energy storage in hydrogen	4.12 Storage of hydrogen (EO1, EO2)	Aligned with EO1	0	-
2.3 Energy infrastructure	2.3.1 Network capacity	4.9 Transmission and distribution of electricity (EO1, EO2)	Aligned with EO1	0	-
	2.3.2 District heating/cooling	4.15 District heating/cooling distribution (EO1, EO2)	Likely aligned with EO1	3	13 331
2.4 Other	2.4 Other	n/a	Projects assessed individually	0	-

Transportation

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
3.1 Cycling and walking	3.1.1 Bicycles	6.4 Operation of personal mobility devices (EO1, EO2)	Aligned with EO1	1	1 256
	3.1.2 Facilitating walking and cycling	6.13. Infrastructure for personal mobility, cycle logistics (EO1, EO2)	Aligned with EO1	7	156 916
3.2 Land transport	3.2.1 Zero-emission vehicles	6.3 Urban, suburban and road passenger transport (EO1, EO2)	Aligned with EO1 (6.3, 6.5 and 6.6)	11	61 816
		6.5 Transport by motorbikes, passenger cars and light commercial vehicles (EO1, EO2)			
		6.6 Freight transport services by road (EO1, EO2)			
		8.7 Urban and suburban passenger land public transport (EO5)			
	3.2.2 Equipment for rail-based public transport	6.3 Urban, suburban and road passenger transport (EO1)	Aligned with EO1 (6.3 and 6.15)	1	1 000 000
		6.15 Infrastructure enabling low-carbon road transport and public transport (EO1)			
3.3 Maritime transport	3.3.1 Zero-emission maritime transport	6.11 Sea and coastal passenger water transport (EO1, EO2)	Aligned with EO1	1	79 347
		8.2 Sea and coastal passenger water transport (EO5)			
3.4 Heavy machinery	3.4.1 Zero-emission heavy machinery	n/a	No corresponding taxonomy activity	3	4 465
	3.4.2 Use of DFØ (The Norwegian Agency for Public and Financial Management)'s Guidelines for sustainable procurement of heavy machinery	n/a	Projects assessed individually	0	-
3.5 Infrastructure	3.5.1 Charging points for vehicles	6.15 Infrastructure enabling low-carbon road transport (EO1)	Aligned with EO1 (6.15 and 7.4)	6	5 302
		7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (EO1, EO2)			
	3.5.2 Filling stations for green hydrogen and biogas	6.15 Infrastructure enabling low-carbon road transport (EO1)	Aligned with EO1	1	7 877
	3.5.3 Operating equipment for public transport	6.15 Infrastructure enabling low-carbon road transport (EO1)	Aligned with EO1	1	1 060 000
	3.5.4 Trackway and other infrastructure	6.15 Infrastructure enabling low-carbon road transport (EO1)	Aligned with EO1	0	-
	3.5.5 Shore-side power supplies and charging	6.16 Infrastructure enabling low-carbon water transport (EO1, EO2)	Aligned with EO1	7	29 218
	3.5.6 Other port infrastructure	6.16 Infrastructure enabling low-carbon water transport (EO1, EO2)	Aligned with EO1	2	32 007
3.5.7 Infrastructure for zero-emission heavy machinery	6.15 Infrastructure enabling low-carbon road transport (EO1)	Likely aligned with EO1	0	-	
3.6 Other	3.6 Other	n/a	Projects assessed individually	8	59 273

