

TRELLEBORGS KOMMUN

Green Bond Framework

MAY 2023



TRELLEBORGS
KOMMUN

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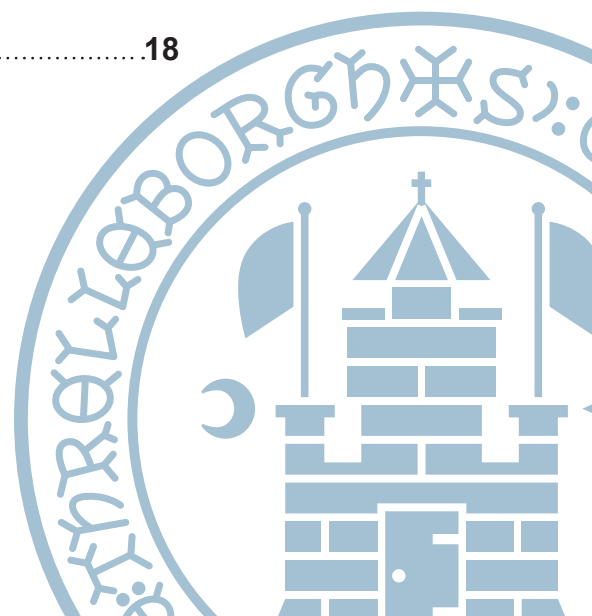
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Trelleborg Municipality

Trelleborg is Sweden's southernmost municipality. The central city of Trelleborg is an important industrial and port city on the Baltic coast and the starting point for European roads 6 and 22, as well as national highways 9 and 108. European road 65 and national highway 101 cross the northern part of the municipality.

Trelleborg Municipality is part of the Greater Copenhagen Area with excellent connections to Malmö, the third largest city in Sweden, and the capital of Denmark. You will reach Malmö within 30 minutes by commuter train or car, Copenhagen airport within 45 minutes and Copenhagen city center within the hour. Trelleborg Municipality has a vision of how it should be to live and work here in the future, that everyone employed by the municipality has a responsibility to work towards. Our vision follows:

”Trelleborg should be a successful municipality with high quality of life for all and long-term sustainable growth.”

Trelleborg Municipality works actively with all three dimensions within sustainable development throughout the organization. Activities are coordinated by the division for sustainable development at the municipal management administration. In 2017, the City Council decided to adopt a sustainability policy with annual follow-up in the form of a sustainability report. The policy lists the sustainable development goals that Trelleborg Municipality have prioritized, and all projects done by the organization have to include the relevant goals so that sustainable growth is secured.

Trelleborg Municipality is in a phase of rapid development with several large-scale projects, especially in the city where more is about to be built now than in most other cities of similar size. Some projects have been ongoing for a few years whereas others are about to start or are in planning. Some projects are therefore believed to be concluded in the coming few years, others in five to seven years from now, and yet others after that. Coastal City 2025 is the largest development project in Trelleborg's history and includes:

- *The planning and building of a new ring road and port entrance to the port's new eastern location*
- *Developing Business Center Trelleborg, next to the port's new entrance and with direct connection to*
- *Intermodal transportation*
- *The urban development project Sea City in the old port area with approx. 7,000 new residences.*
- *Handling soil masses: Sea level protection by ground elevation as well as remediation of contaminated soil*

The planning of Sea City includes protection against rising sea levels as well as other climate adaptation measures such as stormwater management. Sea City is planned next to the city center and the central station. Frequent bus and train departures and arrivals connect Trelleborg with Malmö, Lund, and Copenhagen, and provide the citizens with great commuting opportunities.

Visit Trelleborg, Trelleborg Hamn AB, Trelleborg Energi AB and TrelleborgsHem AB belong to a group of companies owned by the municipality. Trelleborg Hamn AB (The Port of Trelleborg) is Scandinavia's largest RoRo port (Roll on Roll off), the largest rail ferries port in the Baltic Sea and a part of the Trans-European Transport Network with CORE status in the EU.

By establishing this framework, we at Trelleborg Municipality aim to accelerate the pace towards a prosperous and sustainable future for people, businesses, and society in Trelleborg.

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Sustainability in Trelleborg Municipality

Trelleborg Municipality works with all aspects of sustainability, social, economic, and ecologic, in a broad perspective. The ambition is that sustainability will be an important part of every stage of development in the organization.

A policy, that was implemented in 2017, identifies four directions for Trelleborg Municipality in its work on growth, sustainability, and future issues:

- **The world must come in!**
- **The world outside!**
- **Thoughtful resource management!**
- **Best quality of life!**

Current challenges in the work towards becoming a fully sustainable municipality are identified in a yearly report, and areas that need to be prioritized in the coming fiscal year are identified so that funds can be allocated in the budget.

