City of Gothenburg Green Bond Framework

August 2025

Göteborgs Stad

Contents

Background

About us

The City of Gothenburg is a municipality on the west coast of Sweden, strategically located between Oslo and Copenhagen. With a population of over 600,000, Gothenburg is Sweden's second largest city and home to Scandinavia's largest port and a wide range of industries. The city is growing and preparing for accommodating a projected population of 700,000 residents by 2035. Building a city for the next generation requires creating safe and sustainable environments, expanding public transport systems, and providing space for culture, education, services and social care.

The City of Gothenburg is responsible by law for providing vital services such as healthcare, schooling and social care. Other mandatory responsibilities include libraries, planning and building issues, health and environmental protection, waste management, water supply and emergency services. The City also provides voluntary services that are of value to society, such as cultural and recreational activities, public housing, park maintenance and other technical services. Furthermore, operations are conducted through the City's company sector under the parent company Göteborgs Stadshus AB, comprising wholly and partially owned companies across sectors such as housing, commercial premises, wastewater, energy and port operations, among others. Financial administration for the City and its company sector, including all external borrowing, is coordinated through the Group Bank at the City of Gothenburg Executive Office.

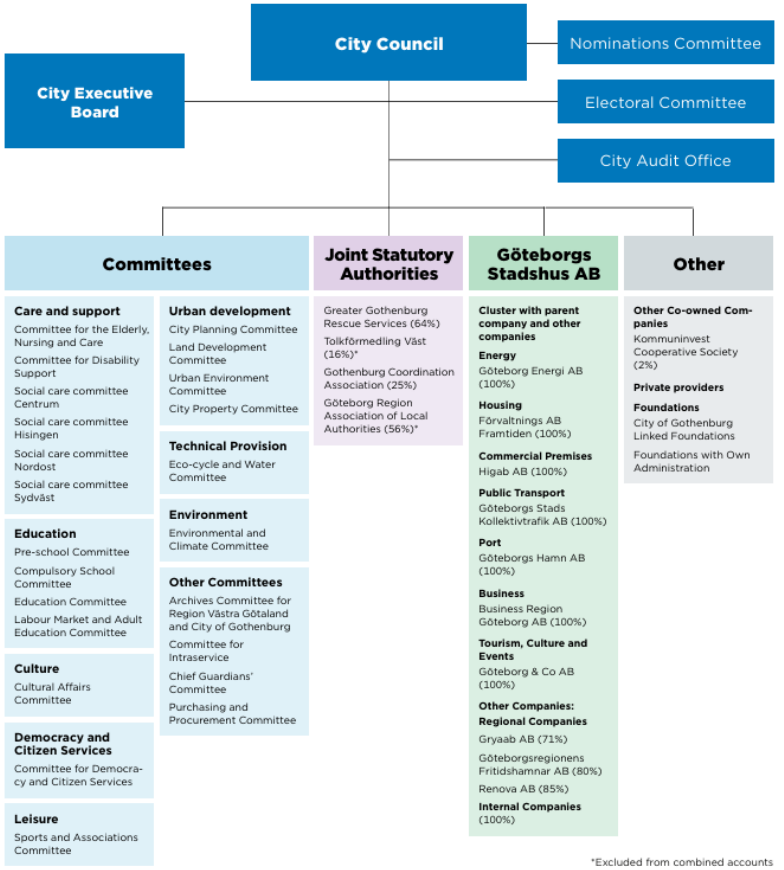


Figure 1: The Municipal Group (as of 2025) comprises the organisation of committees in the municipal sector, municipal coordination associations mainly consisting of Greater Gothenburg Rescue Services, and the company sector under the parent company Goteborg Stadshus AB.

Sustainable city – Open to the world

The City of Gothenburg's core message is to be a sustainable city—across ecological, economic, and social dimensions—and open to the world. All decisions and investments are to be assessed through the lens of these three dimensions. The City has established several strategic documents to guide the administration and company sector in its long-term work to realise the core message of creating a sustainable city, including programmes, plans, policies and guidelines.

Programmes outline the objectives to be achieved within a specific area, while plans are comprehensive documents detailing concrete measures and goals to realise the programme. The programmes and plans most relevant for the City's sustainability work is summarised in the table below.

Programme	Goal
The City of Gothenburg's environment and climate programme 2021-2030	Driving and accelerating the work on transforming Gothenburg into an ecologically sustainable city by 2030 – for nature, climate, and people.
The City of Gothenburg's overall plan for the development of land and water areas in Gothenburg	Outlining the long-term plan for the use of the City's land and water areas, based on our core message of creating a sustainable city, open to the world.
The City of Gothenburg's energy plan 2022-2030	Detailing how the energy goals set out in the City's Environmental and Climate Programme should be achieved.
The City of Gothenburg's electrification plan 2022–2030	Ensuring that the electrification of the transport system is implemented in a resource-efficient and targeted manner, with the goal of reducing the climate impact of the transport system.
The City of Gothenburg's waste plan 2021-2030	Outlining goals, strategies and measures to prevent waste and improve the management of waste that inevitably arises.
The City of Gothenburg's plan for good water status 2023–2027	Detailing the physical measures needed for achieving the water-related environmental goals in the City's Environment and Climate Programme.
The City of Gothenburg's plan for climate change adaptation 2024–2026	Determines the direction, priorities, and coordination of the city-wide efforts for climate adaptation, thereby contributing to the City's ability to operate in accordance with its responsibilities despite a changing climate.
The City of Gothenburg's plan against noise 2025-2029	Manage and reduce the effects of traffic noise from road and rail transport.
The City of Gothenburg's Business Strategy Programme 2023-2035	Ensuring that more people have work and the opportunity to make a living.
The City of Gothenburg's programme for equal living conditions and equal health 2024–2030	Reducing differences in living conditions and health.
The City of Gothenburg's housing supply programme 2021–2026	Securing access to adequate housing for all residents.
Action plan for human rights work in the City of Gothenburg	The plan states that all City activities should be permeated by human rights and promote equal treatment. There are also connections when it comes to presenting analyses.

