

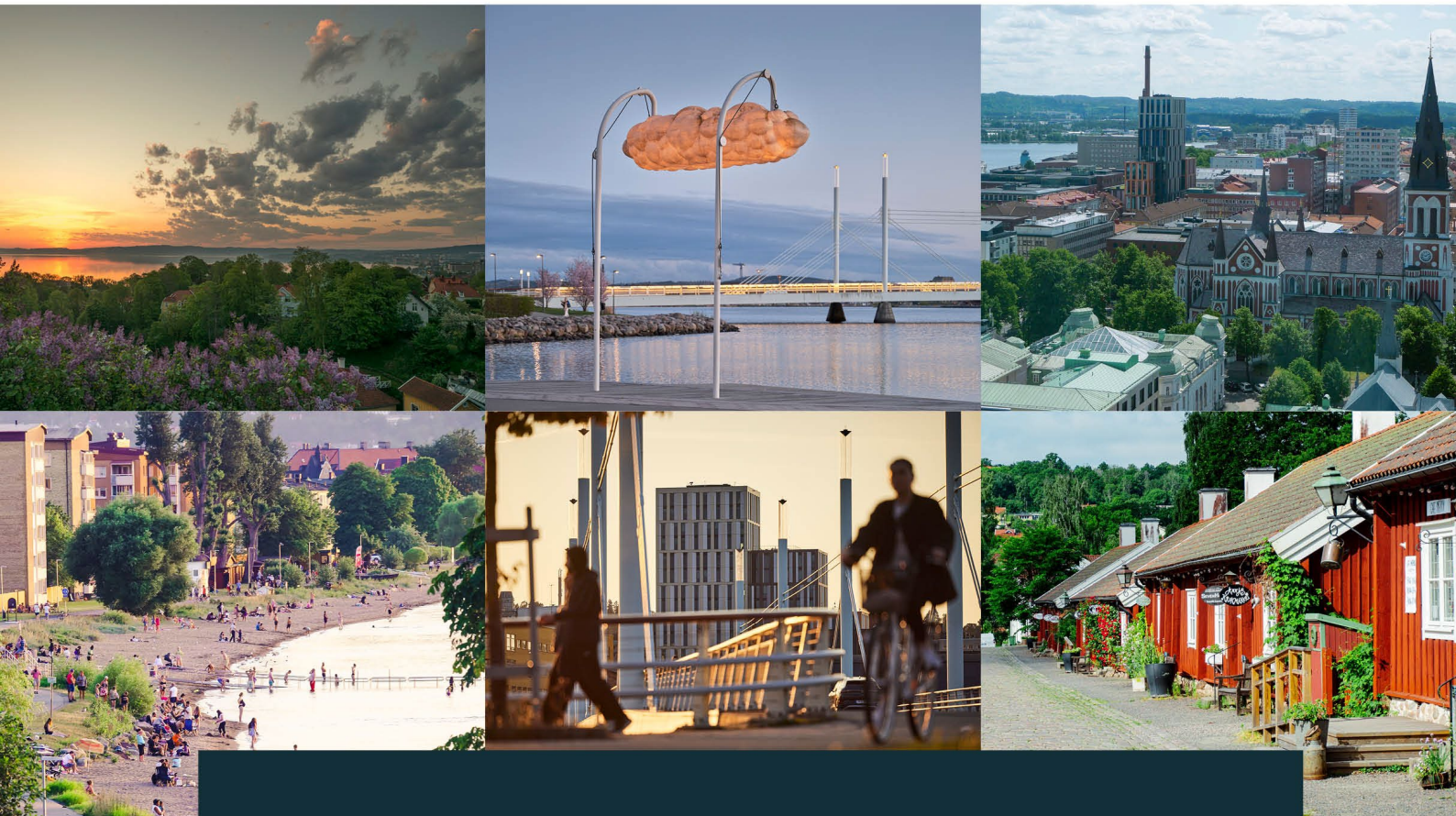
Green & Blue Bond Framework

► MAY 2025



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This is Jönköping

Swedish municipalities are key actors for sustainable development. Swedish municipalities also have considerable fiscal independence and can utilize capital markets to fund public service initiatives. By prioritizing increased sustainable investments, ambitious urban planning and robust policies, municipalities can play a pivotal role in translating global goals, such as the sustainable development goals (SDGs) and the Paris Agreement, into actual actions. Examples of local actions can include investing in green and climate resilient infrastructure by improving building energy efficiency, expanding access to renewable energy and strengthening the infrastructure for clean water.