Waste and circular economy

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
4.1 Waste prevention and reuse	4.1.1 Measures that contribute to waste prevention or greater reuse	n/a	No corresponding taxonomy activity	1	2 526
4.2 Waste collection, processing and treatment	4.2.1 Collection measures that increase waste sorting at source	5.5 Collection and transport of non-hazardous waste in source segregated fractions (EO1, EO2)	Aligned with EO1 (5.5)	17	418 009
		13.1 Collection and transport of non-hazardous and hazardous waste (EO4)			
	4.2.2 More efficient waste collection	5.5 Collection and transport of non-hazardous waste in source segregated fractions (EO1, EO2)	Aligned with EO1 (5.5)	6	19 011
		13.1 Collection and transport of non-hazardous and hazardous waste (EO4)			
	4.2.3 New facilities for sorting waste	5.9 Material recovery from non-hazardous waste (EO1, EO2)	Likely aligned with EO4 (13.8)	7	735 924
		13.8 Sorting and material recovery of non-hazardous waste (EO4)			
	4.2.4 New facilities for waste treatment	5.9 Material recovery from non-hazardous waste (EO1, EO2)	Likely aligned with EO4 (13.8)	1	42 831
		13.8 Sorting and material recovery of non-hazardous waste (EO4)			
	4.2.5 Sludge treatment for biogas production (bio-waste)	5.7 Anaerobic digestion of bio-waste (EO1, EO2)	Likely aligned with EO1 (5.7)	1	46 917
		13.5 Recovery of bio-waste by anaerobic digestion and/or composting (EO4)			
4.2.6 Measures at existing facilities	5.9 Material recovery from non-hazardous waste (EO1, EO2)	Likely aligned with EO4 (13.8)	0	-	
	13.8 Sorting and material recovery of non-hazardous waste (EO4)				
4.2.7 Measures at existing landfill sites	5.10 Landfill gas capture and utilisation (EO1, EO2)	Likely aligned with EO1 (5.10)	2	4 741	
	13.6 Remediation of legally non-conforming landfills and abandoned or illegal waste dumps (EO4)				
4.2.8 Carbon capture and storage (CCS) from waste incineration	n/a	No corresponding taxonomy activity	0	-	
4.3 Other		n/a	Projects assessed individually	3	32 302

Water and wastewater management

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
5.1 Surface runoff management financed by water charges	5.1.1 Separating wastewater and surface runoff	12.1 Urban Wastewater Treatment (EO3)	Could not be assessed	14	407 905
5.2 Small scale energy production measures	5.2.1 Heat recovery	4.25 Production of heat/cool using waste heat (EO1, EO2)	Aligned with EO1	0	0
	5.2.2 Energy recovery	7.6 Installation, maintenance and repair of renewable energy technologies (EO1, EO2)	Aligned with EO1	0	0
5.3 Climate-friendly processing facilities	5.3.1 Measures at existing water facilities				
	a) Increase in energy efficiency of at least 20%	5.2 Renewal of water collection, treatment and supply systems (EO1, EO2)	Aligned with EO1	2	167 272
	b) Climate change adaptation of existing facilities	5.2 Renewal of water collection, treatment and supply systems (EO2)	Likely not aligned	2	60 684
	c) Reduces the use of chemicals or the negative impact on the local environment	11.1 Water supply (EO3)	Could not be assessed	2	491 539
	5.3.2 Measures at existing wastewater facilities				
	a) Increase in energy efficiency of at least 20%	5.4 Renewal of waste water collection and treatment (EO1, EO2) 12.1 Urban Wastewater Treatment (EO3)	Aligned with EO1 (5.4)	1	83 810
	b) Climate change adaptation of existing facilities	5.2 Renewal of water collection, treatment and supply systems (EO2)	Likely not aligned	0	0
	c) Reduces the use of chemicals or reduces local pollution	n/a	No corresponding taxonomy activity	8	299 755
	5.3.3 Phosphorous recovery	12.2 Phosphorus recovery from waste water (EO4)	Could not be assessed	0	0
	5.3.4 Sludge treatment for biogas production (wastewater)	5.6 Anaerobic digestion of sewage sludge (EO1, EO2)	Aligned with EO1	2	619 374
	5.3.5 New energy efficient water processing facilities				
a) Increase in energy efficiency of at least 20% compared to pre-situation or a likely alternative solution	5.1 Construction, extension and operation of water collection, treatment and supply systems (EO1, EO2) 11.1 Water supply (EO3)	Could not be assessed	0	0	
b) Facility constructed as a response to a climate change adaptation need	5.2 Renewal of water collection, treatment and supply systems (EO2)	Likely not aligned	5	267 016	