Economic dimension

The City's vison when it comes to economic sustainability is a city with a vigorous business and working life, where both large and small businesses can find a place. Our Business Strategy Programme (covering the period 2023-2035) aims to clarify and strengthen the City's collective efforts towards the business community to create favourable conditions for entrepreneurship. The main objective is to foster job creation through strategic work in skills provision and attractiveness, creating sustainable growth across all sustainability dimensions, and to cultivate a supportive environment for entrepreneurship and innovation.

Recognising the importance of sound financial management for ensuring economic sustainability, the City Council has adopted guidelines in accordance with the Local Government Act. These guidelines provide a long-term strategic framework for operations and finances that extends beyond the typical budget perspective of one to three years. Good financial management involves both financial and operational perspectives. The financial perspective ensures that each generation bears the cost of the services it uses, preventing any generation from paying for services utilised by previous generations. Meanwhile, the operational perspective mandates that the City conducts its activities in a cost-effective manner that meets the intended purpose.

Good governance and accountability are other crucial components of the economic sustainability dimension. To achieve this, the City employs a governance system that integrates planning and monitoring, risk management, internal management and control, as well as quality management. A whistleblower service is in place to enhance the system's effectiveness and promote a healthy organisational culture within the City's administrations and companies by preventing, detecting, and addressing misconduct, corruption and irregularities.

Social dimension

Gothenburg shall be a city for all and a democratic society with respect for human rights. Since human rights permeate all areas of society, the City of Gothenburg has a great responsibility for how the municipality lives up to its international commitments. The work on human rights should be systematic and rooted in a norm-critical approach to prevent discrimination. This means that sectors such as schools, social services, elderly care, public transport, and urban development, for example, should be aware of and knowledgeable about differences and actively work on their operations, routines, and interactions.

The City of Gothenburg aims to reduce differences in living conditions and health. A programme has been established to guide efforts towards achieving this goal, and is structured around four objectives, with a particular emphasis on improving the health of children and young people, and enhancing key living conditions to achieve better public health. This requires focusing on groups currently experiencing the poorest health and living conditions. The four objectives are: (i) improving the health of children and young people, (ii) increasing residents' opportunities for participation, influence, and trust, (iii) ensuring more people have employment and the ability to earn a living, and (iv) providing equal access to a sustainable and well-designed living environment. The programme and its objectives are relevant to the work of many of the City's committees and companies, including the City's property companies Förvaltnings AB Framtiden and Higab, as well as committees for culture, urban planning, education, and elderly care.

Ecological dimension

The City of Gothenburg is determined to lead in environmental and climate initiatives, aiming to be among the EU's first climate-neutral cities by 2030. Achieving climate neutrality is not only an investment in the climate but also in the future of Gothenburg, envisioning a sustainable, inclusive city that excels in climate action. Central to this ambition is our Environment and Climate Programme, which serves as a roadmap and shared platform for the City's long-term strategic environmental efforts. The programme's overarching goal is for Gothenburg to evolve into an ecologically sustainable city by 2030. It is grounded in the UN's Sustainable Development Goals Agenda 2030, Sweden's national environmental goals system, the Paris Agreement and its 1.5 °C target, as well as the specific challenges faced by Gothenburg as a community and the City of Gothenburg as an organisation in transitioning to an environmentally sustainable society.

The programme is outlined in Figure 2 and is structured around three environmental goals that address nature, climate and people. Each environmental goal has sub-goals, with indicators measured against target values that specify what needs to be achieved for a given year. The overarching challenge in reaching the goals of the programme is to implement measures that require cross-cutting cooperation and new ways of working. Therefore, the programme also incorporates seven cross-cutting strategies covering all the environmental goals and that will drive and coordinate the work on the programme.