Trelleborg Municipality's sustainability policy and its accompanying goals are currently under revision. The aim is to clarify how work towards reaching the goals within the organization can be conducted more efficiently and, in addition, creating synergies.

Social Sustainability

Social sustainability is about creating safe environments, and environments that invite people to socialize. Trelleborg Municipality's goal is that all children and young people should be stimulated and have the best conditions to succeed as well as possible in adult life. This lays the foundation for a socially sustainable society where everyone can develop their best self throughout their childhood.

The Strategy for Social Sustainability 2021-2030 is a support for the municipality's administrations and companies to work together to implement activities and achieve set goals.

Important areas for development include:

- Parental support
- Collaboration on children and young people's learning
- Meaningful leisure time
- Work for all and a good future
- Sustainable living environments
- Listening to children and young people

Trelleborg Municipality has allocated six million SEK per annum which is more than any other municipality in Sweden, for the participatory budgeting (Medborgarbudget). In the program, called "A million ideas", members of the public can give suggestions of smaller investments such as improving a recreational area, build an outdoor gym or a playground. Everyone that has some connection to the villages within Trelleborg Municipality, where the structure will be built, has a right to vote on the suggestions.

Economic Sustainability

Circular economy

Economic sustainability in the municipality is growing through moving away from linear economy to a circular economy. Through the decreased use of virgin materials and the increased focus on reusing or recycling, the aim of the Business Center Trelleborg, a part of the Coastal City 2025-project, is to facilitate circularity; that one company's waste will be another company's resource. A circular economy is generally also considered to create more jobs.

Other examples

Trelleborg Municipality has several ongoing projects with focus on ecological sustainability, such as best use of ecosystem services in all the municipality's development projects and nature-based solutions for climate adaptation.

Green and blue infrastructures throughout the suburbs can provide several important functions. They increase biodiversity, can be used as dispersal routes for animals and plants and act as natural separators between road users, pedestrians, and cyclists. Additionally, green and blue infrastructure provide pleasant walking routes that encourages movement.

Trelleborg Municipality has a comprehensive program with high environmental goals for the period 2021 – 2030. All departments throughout the organization work towards the goals and are obliged to report their efforts on a yearly basis.

As a clear commitment to prioritize efforts to overcome climate change challenges, Trelleborg Municipality has signed the Covenant of Mayors for Climate and Energy and participate in the One Planet City Challenge. Both programs deal with climate change mitigation, climate change adaptation, and sustainable energy.





Global Monitoring and collaborations

Trelleborg Municipality has been identified by Region Skåne as an important place for regional development and is designated as a regional core, part of the western Scania labor market region. Trelleborg's harbor is an important national and international hub and the possibility of urban development near the station is included in Skåne's regional plan.

Trelleborg Municipality is part of the MLR

The Malmö Lund Region (MLR) is a platform for increased municipal collaboration to meet today's challenges. To support and contribute to the development and growth, the following five working groups have been established:

- Digitalization,
- Business,
- Spatial planning and infrastructure,
- Environment & climate, and future skills supply.

Trelleborg and Lund Municipalities have a joint EU-office as part of a network of information offices around the EU.

Renewable energy in the South of Sweden

In accordance with the pledges in Trelleborg Municipality's Energy plan investments in green hydrogen solar energy are made, and the municipality is a partner of Energy Vision South. "Energivision Syd" is an association with a goal that Trelleborg and Skurup municipalities will be self-sufficient, and only use renewable energy.

Clean water - a common issue

In 2020, the Water Council joined VattenAtlas; a mapping tool for strategic water planning in Malmö Lund region's cooperation. The Water Council work with water management within the three municipalities Trelleborg, Vellinge and Skurup. The aim is to achieve good ecological status in Trelleborg Municipality's watercourses by informing and cooperate with landowners and users.

Guidance for circular procurement

As an active partner in innovative projects regarding circular procurement, Trelleborg Municipality was an active partner in the project "Cirkulära Skåne" 2019 – 2022. Focus from our perspective was on general guidance, procurement of single use materials and re-used materials within the building sector. The activities will continue in a new project lead by the County Administrative Board and Sweco consultancy starting in 2023.



Innovation, Research and Development

In planning urban development and operations, new technologies, innovative solutions, and efficient use of resources are explored to ensure a sustainable development. Trelleborg Municipality systematically works with growth, sustainability, and development to adapt to a changing city with a growing population.