The municipality of Jönköping (“Jönköping” or the “Municipality” or “Municipal Group”) is growing and the population is expected to reach approx. 155 000 inhabitants by 2030. Thus, Jönköping Municipality, as a major employer and actor in the region, plays an important role in the green transition. The Municipality focuses not only on reducing greenhouse gas (GHG) emissions from its own organization but also contributing to the climate transition for the entire region. The climate targets are aligned to the Paris Agreement. By 2030, the GHG emission levels should be halved compared to 2020, and by 2045, levels should be net zero. Dialogue and collaboration with stakeholders outside the organization create good conditions for cross-sectoral solutions towards a resilient, fossil free and resource efficient society.

Governance

Policies & governing documents

For a comprehensive list of policies and governing documents related to environmental and social sustainability see the Municipality's [website](#).

Sustainability Program and CSRD

Jönköping uses *Agenda 2030* and the *UN Sustainable Development Goals (SDGs)* as the foundation for its [Sustainability Program](#) which outlines the long-term goals for sustainable development. The work to integrate Agenda 2030 involves linking the UN SDGs to processes and governing documents, such as the budget process. Therefore, the UN SDGs are part of the Municipality's core mission, meaning they should be integrated into all objectives and operational plans along with indicators for monitoring and evaluation. All municipal plans, programs, and policies developed should consider sustainability aspects and, where possible, demonstrate how they contribute to improving people's well-being and the environment while considering long-term sustainable economic aspects. The Municipality's overall work with the Sustainability Program is reported annually.

In addition to the Sustainability Program, the Municipality group also work according to *Corporate Sustainability Reporting Directive (CSRD)* with the topics that had been identified as relevant in the double materiality analysis. The first sustainability report is planned to be published for year 2025.

Procurement process

Jönköping has incorporated environmental requirements in its procurement processes, which considers, among other things, materials, lifespan, climate impact, and life cycle costs where relevant. In addition, conditions on suppliers regarding human- and labour rights are addressed to strengthening social sustainability as well. Procurement is an important key to drive change in Jönköping's supply chain.

Environmental strategy

For more information about targets for each of the sections below, see the Sustainability Program and other further references.

Climate change mitigation

Jönköping's climate targets are in alignment to the Paris Agreement's 1.5-degree target. The Municipality's carbon footprint is reported according to the *Greenhouse Gas Protocol (GHG Protocol)*. The climate calculations cover scope 1, 2 and 3. It includes direct GHG emissions, for example through transportation, and indirect GHG emissions occur when purchasing services or imported goods. The electricity and heat used by the Municipality result in both indirect GHG emissions for the Municipality itself but direct GHG emissions at the Municipal owned energy company. In addition, GHG emissions within Jönköping region originate from many different sources across sectors beyond just municipal ones. For information about climate change mitigation, the [Sustainability Program](#).

Climate change adaptation

Many municipal activities are affected by climate changes. Jönköping Municipality is one of ten identified municipalities at risk of significant consequences related to landslides, slips, and erosion. Downpour analysis of the geographical area of central Jönköping shows risk of flooding in some areas in case of hundred-year rain. For instance, in 2024 there were flooding in Jönköping after a heavy downpour. Thus, the Municipality has ongoing work to improve climate resilience of infrastructure and buildings further. More information in [Climate Change Adaptation Program](#).

Resilient ecosystems

Jönköping has various ecosystems with high biological diversity. Over time, the nature has become more fragmented due to infrastructure and urbanisation, which affects biological diversity negatively. Actions are needed to strengthen, protect, restore or compensate these ecosystems. For instance, valuable natural areas or areas with red listed species shall not be exploited, routines must be followed for ecosystem services, wetlands shall be restored as well as active work to combat invasive species. For information about ecosystems and biological diversity, see the [Sustainability Program](#) and the [Nature Conservation Program](#).

Energy

Jönköping Municipality's Energy Plan is based on the Sustainability Program and Jönköping Energi's development of the local energy system. Focus is on the local renewable energy production. To achieve its climate goals, more efficient energy use is essential. There are several ways to work on energy efficiency. For example, through behavioural changes, purchasing energy-efficient products, or technical solutions such as building insulation and smart products.