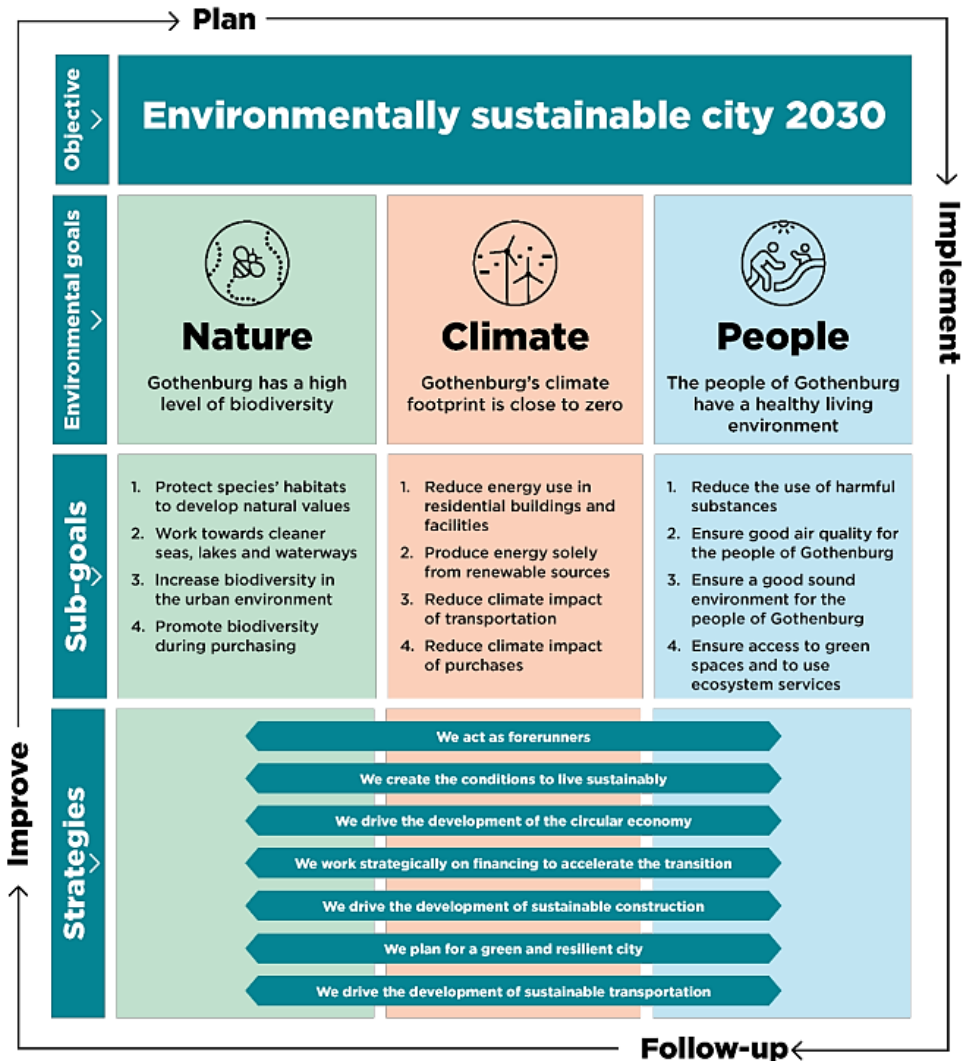
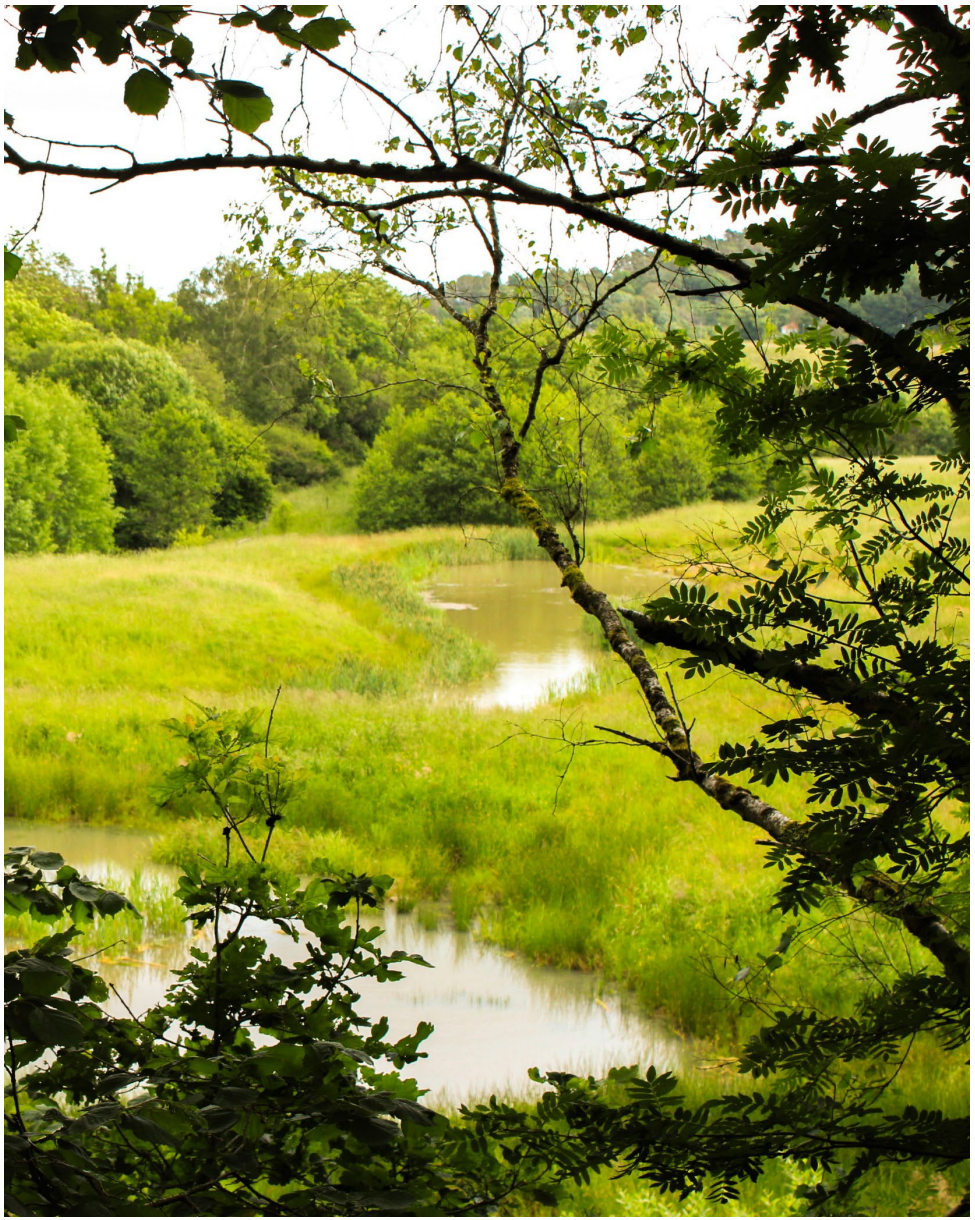


Figure 2: A summary of the objective, environmental goals, sub-goals, and strategies outlined in the City's Environment and Climate Programme. The image is framed by the environmental management system's classification, which plays a key role in the programme's implementation. Note that the goals in the image are abbreviated.

The follow-up of the programme is divided into two main parts: tracking the programme's goals and indicators and monitoring the efforts within the programme's strategies. Every two years, a comprehensive review is conducted to assess how well the City's environmental and climate efforts meet the programme's goals and indicators. The Environmental Administration is responsible for collecting the data and analysing the material. Strategy work is reviewed annually to assess whether it is change-driven and challenge-driven, with a focus on enhancing the City's capacity and creating conditions for its operations to achieve the programme's goals.

The City has also developed several plans that support the implementation of the programme or are relevant to achieving other environmental sustainability objectives, such as improved waste management and adaptation to climate change. The City's waste management efforts are focused on preventing waste and developing the management of the waste that nonetheless occurs by increasing reuse, collection, recycling, physical planning, user-focused waste management, and prevention of littering.