Climate adaptation

Climate adaptation has been a prioritized matter in Trelleborg Municipality for quite some time; the first Climate Adaptation plan was produced already in 2013.

Heat islands

Trelleborg Municipality is participating in a research project on heat waves. Based on the experience from the hot summer of 2018, society's preparedness, and ability to adapt to future extreme weather conditions and rising temperatures is evaluated. Heat island maps from satellite imagery and in-depth interviews about the experience of 2018 create a baseline picture to build on in the work ahead.

Coastal protection

In a strategic document Trelleborg Municipality has identified areas that need protection against flooding due to rising sea levels and/or erosion. It also specifies when the protection needs to be in place. In addition, the municipality specifies acceptable risks and reserves land where flood protection can be built. Several cost-benefit analyses are ongoing to identify the best nature-based solutions.

Stormwater flooding

Trelleborg Municipality has mapped areas where stormwater may cause a problem and conducted risk- and vulnerability analysis. An in-depth action plan regarding stormwater in a future climate will be initiated in 2023.

Ecosystem services

A project, started in 2023, aims to increase awareness of ecosystem services within the organization and ensure that the aspects are considered during future planning.



Sea city, Coastal City 2025

Sea city is a part of the on-going project Coastal City 2025 and involves investments in infrastructure, business and 7000 new homes. Situated next to the central station, the plan is to promote and enable sustainable means of travel to, from and within the new urban area called Sea City. Furthermore, the Sea City will be built on already hard surfaces in the old port area instead of on agricultural land. Considering the long-term project's aim to be at the forefront of sustainable solutions and environmental technologies, the planning will require flexibility regarding adapting to changing needs, new technology and different challenges.

Climate positive area

The ambition is a climate-positive area with renewable energy sources, innovative energy distribution and storage of energy in hydrogen.

Sustainability program, Sea city, Coastal City 2025

A sustainability program, based on the United Nations sustainable development goals (SDG's) was completed in 2022 by Trelleborg Municipality and stakeholders in the area. The sustainability program will be used as a common ground to ensure a sustainable development. To further ensure implementation of the sustainability goals, the concerned parties plan to certify the program using the Swedish certification system CityLab. The program highlights four focus areas:

1. Climate-resilient blue/green district,
2. Safe, pleasant and for everyone,
3. Attractive, mix-used area and
4. Architecture and innovation at the forefront.

The development of parks, streets and public spaces in the Sea City focus on stormwater, biological diversity, and ecosystem services.



Sustainable energy

Trelleborgs Energi, the local energy company owned by the municipality, has been assigned to lead the municipality's work in developing sustainable energy solutions. That work involves, among other things, realizing hydrogen solutions for transportation and self-sufficient housing projects. To enable this transition, a small-scale hydrogen production facility (5MW) will be established. Most of these hydrogen projects are funded, or will be funded in part, by the EU.

Higher education: using hydrogen as an energy source

Since autumn of 2022, Trelleborg Municipality offers a new Higher Vocational Education-program (YH-utbildning) dedicated to spreading knowledge in hydrogen as an energy source and is the first municipality to do so. The program focuses on the use of hydrogen fuel cells, the different technologies involved, necessary safety measures, regulations, and permits.

Hydrogen for transportation

Within the framework of the Nordic Hydrogen Corridor project, Trelleborg Energi and Everfuel will establish a refueling station in Trelleborg. At the set out, the green hydrogen will be shipped from Fredericia in Denmark.

The long-term goal is however to supply the fueling station with hydrogen from the local small-scale production facility which is in the planning phase.

Boosting Trelleborg's fossil free transportation solutions, in 2022 the municipality signed a memorandum of understanding with Australian hydrogen vehicle producer H2X regarding delivery of a waste truck and a school bus based on hydrogen (power cell to electricity).

Hydrogen for housing

Trelleborgs Energi is looking into the possibility of retrofitting the head office, and some other buildings, to be off-grid. The plan is that areas in the Coastal City will have low temperature district heating, and some buildings will be off-grid through hydrogen.

Energy guidance

Impartial guidance on energy and climate issues, such as energy efficiency, energy use, climate impact and renewable energy is provided, free of charge, to the municipality's individuals, small- and medium-sized enterprises, associations, and non-profit organizations. The service is partly funded by the Swedish Energy Agency.





Waste and emissions

Waste plan

Together with nine other municipalities, all part of Sydskaånes avfallsaktiebolag (SYSAV), Trelleborg Municipality has developed a new waste management plan that includes waste regulations and a common recycling plan: “From waste to resource”. A common template was developed under the waste regulations and was thereafter localized for each municipality consisting of three objectives and 24 associated indicators. The new waste management regulation was adopted in City Council in November 2020.