Jönköping Municipality is a partner to the project *EFFEKT*, which aims to accelerate the development of a sustainable and reliable energy system in Jönköping region through collaboration with municipalities, energy companies, and industries. The project will enhance analytics, knowledge, innovation levels, and create meeting spaces that facilitate the development of new solutions for increased renewable energy production and reduced strain on the power grid. For Jönköping Municipality, the project will primarily focus on energy planning and how it can be done most effectively.

Sustainable buildings and property management

According to the [*Building Policy*](#) all new buildings, renovations, extension buildings and property management should considerate environmental, ecological and social aspects. Examples of aspects are climate mitigation, climate adaptation, energy, materials, chemicals, ecosystem services and life cycle perspective. Construction and operations shall be more resource efficient through improved energy efficiency and more circular building materials. New buildings shall be carried out in accordance with the certification system Miljöbyggnad on Silver level and eligible with the EU-taxonomy.

Clean water

For *water supply and wastewater treatment*, there is a significant need for renewal of networks nationwide. Ensuring an efficient clean water supply and wastewater treatment are central for Jönköping. Therefore it is significant with renewal of networks. Jönköping has been proactive in developing an action plan for renewal work, and the Municipality has made substantial investments in this area over the past decade. Currently, Jönköping Municipality has a total of 12 waterworks. For the Jönköping-Huskvarna system, there are 3 waterworks in total.

For example, completed in the first quarter of 2025, Jönköping constructed and renovated waterworks at Hägeberg to ensure long-term drinking supply of water. The renovation and new construction at Hägeberg mean that the capacity there have increased from 36,000 to 60,000m³ of water per day and supplies 104,000 people.

For information about water, see the [*Sustainability Program*](#)

For more information about the renewal work, see the [*Renewal of the water and wastewater network*](#)

Rationale for Green and Blue Bond issuance

Aligned with its purpose, Jönköping Municipality is committed to contributing to the climate transition for the entire region. To reflect this engagement, Jönköping has established its inaugural *Green and Blue Bond Framework* (“Framework”) which marks the next step in the Municipality’s sustainability efforts.

Alignment with Market Principles

The Framework is aligned with the 2021 edition of the *International Capital Markets Association* (“ICMA”) *Green Bond Principles*¹ with June 2022 Appendix I and their four core components and key recommendations including:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

The Framework also includes key recommendation external Reviews. Furthermore, the Framework intends to take into account the most recent market practices, in particular *ICMA’s Practitioner’s Guide on Blue Bonds*² from September 2023 and the *EU Taxonomy* to the extent possible.

This Framework is applicable for issuance of:

- Green Bonds (including private placements)
- Blue Bonds (including private placements) - for which the proceeds are exclusively allocated to Sustainable Water & Wastewater Management

Jönköping will review this Framework from time to time, including its alignment to updated versions of the ICMA’s Principles. Accordingly, Jönköping may deem it appropriate at times to further update its Framework with the objective of keeping or improving the current levels of transparency and reporting disclosures. Any material revision of the Framework will be subject to a new Second Party Opinion.

Swedbank has acted as Sustainability Coordinator to Jönköping in the establishment of this Framework.

¹ [ICMA Green Bond Principles 2021 \(with June 2022 Appendix I\)](#).

² [ICMA’s Practitioner’s Guide on Blue Bonds](#).

Use of Proceeds

Allocation of net proceeds

An amount equivalent to the net proceeds from Jönköping's Green Bonds and Blue Bonds shall be used to finance or re-finance, in whole or in part, a portfolio of green and blue projects ("Eligible Projects") as defined below.

Eligible Projects may include fixed assets and/or capital expenditures ("CapEx"). Fixed assets and/or CapEx available in the balance sheet is subject to annual depreciation, thus no look-back period is applicable. Capex available in the cashflow statement is subject to a 5-year look-back period³.

EU Taxonomy and UN SDG mapping

The Eligibility Criteria consider, on a best effort basis, the EU Taxonomy's Technical Screening Criteria ("TSC") for substantial contribution where relevant. However, some Eligibility Criteria for example on "Sustainable Water and Wastewater Management" reflects local circumstances and thus not aim to align to the EU Taxonomy's TSC.

Furthermore, a mapping against the UN SDGs as well as the Economic Activities and Environmental Objectives under the EU Taxonomy has been done, to the extent possible, on the following pages.