The focus of the City's climate adaptation work is on flood risk from torrential rain and heat waves. Both torrential rain and increased temperatures can affect the entire city's geography, with consequences for the built environment and impacts on many areas of the City of Gothenburg's operations. Consequently, activities, buildings, infrastructure, and technical supply systems must be adapted in various ways to withstand extreme weather events and the climate changes that lie ahead. Flooding and extreme heat also have secondary effects, such as increased risk of landslides, erosion, fire risk and drought that need to be addressed in the work associated with the climate adaptation plan. Nature-based solutions play an important role in our urban planning and climate adaptation efforts, including the preservation, development, integration, and enhancement of urban greenery, blue infrastructure (such as water bodies), and ecosystem services (for example, trees that improve air quality).



The City of Gothenburg's rationale for Green Bonds

The City of Gothenburg is determined to lead in environmental and climate initiatives, aiming to be among the EU's first climate-neutral cities by 2030. Achieving this ambition will demand a strong transition effort, focusing on developing and implementing new solutions, significant investments, and further collaboration. Green financing naturally extends these efforts and complements the sustainability work carried out across the organisation. With a longstanding dedication to sustainable finance, Gothenburg made history in 2013 as the first city in the world to issue a green bond. Additionally, the City played a pivotal role in founding the Nordic Public Sector Issuers' Position Paper on Green Bond Impact Reporting, first published in 2017 to guide impact reporting for Nordic public sector issuers.

This Framework is developed to align with the International Capital Market Association's (ICMA) Green Bond Principles (2025). The four core components of the Principles, along with its recommendation for external review, form the basis of this Framework:

1) Use of Proceeds
2) Process for Project Evaluation and Selection
3) Management of Proceeds
4) Reporting

The Framework allows the City of Gothenburg to raise capital through green bonds and green commercial paper. The terms and conditions of the underlying documentation for each Green Bond issued by the City shall provide a reference to this Framework. The City has worked with Danske Bank to develop the Framework and S&P Global Ratings has provided a second party opinion, which is publicly available at the City's website.

1. Use of Proceeds

Allocation of net proceeds

An amount equal to the net proceeds from green bonds issued by the City of Gothenburg will finance or refinance, in whole or in part, a portfolio of eligible green assets[1] and capital expenditures undertaken by the City or its subsidiaries that are in accordance with the green project categories defined in the following pages (Green Projects), in each case as determined by the City of Gothenburg. Green Projects will form a portfolio of assets eligible for financing and refinancing with green bonds. The overarching goal of the Green Projects is to contribute to the transition to a climate-neutral and environmentally sustainable city by 2030.

Financing and refinancing

An amount equal to the net proceeds can finance both existing and new Green Projects financed by the City of Gothenburg or its subsidiaries. New financing is defined as allocated amounts to Green Projects financed within the reporting year, and refinancing is defined as allocated amounts to Green Projects financed prior to the reporting year. The distribution between new financing and refinancing will be reported in the City of Gothenburg's annual Green Bond Impact Reporting.

Exclusions

The proceeds from the City of Gothenburg's green bonds will not be directly allocated to projects involving fossil energy production, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

EU Taxonomy approach

The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities, with the aim of scaling up sustainable investments. Environmentally sustainable activities are economic activities that make a substantial contribution to at least one of the Taxonomy's six environmental objectives while doing no significant harm to any of the other five objectives, and fulfilling Minimum Safeguards.

The City of Gothenburg acknowledges the importance of uniform requirements for activities to qualify as sustainable. Each Green Project category has been mapped against the relevant environmental objective of the Taxonomy as well as the relevant Sustainable Development Goal (SDG) that the category contributes to. For those Green Project categories that are acknowledged by the Taxonomy, the City has strived to align the eligibility criteria with the Taxonomy's Substantial Contribution criteria for the relevant objective, to the extent feasible and reasonable. If the eligibility criterion of the Green Project category is based on the applicable Substantial Contribution criterion of the Taxonomy, the relevant Taxonomy activity is stated next to the category.

[1] Existing green assets will, whenever possible, be included in the portfolio at their appraisal value.

Green Project Category	EU Taxonomy objective & eligible category (if applicable)	Eligibility criteria	SDGs
Green and energy efficient buildings	**Climate change mitigation** *7.1. "Construction of new buildings"* *7.7 "Acquisition and ownership of buildings"* *7.2 "Renovation of existing buildings"* *Installation, maintenance and repair activities in category 7.3 (Energy efficiency equipment), 7.4 (EV charging stations in buildings), 7.5 (Energy efficiency instruments and devices), and 7.6 (Renewable energy technologies).*	**New buildings[2]** ▪ New **residential** buildings designed to meet the following combined criteria: a) the building is designed to achieve a Primary Energy Demand (PED) that is equal to or lower than 60 kWh/m² per year, corresponding to a PED that is at least 20% lower than the level required by the national building regulation (BBR 29), b) the building is designed to achieve a climate impact of the construction stage (A1-A5) that is at least 25% lower than the relevant baseline value in 2020[3], c) the building has undergone testing for airtightness and thermal integrity, and d) the building has undergone a screening for material climate risks. ▪ New **premises** (such as schools and commercial buildings) designed to meet the following combined criteria: a) the premise is designed to achieve a PED that is equal to or lower than 50 kWh/m2 per year, corresponding to a PED that is at least 30% lower than the level required by the national building regulation (BBR 29), b) the premise is designed to achieve a climate impact of the construction stage of the building (A1-A5) that is at least 25% lower than the relevant baseline value in 20203, c) the premise has undergone testing for airtightness and thermal integrity, and d) the premise has undergone a screening for material climate risks. **Existing buildings[4]** ▪ **Existing residential buildings and premises** that either (i) have an energy performance certificate (EPC) of class A, or (ii) qualify within the top 15% most energy efficient buildings of the national building stock, expressed as PED and determined through a specialist study.[5] The existing property portfolio has been screened for material climate risks to identify climate adaptation investment needs. **Major renovations** ▪ **Renovations** of existing buildings that either (i) lead to an overall reduction in PED per square meter and year (kWh/m²/year) by at least 30% compared to the pre-investment situation, or (ii) comply with the applicable minimum energy requirements of the national building regulation for major renovations. **Installation, maintenance and repair of:** Energy efficiency equipment (energy efficient windows, doors and light sources, HVAC), instruments and devices for measuring, regulating and controlling the energy performance of buildings, charging stations for electric vehicles in buildings (and in parking spaces attached to buildings), and/or renewable energy technologies (such as solar, heat pumps, wind turbines, storage units and heat exchanger/recovery systems).	