Water and wastewater management, continued

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
	c) Reduces the use of chemicals or the negative impact on the local environment	11.1 Water supply (EO3)	Could not be assessed	5	385 050
	5.3.6 New energy efficient waste water treatment facilities				
	a) Increase in energy efficiency of at least 20% compared to pre-situation or a likely alternative solution	5.3 Construction, extension and operation of waste water collection and treatment (EO1, EO2) 12.1 Urban Wastewater Treatment (EO3)	Likely not aligned	0	0
	b) Facility constructed as a response to a climate change adaptation need	5.2 Renewal of water collection, treatment and supply systems (EO2)	Likely not aligned	1	5 400
	c) Reduces the use of chemicals or the negative impact on the local environment	n/a	No corresponding taxonomy activity	10	679 964
5.4 Climate-friendly construction projects	5.4.1 Fossil-fuel-free or zero-emission excavation works/ construction sites	n/a	No corresponding taxonomy activity	0	0
	5.4.2 No-dig projects	n/a	No corresponding taxonomy activity	0	0
5.5 Other		n/a	Projects assessed individually	6	418 273
Older	Projects qualified under the KBN 2016 Criteria document	n/a	Likely not aligned	9	415 066



Land use and area development projects

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
6.1 Anti-pollution measures	6.1.1 Measures against pollution on land	9.6 Remediation activities for pollution prevention and control (EO5)	Likely not aligned	2	12 600
	6.1.2 Measures against water pollution (ports, seas, rivers, watercourses etc.)	9.6 Remediation activities for pollution prevention and control (EO5)	Likely not aligned	2	44 871
6.2 Area development and land usage	6.2.1 Sustainable area development	n/a	No corresponding taxonomy activity	5	330 246
	6.2.2 Nature restoration	2.1. Restoration of wetlands (EO1)	Likely not aligned	0	-
		2.1. Restoration of wetlands (EO2)			
	9.2 Restoration of ecosystems for protection and restoration of biodiversity and ecosystems (EO6)				
6.3 Other		n/a	Projects assessed individually	0	-



Climate change adaptation

Subcategory (KBN Criteria Document)	Project type (KBN Criteria Document)	Corresponding taxonomy activity and Environmental Objective (EO)	Preliminary alignment assessment	Number of projects	Outstanding volume of green loans (in 1000 NOK)
7.1 Surface runoff management	7.1.1 Surface runoff management	12.4 Sustainable urban drainage systems (SUDs) (EO3)	Likely aligned with EO3	4	74 367
7.2 Climate change adaptation	7.2.1 Protection against natural disasters	7.8 Flood risk prevention and protection infrastructure for inland river and coastal floods (EO2)	Likely not aligned	8	151 571
	7.2.2 Infrastructure relocation	7.8 Flood risk prevention and protection infrastructure for inland river and coastal floods (EO2)	Likely not aligned	1	15 745
7.3 Emergency preparedness	7.3.1 Warning systems and emergency preparedness	7.8 Flood risk prevention and protection infrastructure for inland river and coastal floods (EO2)	Likely not aligned	1	1 820
7.4 Other		n/a	Projects assessed individually	1	11 809

Internal auditor's report



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Board of Directors, by Chair Brit Kristin Sæbø Rugland

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Independent review of compliance with KBN's Green Bond Framework and the allocation of green bond proceeds 2021

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 2021, including control of reporting on the allocation of green bond proceeds in Impact Report 2021.

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 2021 (available on [kbn-green-bond-framework-21.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 2021 in the following areas:

- Evaluation and selection of projects for allocation (lending) of funds from green bonds
- Management of loans
- Reporting, including review of Impact Report 2021 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 as mentioned above. Compliance is checked on a sample basis.

The actions carried out will not provide an absolute certainty that the reporting in Impact Report 2021 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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Kommunalbanken AS

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, loan management and reporting as of December 31, 2021 as described in internal procedures and in impact report 2021, 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 2021 and has noted that the reporting has been carried out in accordance with the Green Bond Framework 2021. Furthermore we have not found any discrepancies in the rendering of information in the Impact Report 2021 compared to data we have collected about KBN's lending.

Oslo, February 16th 2022
KPMG AS

Kine Kjærnet
Partner/
Head of Internal Audit

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