Financing and refinancing

Refinancing refers to Eligible Projects prior to the reporting year. Financing refers to Eligible Projects during the reporting year.

Exclusion criteria

The net proceeds of Jönköping's Green Bonds and Blue Bonds will not be used to finance fossil fuel energy generation, nuclear energy generation, weapons, potentially environmentally harmful resource extraction (such as rare-earth elements), gambling or tobacco.

Furthermore, Jönköping's Green Bonds and Blue Bonds respect the *EU Paris Aligned Benchmark (PAB) exclusions* as of the time of this Framework publication.

³ Note as municipality no operational expenditures are eligible under the Framework.

Renewable Energy

ICMA GBP category: Renewable Energy

Type of Bond (Green/Blue): ●

UN SDGs: 7 – Clean energy; 13 – Climate action

EU Environmental Objective: Climate Change Mitigation

Eligibility Criteria

Solar power

Eligible EU Taxonomy activity: 4.1 Electricity generation using solar photovoltaic technology

- Facilities that produce electricity using solar photovoltaic (PV) technology

Wind power

Eligible EU Taxonomy activity: 4.3 Electricity generation from wind power

- Facilities that produce electricity from wind power

Hydropower

Eligible EU Taxonomy activity: 4.5 Electricity generation from hydropower

New or existing facilities which comply with either of the following criteria:

- The electricity generation facility is a run-of-river plant and does not have an artificial reservoir, or
- The power density of the electricity generation facility is above 5 W/m², or
- The life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO₂e/kWh



Energy efficiency

ICMA GBP category: Energy Efficiency

Type of Bond (Green/Blue): ●

UN SDGs: 7 – Clean energy; 13 – Climate action

EU Environmental Objective: Climate Change Mitigation

Eligibility Criteria

Transmission and distribution of electricity

Eligible EU Taxonomy activity: 4.9 Transmission and distribution of electricity

- Transmission and distribution infrastructure in the Swedish electricity system⁴

Efficient district heating and cooling networks

Eligible EU Taxonomy activities: 4.15 District heating/cooling distribution; 4.20

Cogeneration of heat/cool and power from bioenergy; 4.24 Production of heat/cool from bioenergy

New or existing facilities which comply with either of the criteria:

- Construction, operation and refurbishment of district heating/cooling distribution, including pipelines and associated infrastructure that complies with the EU Energy Efficiency Directive⁵

Energy storage

Eligible EU Taxonomy activity: 4.10 storage of electricity

- Facilities that store electricity and return it at a later time in the form of electricity, such as battery storage



⁴ In 2023, the GHG emission intensity of electricity generation was 8g CO₂e/kWh in Sweden (source: [European Environment Agency](#))

⁵ Compliance implies that the system uses at least 50% renewable energy or 50% waste heat or 50% of a combination of such energy and heat.

Climate Change Adaptation

ICMA GBP category: Climate Change Adaptation

Type of Bond (Green/Blue): ●

UN SDGs: 3 – Good health & wellbeing; 11- Sustainable cities & communities; 13 – Climate action

EU Environmental Objective: Climate Change Adaptation

Eligibility Criteria

Adaptation measures

- Physical or nature-based adaptation solutions to reduce climate-related risks related to e.g. outdoor environment design, or water supply/wastewater infrastructure

Climate-related adaptation investments require a climate risk and vulnerability analysis.



Sustainable Water and Wastewater management

ICMA GBP category: Sustainable Water and Wastewater Management

Type of Bond (Green/Blue): ●

UN SDGs: 6 – Clean water and sanitation

EU Environmental Objective: Sustainable Use and Protection of Water and Marine Resources

Eligibility Criteria

New and existing water infrastructure may include

Eligible EU Taxonomy activity: *Water 2.3 Sustainable urban drainage systems (SUDS)*

- Construction and extension of water and/or wastewater collection, treatment and supply systems
- Upgrade of existing infrastructure for water and/or wastewater collection, treatment and supply systems including:
 - Distribution infrastructure
 - Water purification
 - Water savings
 - Water conservation
 - Re-use of water
 - Water and wastewater pump stations
- Urban storm water management including associated subsystems
- Improved water efficiency through reduced leaks



Green buildings

ICMA GBP category: Green Buildings

Type of Bond (Green/Blue): 