[2] Building application filed after 31 December 2020.

[3] See Appendix for further information about the City's baseline values for different building categories.

[4] Building application filed up until 31 December 2020.

[5] The City of Gothenburg's methodology for assessing this criterion is based on a study published by Fastighetsägarna (via consultancy CIT energy management) which has interpreted what the EU Taxonomy's 15% most energy efficient buildings-criterion means in the Swedish context in terms of thresholds on energy use for different building categories.

Green Project Category	EU Taxonomy objective & eligible category (if applicable)	Eligibility criteria	SDGs
Water and wastewater	**Climate change mitigation** *5.3 Construction, extension and operation of wastewater collection and treatment* *5.4 Renewal of wastewater collection and treatment*	**Wastewater collection (sewer network) and treatment:** ▪ **Construction and extension** of wastewater systems with a wastewater treatment plant with a net energy consumption that is equal or lower than 20 kWh per population equivalent (p.e.) per annum for treatment plant capacity above 100 000 p.e. ▪ **Renewal of sewer networks or wastewater treatment plants** aimed at reducing the net average energy consumption per year[6] by at least 20% compared to the pre-investment energy use level (averaged over three years) in the area where the renewal works are carried out. ▪ **Construction, extension, renewal or installation projects** aimed at reducing CO_2e emissions by at least 20% compared to the pre-investment emission level of the area where the construction/renewal works are carried out or that are subject to installation of new technology.	
	Sustainable use and protection of water and marine resources	**Water collection, treatment and supply systems** ▪ **Construction, extension and renewal** of water collection, treatment and supply systems aimed at enhancing or maintaining a high level of water and energy use efficiency in the system. The City aims to annually reduce total drinking water usage by 2%, improve the conversion rate of extracted raw water into drinking water, and lower the energy consumption by, for example, replacing water pumps. High water use efficiency not only conserves water but also reduces energy consumption by decreasing the need for pumping, treating, and distributing water throughout the system.	
	Sustainable use and protection of water and marine resources *2.2 Urban wastewater treatment*	**Urban wastewater treatment** ▪ **Construction, extension, upgrade and renewal of urban wastewater infrastructure** such as treatment plants, sewer networks, storm water management structures, and connections to the wastewater infrastructure. The system should contribute to achieving or maintaining the good environmental status and ecological potential of any of the affected water bodies, meet the discharge requirements in the environmental permit, and apply secondary treatment and sludge treatment.	
	Sustainable use and protection of water and marine resources *2.3 Sustainable urban drainage systems (SUDS)*	**Sustainable urban drainage systems (SUDS)** ▪ **Construction, extension and renewal of urban drainage systems** that mitigate pollution and flood hazards by harnessing natural processes, such as infiltration and retention. The system should contribute to one of the following: (i) improved retention of rainwater (with dischargement with a staggered delay), (ii) an improvement in water quality (through removal of pollutants before discharge), or (iii) improved management of peak flow through runoff, with a return period in line with the requirements of flood risk management plans. The system should be integrated in the urban drainage and wastewater system and substantially contribute to achieving/maintaining the good status and ecological potential of bodies of surface and groundwater.	

[6] Calculated in kWh per population equivalent of the wastewater collected or effluent treated.

Green Project Category	EU Taxonomy objective & eligible category (if applicable)	Eligibility criteria	SDGs
Water and wastewater (cont.)	**Sustainable use and protection of water and marine resources** *3.1 Nature-based solutions for flood and drought risk prevention and protection*	**Nature-based solutions for flood and drought risk prevention and protection** ▪ **Construction and extension of large-scale natural systems** to manage floods and droughts, restore aquatic ecosystems, and improve water retention, biodiversity, and water quality.	
Clean transportation	**Climate change mitigation** *6.4 Operation of personal mobility devices, cycle logistics* *6.5 Transport by motorbikes, passenger cars and light commercial vehicles* *6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities* *6.11 Sea and coastal passenger water transport* *6.12 Retrofitting of sea and coastal freight and passenger water transport* *6.13 Infrastructure for personal mobility, cycle logistics* *6.14 Infrastructure for rail transport* *6.15 Infrastructure enabling low-carbon road transport and public transport* *6.16 Infrastructure enabling low-carbon water transport*	**Clean transportation and mobility** The purchase, financing, renting and leasing of the following transport modes: ▪ Urban or suburban passenger transport with either zero tailpipe CO_2 emissions, such as electric or hydrogen buses and trams, or that are fossil-free (fuelled by biogas). ▪ Passenger cars operated on electricity or biogas. ▪ Electric 2- and 3-wheel vehicles and quadricycles, such as bicycles, motorcycles, mopeds and minicars. ▪ Light- and heavy-duty vehicles and machines that are zero tailpipe CO_2 emissions (electric or hydrogen) or fossil-free (fuelled by biogas or Swedish Hydrogenated Vegetable Oil (HVO) 100). ▪ Vessels for passenger or freight transport on sea or coastal waters with zero tailpipe CO_2 emissions, such as ferries. ▪ Retrofit and upgrade of vessels to electric drive for the transport of freight or passengers on sea or coastal waters, and of vessels required for port operations and auxiliary activities. The retrofit/upgrade should lead to a reduction in the fuel consumption by at least 10%. **Infrastructure supporting clean transportation** The construction, modernisation and maintenance of transport infrastructure, including: ▪ Infrastructure dedicated for pedestrians and bicycles. ▪ Infrastructure required for zero-emissions road transport and for operating urban transport: such as electric charging points, electric grid connection upgrades, hydrogen fuelling stations, electric road systems, terminal infrastructure for loading, unloading and transhipment of goods, and signalling systems for trams and rail systems. ▪ Infrastructure required for zero tailpipe CO_2 operation of vessels or the port's own operations as well as infrastructure dedicated to transhipment between modes: such as electricity charging, biofuels or hydrogen-based refuelling stations, and shore-side electrical power and/or district heating for vessels at berth.	