UN SDGs: 7 – Clean energy; 11 – Sustainable cities and communities; 12 – Responsible consumption and production; 13 – Climate action

EU Environmental Objective: Climate Change Mitigation

Eligibility Criteria

Construction of new buildings⁶

Eligible EU Taxonomy activity: *7.1 Construction of new buildings*

Buildings⁷ which have or will have upon completion at least one of the following criteria:

- Primary Energy Demand (PED) at least 10% lower⁸ than the threshold set for Nearly Zero-Energy Building (NZEB) according to national building regulations⁹ or
- Meet the requirements for at least (or better) Miljöbyggnad, Silver on building-level
- Additional criteria for buildings larger than 5000sqm¹⁰:
 - Undergoes testing for air-tightness and thermal integrity, and
 - the lifecycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle

Acquisition and ownership of buildings¹¹

Eligible EU Taxonomy activity: *7.7 Acquisition and ownership of buildings*

- Buildings with Energy Performance Certificate (“EPC”) of class A or that have a PED within the top 15%¹² of the national or regional building stock

Major renovations¹³

Eligible EU Taxonomy activity: *7.2 Renovation of existing buildings*

- Primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation or follow up measurements

⁶ Building application filed after 31 December 2020.

⁷ Including acquisition of land and developing costs associated with land held for future development.

⁸ The energy performance is or will be certified using an Energy Performance Certificate (EPC).

⁹ In Sweden, thresholds set for NZEB is implemented through the Swedish National Board of Housing, Building and Planning's (Boverket Sw.) national building standards (Byggregler i.e. BBR Sw.). Most recent version BBR 29 at the time of publication of this Framework.

¹⁰ Subject to implementation through Swedish legislation. The area unit is A_{temp} according to Fastighetsägarna.

¹¹ Building application filed before 31 December 2020.

¹² The report by the Swedish Property Federation (Fastighetsägarna in Sw.), CIT Energy Management will be used for determining top 15%. Issuer can also seek guidance from other appropriate external benchmarks to determine the top 15% if such report is issued by a national government or industry specialist.

¹³ If the building post renovation fulfils criteria under “Acquisition and ownership of buildings” the market value of the building will qualify. If not, it will be limited to the renovation cost.

Building energy efficiency

Eligible EU Taxonomy activities: *7.3 Installation, maintenance and repair of energy efficiency equipment; 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings); 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of building*

Installation, replacement, and maintenance of energy efficient measures including:

- Energy efficiency equipment associated with insulation, energy efficient windows, doors or lights and heating, ventilation and low water and energy equipment
- Charging stations for electric vehicles
- Instruments and devices for measuring, regulation and controlling energy performance of buildings associated with zoned and smart thermostats, sensing equipment, management and light control systems, smart meters and facade and roofing elements with solar shading



Pollution Prevention and Control

ICMA GBP category: Pollution Prevention and Control

Type of Bond (Green/Blue): ●

UN SDGs: 7 – Clean energy; 12 – Responsible consumption and production; 13 – Climate action

EU Environmental Objective: Climate Change Mitigation

Eligibility Criteria

Waste Management

Eligible EU Taxonomy activities: 5.5 Collection and transport of non-hazardous waste in source segregated fractions; 5.9 Material recovery from non-hazardous waste

Activities for non-hazardous waste and hazardous waste:

- Collection and transport, prevention, reduction or recycling of waste, including supporting infrastructure and facilities



Process for Project Evaluation and Selection

Green and Blue Working Group

The selection of Eligible Projects is managed by a dedicated group, the *Green and Blue Bond Working Group* (“*Working Group*”). The Working Group consists of selected representatives from [municipal companies including administrations and their respective finance and sustainability units]. The Working Group will convene at least annually. The Working Group’s responsibilities include the following elements:

- Reviewing, selecting and validating Eligible Projects.
 - The Working Group identifies and evaluate potential Eligible Projects against the Eligibility Criteria as set out in the Framework.
 - Jönköping has well-established policies and governing documents to identify and manage potential environmental and social risks as well as ensure compliance to official national environmental and social regulations.
 - After validation from the Working Group, approved Eligible Projects will be inserted into Jönköping’s internal tracking spreadsheet.
- On behalf of the Working Group, the Finance Department will at least annually review the list of approved Eligible Projects.
- Overseeing, approving and publishing the allocation and impact report.
- Govern the content of the Green and Blue Bond Framework and manage any future updates of this document to reflect relevant changes in best market practices.