Green Project Category	EU Taxonomy objective & eligible category (if applicable)	Eligibility criteria	SDGs
Renewable energy	**Climate change mitigation** *4.1 Electricity generation using solar photovoltaic* *4.2 Electricity generation using concentrated solar power (CSP) technology* *4.3 Electricity generation from wind power* *4.6 Electricity generation from geothermal energy* *4.8 Electricity generation from bioenergy* *4.10 Storage of electricity* *4.11 Storage of thermal energy* *4.12 Storage of hydrogen* *4.14 Transmission and distribution networks for renewable and low-carbon gases* *4.18 Cogeneration of heat/cool and power from geothermal energy* *4.20 Cogeneration of heat/cool and power from bioenergy* *4.24. Production of heat/cool from bioenergy* *4.25 Production of heat/cool using waste heat*	**Wind power** ▪ The construction of facilities generating electricity from onshore or offshore wind power. **Solar power** ▪ The construction of facilities generating electricity using solar photovoltaic technology, concentrated solar power technology or solar thermal technology. **Bioenergy** ▪ The construction of facilities producing or co-generating heat/cool and power from bioenergy and facilities generating electricity from bioenergy. The facilities may include bioenergy carbon capture and storage (BECCS) facilities and will use biomass, biogas or bioliquids sourced exclusively from waste-based sustainable sources.[7] ▪ Manufacture of biogas, biochar or biofuels for use in transport and of bioliquids, based on sustainably sourced agricultural and forest biomass.[7] **Waste heat** ▪ The construction of facilities producing heat/cool using waste heat.[8] **Geothermal heating/cooling systems** ▪ The construction of geothermal technologies producing or cogenerating heat/cool and power or electricity generation facilities based on geothermal energy. Life-cycle GHG emissions from the production will be lower than 100g CO_2e/kWh. **Transmission and distribution infrastructure for hydrogen and biofuels** ▪ Construction of new transmission and distribution networks dedicated to hydrogen or biofuels. ▪ Retrofit of gas transmission and distribution networks dedicated to enabling the integration of hydrogen and biofuels in the network. **Storage of renewable energy** ▪ Storage facilities for electricity, thermal energy and hydrogen, for the purpose of managing the intermittency of renewable energy.	

[7] In the evaluation of all bioenergy projects, the environmental and social impact of supply chain elements are taken into account. Biomass/fuel deriving from sources of high biodiversity that competes with food sources is excluded (compliant with the EU Renewable Energy Directive).

[8] Green proceeds will not finance projects that recover waste heat from fossil energy production or from fossil-intensive industrial activities that lack a plan for transitioning to a low-carbon economy.

Green Project Category	EU Taxonomy objective & eligible category (if applicable)	Eligibility criteria	SDGs
Energy efficiency	**Climate change mitigation** *4.9 Transmission and distribution of electricity* *4.15 District heating/Cooling distribution* *4.16 Installation and operation of electric heat pumps*	**Clean, efficient and reliable networks** ▪ Construction of transmission and distribution systems for electricity. ▪ Energy efficient district heating and cooling distribution, including pipelines and associated infrastructure, that complies with the EU Energy Efficiency Directive[9]. System modifications to lower temperature regimes or advanced pilot systems (such as control and energy management systems and Internet of Things) are eligible without a specific threshold. ▪ Electric heat pumps that (i) meet energy-efficiency requirements in the EU Eco-design Framework Directive and is (ii) below the refrigerant threshold (GWP) of 675. ▪ Information and communications technology enabling the effective management and distribution of energy, such as smart grid technology. **Energy efficient municipal activities** ▪ Energy efficiency measures in various municipal activities, such as exchanging traffic lights to LED. Investments should improve energy efficiency in the respective area by at least 30 per cent.	
Climate change adaptation	**Climate change adaption**	**Adaptation solutions in buildings, infrastructure and the city as a whole** ▪ Adaptation solutions (physical and non-physical) in buildings and infrastructure that substantially reduce the most important physical climate risks that the infrastructure is exposed to. ▪ Adaptation solutions (physical and non-physical) that substantially reduce the most important physical climate risks that the city is exposed to, such as flood defences, heat waves, management of rising water levels and extreme weather research and monitoring systems.	

[9] Compliance means that the system uses at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat.

Green Project Category	EU Taxonomy objective & eligible category (if applicable)	Eligibility criteria	SDGs
Waste management	**Climate change mitigation** *5.5 Collection and transport of non-hazardous waste in source segregated fractions* *5.6 Anaerobic digestion of sewage sludge* *5.7 Anaerobic digestion of bio-waste* *5.8 Composting of bio-waste* *5.9 Material recovery from non-hazardous waste* *5.11 Transport of CO_2* *5.12 Underground permanent geological storage of CO_2*	**Waste collection and material recovery** ▪ Waste collection: separately collected and transported non-hazardous waste that is segregated at source and intended for preparation for reuse or recycling operations. ▪ Material recovery: facilities dedicated for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing. At least 50%, in terms of weight, of the processed waste should be converted into secondary raw materials suitable for substituting virgin materials in production processes. **Technologies for carbon capture and storage** ▪ The construction of facilities for Carbon Capture and Storage (CCS) and Carbon Capture and Utilisation (CCU) as well as Bioenergy Carbon Capture and Storage (BECCS) facilities dedicated to the reduction, avoidance, or removal of GHG emissions associated with bioenergy plants and waste-to-energy plants. ▪ Transport and permanent underground storage of captured CO_2, with CO_2 leakages not exceeding 0.5% of the mass of CO_2 transported and with appropriate leakage detection and monitoring plan in place. **Waste-to-energy** ▪ Waste-to-biogas[10]: facilities dedicated for the treatment, through anaerobic digestion or composting, of sewage sludge or separately collected bio-waste with the resulting production and utilisation of biogas. ▪ Waste-to-energy: facilities dedicated to waste incineration to produce heat/cool and electricity that follows a waste hierarchy to ensure that as much of the waste as possible is reused and recycled before being converted to energy.	
Pollution prevention and control	**Pollution prevention and control**	**Technologies and measures contributing to reduced negative impacts on wildlife, nature and human health** ▪ Technologies and measures contributing to a substantial reduction of pollution to air and/or water, through for example the installation or upgrade of technologies to reduce emissions of nitrogen oxide to air and water from waste-to-energy plants.	

[10] A monitoring and contingency plan should always be in place to minimise potential methane leakage at the facility, and the produced biogas is used for the following purposes: (i) directly for the generation of electricity or heat, (ii) upgraded to bio-methane for injection in the natural gas grid, or (iii) used as vehicle fuel or as feedstock in chemical industry.

Green Project Category	EU Taxonomy objective & eligible category (if applicable)	Eligibility criteria	SDGs
Circular economy	**Transition to a circular economy** *2.1. Phosphorus recovery from wastewater* *2.4 Treatment of hazardous waste*	**Circular economy adapted products, production technologies and processes** ▪ Facilities dedicated to the recovery of resources for productive reuse in other processes, such as the recovery of zinc from ashes generated in waste-to-energy plants or the recovery of phosphorus from sewage sludge. ▪ Facilities dedicated to the treatment and recovery of source segregated hazardous waste into secondary raw materials (including chemical substances and critical raw materials).	
Environmentally sustainable management of living natural resources and land use	**Protection and restoration of biodiversity and ecosystems** *1.1 Conservation, including restoration, of habitats, ecosystems and species*	**Management and conservation of habitats and ecosystems that promote biodiversity** ▪ Creation and conservation activities, including restoration activities, aimed at maintaining or improving the status and trends of terrestrial, freshwater and marine habitats, ecosystems and populations of related fauna and flora species, such as through measures to conserve and develop responsibility biotopes[11]. ▪ Measures to manage and increase the proportion of green and blue spaces in the urban environment for the purpose of contributing to biodiversity, recreation, equalizing temperatures, cleaning the air and reducing noise.	

[11] Responsibility biotopes are habitats for plant and animal species that the Environmental Administration have identified that Gothenburg has a particular responsibility to conserve and develop – such as shallow sea bays, natural pastures, deciduous forests and small water bodies.

2. Green Project evaluation and selection process

The City of Gothenburg's assessment and management of environmental, social, governance and financial risks are core components of the City's systematic environmental work. The City's administrations and companies must systematically plan, implement, and enhance their environmental efforts as part of the routine governance processes. This includes evaluating the environmental and social impacts of their operations and investment decisions. All investment decisions are assessed based on economic, social, and ecological sustainability, examining their contributions to relevant goals within these dimensions. A key consideration in this evaluation is how the investment can help achieve net zero emissions. The process for Green Project evaluation and selection follows the same standard due diligence procedure and decision-making process.

Green evaluation and selection process

The evaluation and selection process for eligible Green Projects is a key component in ensuring that an amount equivalent to the net proceeds from green bonds is allocated to Green Projects eligible under this Framework. Green Projects shall comply with the eligibility criteria defined under the Use of Proceeds section. The process of evaluating and selecting eligible Green Projects as well as the allocation of Green Bond proceeds to eligible Green Projects comprise the following steps:

i. The relevant Project Manager evaluates potential Green Projects, their compliance with the Green Project categories, and their environmental benefits.
ii. A list of the potential Green Projects is presented to the City of Gothenburg's Green Bond Committee (GBC). The GBC is solely responsible for the decision to acknowledge the project as green, in line with the Eligibility Criteria in this Framework. Approved Green Projects will be tracked using a dedicated "Green Register". A decision to allocate net proceeds will require a consensus decision from the GBC. The decisions made by the GBC will be documented and filed.

Green Bond Committee (GBC)

The GBC is chaired by the Head of Treasury and also includes members from the City Executive Board and the Environmental and Climate Committee. The GBC may call upon other divisions within the City organisation if relevant. The GBC convenes every 6 months or when otherwise considered necessary.

The GBC holds the right to exclude any Green Project already funded by green bond proceeds if the Green Project no longer meets the eligibility criteria defined in the Framework. In the event a Green Project is sold, or for other reasons loses its eligibility, funds will then follow the procedure under Management of Proceeds until reallocated to other eligible Green Projects. The GBC is also responsible for preparing the annual reporting on the allocation and impact of the net proceeds raised through green bonds.

3. Management of Proceeds

Tracking of proceeds

The City of Gothenburg will manage the net proceeds from green bonds issued under the Framework on a portfolio basis and will use a Green Register to ensure that an amount equivalent to the net proceeds matches the value of the portfolio of eligible Green Projects. The Green Register will ensure that an amount equivalent to the net proceeds is used to (re)finance Green Projects or to repay any green bonds outstanding. Additionally, the Green Register will serve as basis for the impact and allocation reporting. The balance of proceeds should be adjusted on an annual basis, to match allocations to eligible Green Projects (re)financed during this period. In the event a project has been sold or is no longer eligible, the City of Gothenburg commits to substitute the project as soon as practical, on a best effort basis.

Temporary holdings

The balance of unallocated green bond net proceeds will be held in the liquidity reserve and be managed in line with the City of Gothenburg's treasury management policies. The maximum period that net proceeds may be unallocated is 12 months.

Exclusions

Temporary investments will not be placed in entities with a business plan focused on fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, environmentally negative resource extraction, gambling or tobacco.

4. Reporting and transparency

To enable the monitoring of performance and provide insights into prioritised areas, the City of Gothenburg will annually and until maturity of the green bonds issued, provide investors with a report ("Green Bond Impact Report") that describes the allocation of proceeds and the environmental impact of the Green Projects. The report will be made available on the City's website together with this Framework.