Management of Proceeds

Tracking of net proceeds

Jönköping municipality's Finance Department will manage the allocation of an amount equivalent to the net proceeds from Green Bonds and Blue Bonds to Eligible Projects on an aggregated basis (portfolio approach).

If a project no longer meets the Eligibility Criteria set forth in this Framework, the Eligible Project will be removed from the internal tracking spreadsheet and replaced as soon as a substitute has been identified.

Jönköping will use an internal tracking spreadsheet, which will be reviewed at least annually by the Finance Department.

Allocation Period

Jönköping will commit to, on a best-effort basis, allocate the net proceeds from the Green Bonds and Blue Bonds to Eligible Projects within 12 months from the issuance date of each Green Bond and Blue Bond.

Temporary holdings

Pending full allocation of an amount equal to the net proceeds of outstanding Green Bonds and Blue Bonds, the unallocated proceeds will be held in the liquidity reserves and managed as such and will exclude any investments in activities listed in under Exclusion Criteria in this Framework.

Reporting

Jönköping commits to provide investors with both a reporting on the allocation of proceeds (allocation reporting) and the impact of Eligible Projects (impact reporting) on a yearly basis, until full allocation or in the event of any material developments. The report will be published on Jönköping's website at jonkoping.se.

Allocation reporting

The allocation reporting will include the following information:

- The outstanding amount of Green Bonds and Blue Bonds
- Share of proceeds used for financing/refinancing
- The breakdown of Eligible Projects by project category
- Description of selected Eligible Projects financed/refinanced
- Share of unallocated proceeds (if any)

Impact reporting

Jönköping aims to report on quantitative impact indicators where reasonable and relevant data is available. The information may be provided on an aggregated portfolio basis because of confidentiality agreements, or numerous Eligible Projects limiting the amount of detail that can be made available.

On a best-effort basis, Jönköping intends to comply with the recommendations in the Nordic Public Sector Issuers (NPSI) position paper on Green Bonds Impact Reporting 2024.

Some of the reporting indicators may include:

Eligible Project category	Example of impact indicator
Renewable energy	<ul style="list-style-type: none"> • Annual renewable energy generation (MWh) • Installed renewable energy capacity (MW) • Annual GHG emissions reduced/avoided (tCO₂e)
Energy efficiency	<ul style="list-style-type: none"> • Annual energy reduced/avoided (MWh or %) • Annual GHG emissions reduced/avoided (tCO₂e) • Storage capacity installed (MW)
Climate change adaptation	<ul style="list-style-type: none"> • Areas protected against heat (such as building facades) or number of heat shields etc sqm or number of items of heat protection • Areas protected against storms (building facades or land such as school yards, hospital facilities, city centres) sqm or number of items • Capacity of system or area covered, for example for water management or regarding enhanced resilience
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Share of existing water supply and sewerage infrastructure upgraded or rehabilitated, in percentage terms (%) • Installed or renewed pipes (m) • Annual water savings (m³) • Annual production of drinking water (m³) • Annual volume treated (m³) or annual volume reused (m³) or annual volume avoided (m³)
Green buildings	<ul style="list-style-type: none"> • Calculated annual climate impact (tCO₂e) • Annual energy use reduced/avoided (kWh/sqm or %) • Annual GHG emissions reduced/avoided (tCO₂e) • Environmental certification incl. certification level, if any • EPC class, if any • Renewable energy • Annual renewable energy
Pollution prevention and control	<ul style="list-style-type: none"> • Quantity of waste that is prevented, minimised, reused or recycled before and after project (tonnes or % of total waste per year), if applicable • Annual GHG emissions reduced/avoided (tCO₂e)

External Review

Second Party Opinion (pre-issuance)

Jönköping has appointed Morningstar Sustainalytics to provide a Second Party Opinion on the Framework, to confirm alignment with the ICMA 2021 Green Bond Principles. The Second Party Opinion is available on Jönköping's website at jonkoping.se.

External verification (post-issuance)

Jönköping may request on an annual basis, until full allocation or in the event of any material developments, an assurance report to verify whether an amount equal to the net proceeds from Green Bonds and Blue bonds have been allocated to Eligible Projects, provided by an external review provider.



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