Allocation reporting

Allocation reporting will include the following information:

i. A summary of green bond developments

ii. Nominal amount of outstanding green bonds

iii. Amounts allocated to each project category

iv. Relative share of new financing versus refinancing

v. The amount of unallocated proceeds

vi. Descriptions of selected green projects financed

vii. Additional information that may be of relevance, such as reporting in relation to the EU Taxonomy Regulation

In the event of outstanding Green Commercial Paper, the City of Gothenburg will report quarterly on the value of Green Projects and the total value of outstanding Green Commercial Paper and Bonds.

Impact reporting

The impact reporting aims to disclose the environmental impact of the Green Projects financed under this Framework, based on the City of Gothenburg's financing share of each project. As the City of Gothenburg can finance a large number of smaller Green Projects in the same Project Category, impact reporting will, to some extent, be aggregated. The impact assessment is provided with the reservation that not all related data can be recovered and that calculations therefore will be on a best effort basis. The methodologies as well the assumptions and baselines used to determine the impact reporting indicators will be provided as well as a distinction between where actual and estimated impact metrics are reported.

As a founding signatory to the Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting, the City of Gothenburg will strive to follow the impact reporting principles stated in the report. The impact assessment will, if applicable and relevant, be based on the impact reporting metrics presented in the table on the next page. The City applies a conservative approach to its impact reporting, meaning that indirect impacts and impacts achieved outside the scope of the project(s) financed will not be included in the reporting.

Green Project Category	Key Performance Indicators (KPIs)
Green and energy efficient buildings	**New buildings** ▪ Annual energy use avoided (kWh/m^2 or %) ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions) **Existing buildings** ▪ Annual energy use avoided (kWh/m^2 or %) ▪ Annual GHG emissions reduced/avoided compared to relevant national building standard (tonnes of CO_2e emissions) **Major renovations** ▪ Annual energy use reduced compared to the pre-investment situation (MWh or %) ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions) compared to the pre-investment situation **Installation, maintenance and repair** ▪ Annual energy use reduced/avoided compared to the pre-investment situation (MWh) ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions) compared to the pre-investment situation
Water and wastewater management	▪ Annual water use reduced/avoided (m^3) ▪ Annual energy use reduced/avoided (kWh/m^3) ▪ Annual volume of wastewater treated or reduced/avoided (m^3) ▪ Annual conversion rate of extracted raw water into drinking water (%) ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions) compared to the pre-investment situation ▪ Annual reduction or avoidance of pollutants to water (tonnes of phosphorus, nitrogen, or other pollutants) ▪ Estimated improvement in urban water management measured by applicable indicator, such as improvement in the amount of rainwater that is retained, improvement in removed urban runoff pollutants, or improvement in the management of peak flow
Clean transportation	**Clean transportation and mobility** ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions) ▪ Number of vehicles or vessels **Infrastructure supporting clean transportation** ▪ Number of charging points of electricity, hydrogen or biofuel installed or upgraded ▪ Passenger km in new means of transportation ▪ Type of project, such as km of new train lines, bicycle lanes ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions)

Green Project Category	Key Performance Indicators (KPIs)
Renewable energy	▪ Installed renewable energy capacity (kW) ▪ Annual renewable energy generation (MWh) ▪ Storage capacity installed ▪ Number of meters of piping laid, upgraded or replaced for transmission and distribution of hydrogen/biofuels ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions)
Energy efficiency	▪ Annual energy use reduced/avoided (MWh or GWh or %) ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions)
Climate change adaptation	▪ Physical climate risk addressed and expected adaptation related outcome (quantified if possible) ▪ Number of individuals/households/m^2 addressed
Waste management	**Waste collection and material recovery** ▪ Quantity of waste that is prevented, minimised, reused or recycled (tonnes or % of total waste per year) ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions) **Technologies for carbon capture and storage** ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions) **Waste-to-energy** ▪ Biofuel production/Energy generation from waste ▪ Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions)
Pollution prevention and control	▪ Annual reduction or avoidance of pollutants (tonnes of nitrogen oxide emissions, or other pollutants)
Circular economy	▪ Annual recovery of materials for reuse in new processes
Environmentally sustainable management of living natural resources and land use	▪ Area of habitat or ecosystem protected/conserved/restored/managed (total and as proportion of municipal land) ▪ Area of wetlands in urban areas ▪ Area of green spaces in urban areas

External review

Second Party Opinion

S&P Global Ratings has provided a second party opinion to this Framework, verifying its credibility, impact and alignment with the ICMA Green Bond Principles (as of 2025).

Post-issuance review

An independent external party, appointed by the City of Gothenburg, will on an annual basis, until full allocation and in the event of any material changes, provide a review confirming that an amount equal to the green bond net proceeds has been allocated to Green Projects.

Publicly available documents

The Green Bond Framework and the second party opinion will be publicly available on the City of Gothenburg's website, together with the post-issuance review and the annual Green Bond Impact Report, once published.

Appendix

The City of Gothenburg, supported by WSP and an internal climate expert, has developed a methodology to assess the climate impact of new construction projects. This approach establishes comprehensive base values to monitor progress towards reduced climate impact in the City's construction activities. Unlike the National Board of Housing, Building and Planning's limit values, initially set for introduction in 2025 but now being updated, the City's methodology encompasses all aspects related to the building, resulting in a more comprehensive and ambitious way to measure the climate impact of the construction where, as much as possible, actual data is used instead of standard values. Therefore, the City's base values cannot be directly compared to the Board's initially proposed limit values or other market calculations, as methodologies continue to vary and evolve.

	Baseline value (CO_2e/m^2 GFA)	-25% threshold
Apartment buildings	400	**300**
Small houses	170	**127.5**
Offices	390	**292.5**
Schools	420	**315**
Preschools	440	**330**
Care and nursing homes	420	**315**
Other buildings	420	**315**

City of
Gothenburg