Sustainable and resilient food production

More than 80 % of Trelleborg Municipality’s geographical area consists of farmland, and there is an ongoing dialogue with the farmers about how to make it resilient against all risks connected to a changing climate. The project “Good local food” aims at increasing the share of locally produced food within the organization by facilitating procurement and adjusting menus according to seasonal availability.

Reducing food waste

In 2020, meal services have introduced daily reporting of serving and plate waste in primary schools. An environmental group with staff from preschool and primary schools has been established. There has been a strong focus on training staff on the climate impact of meals.

Reuse of medical aid

Rather than buying new devices in excess, Trelleborg Municipality has focuses on reusing and therefore, collects and repairs tools and devices to assist elderly and individuals with impaired mobility.



Alignment with the UN SDG and SDG targets

The sustainability report can be read as Trelleborg Municipality's contribution to the 17 UN Global Goals that, based on the municipality's conditions and needs, sets the agenda for the work towards the goals.

3

GOOD HEALTH AND WELL-BEING



Good health and well-being

Ensure healthy lives and promote well-being for all at all ages.

City air quality

The air in the city center is gradually improving. A reduction in traffic has resulted in a steady decrease in the levels of both nitrogen dioxide (NO₂) and sulphur dioxide (SO₂). The goal is to move all heavy traffic, and most cars, away to create a more sustainable and safer city center.

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CLEAN WATER AND SANITATION



Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all.

Water management

Trelleborg Municipality has an inter-administrative working group for water management issues under the Water Framework Directive. The municipality also participates in several water organizations, such as the Water Council and VattenAtlas

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AFFORDABLE AND CLEAN ENERGY



Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

Renewable energy and energy efficiency

Through innovation and smart energy solutions, Trelleborgs Energi is striving to make Trelleborg a smart and climate friendly city by investing in solar photovoltaic cells, charging stations for electrical vehicles, a variety of hydrogen solutions, as well as energy efficiency measures.

New energy solutions – where low temperature district heating meets hydrogen – are also planned to develop in the Western Sea city area in Trelleborg Municipality.

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DECENT WORK AND ECONOMIC GROWTH



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

From waste to resource

Trelleborg Municipality recently implemented a waste management plan called "From waste to resource" that includes waste regulation measures and a recycling plan.

The plan has three objectives and 24 associated indicators with the primary goal of recycling and reusing as much as possible, with no incineration or landfill waste.

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INDUSTRY, INNOVATION AND INFRASTRUCTURE



Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Railway port & intermodal transport

The port of Trelleborg has worked to ensure that a larger proportion of trailers and containers choose the train to and from Trelleborg as an emission reduction initiative. The port of Trelleborg is Scandinavia's largest Roll-on Roll-off (RoRo) port and is important for the redundancy of Sweden's imports and exports.

Digitalization

An e-service platform is being expanded, modern technology is being tested and introduced in operations and communication with and towards citizens.

Biochar from seaweed

The aim is to turn seaweed into a commercial biochar to be used in farming and urban green structures such as rain gardens.



Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

Coastal adaptation

The municipality has specified acceptable risks, identified areas that need protection against flooding due to rising sea levels and/or erosion, specified when the protection needs to be in place and has reserved land for nature-based solutions to protect against future flooding.

Strategy for Rural Areas

A “Strategy for Rural Areas” in Trelleborg Municipality focuses on five areas of development:

1. Sustainable food production,
2. Attractive way of life,
3. Active spare time,
4. Proud heritage, and
5. A dynamic free enterprise.



Climate action

Take urgent action to combat climate change and its impacts.

The covenant of Mayors for climate and energy

The Mayor of Trelleborg signed the covenant for climate and energy in 2018, thereby committing to tackle interconnected challenges: climate change mitigation, adaptation, and sustainable energy. In Trelleborg Municipality, we believe that tackling climate change mitigation and adaptation together can bring multiple benefits to the environment, society, and the economy.



Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Projects for a cleaner Baltic Sea

The organization “Sydvästra Skånes vattenråd” and Trelleborg Municipality works towards a cleaner Baltic Sea through several projects. Meandering rivers and restoring wetlands in the farmland, among other initiatives, contributes to reduce the eutrophication of the sea.

Microplastics

Procedures to reduce microplastics from littering, artificial turf pitches, and playgrounds has started, as well as cooperation with organizations and companies.

Improved marine life

Ongoing investigations regarding improving the marine life in the harbour basins.



Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Planning and building

Trelleborg Municipality aim to preserve and develop important green infrastructure and ecosystem services when planning and building new areas. Examples include:

1. The municipality is combating invasive flora, both inland and along the coast,
2. Leave some grass areas uncut to create meadows with greater biodiversity,
3. Create a nature reserve along a river in the outskirts of the city (Dalköpingeån),
4. Create wetlands and less steep riverbanks along Ståstorpsån to capture nutrient from the farmland, increase biodiversity and the rivers carrying capacity.



Partnership for the goals

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

Active partner in the EU and other organizations

Trelleborg and Lund municipalities have a shared European office for the period 2021-2025. This is part of a network of information offices around the EU. Trelleborg Municipality has been an active partner in several EU funded projects, mainly with partners around the Baltic Sea. Several projects are ongoing and new funding towards research and innovation is continually applied for.

GREEN FINANCE FRAMEWORK

As part of Trelleborg Municipality's ongoing commitment to sustainability, this Green Financing Framework has been developed in accordance with both the 2021 ICMA Green Bond Principles (GBP), the recommended External Review component as described below and broadly to the substantial contribution part of the technical screening criteria of the EU Taxonomy as of December 2021. The framework has also been developed in accordance with the 2023 APLMA, LMA and the LSTA Green Loan Principles (GLP). Through this Framework, the Trelleborg Municipality may issue different financing instruments including, but not limited to, Green Bonds and Green Loans.

The framework consists of the four key pillars and the recommended External Review component:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting
- External review

It is the intention of Trelleborg Municipality to follow best practices in relation to Green Finance Instruments as the market standards develop. Therefore, this Framework may be amended and updated to reflect these changes in market practices.

Mapping towards the UN Sustainable Development Goals

In this Framework, each Eligible Projects and Assets category has been mapped to the UN Sustainable Development Goals, in accordance with the High-Level Mapping to the Sustainable Development Goals published by ICMA.

Use of proceeds

The Eligible Projects and Assets within the Green Finance Framework will support Trelleborg Municipality's low-carbon transition and climate resilient growth – for society as a whole and in the municipality's own operations. The selected pool of Projects and Assets funded, in whole or in part, for this purpose can be applied both towards new Eligible Projects and Assets, as well as to refinance existing Eligible Projects and Assets. These Eligible Projects and Assets will also adhere to applicable laws and regulations as well as Trelleborg Municipality's established long-term plans for environmental and social sustainability. In line with the Standard for European Green Bonds ¹ (July 2021) and given that potential Eligible Green Assets differ substantially in terms of expected lifetime, this Framework does not apply a specific look-back period for Eligible Green Assets. However, the Green Finance Committee assesses applications for refinancing and approves or rejects them as Eligible Green Assets based on the nature of the Project and Asset, its expected remaining lifetime and tenor.

Exclusions

Green Finance Instruments proceeds will not be allocated to Projects and Assets for which the purpose of the Eligible Projects or Assets is fossil energy production or potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels).

¹ Article 4 of the Regulation (EU) on European Green Bonds, EUR-Lex - [52021PC0391](#) - EN - EUR-Lex (europa.eu).

Eligible Green Project and Asset Categories

Renewable energy

Financing of renewable energy production facilities and supporting infrastructure, smart grids etc., from the following renewable sources:

Solar energy

The construction of facilities generating electricity using solar photovoltaic (SPV) technology, concentrated solar power (CSP) technology, and production of heat/cool from solar thermal heating.

Wind power

The construction of facilities generating electricity from offshore and onshore windpower.

Green hydrogen

The construction of facilities to manufacture green hydrogen and green hydrogensynthetic fuels.

Supportive infrastructure

Energy storage including, but not limited to, battery and hydrogen.



Target 7.2

EU Environmental Objective: *Climate change mitigation*

Energy efficiency

Financing of installation, maintenance and repair of energy efficiency equipment leading to at least 30% less energy use including, but not limited to:

- Addition of insulation to existing envelope components,
- The replacement of existing windows with new energy efficient windows, doors, light sources (such as exchanging public lamppost lights to LED), and lightning control systems,
- The installation, replacement and maintenance of heating, ventilation and cooling as well as zoned thermostats, and energy management systems,
- Low temperature district heating distribution.



Target 7.3



Target 9.4

EU Environmental Objective: *Climate change mitigation*

Green buildings

Financing of new and existing buildings as well as major renovations, including:

New buildings

Buildings (built after 31 december 2020) that have or will receive a Primary Energy Demand (PED) at least 20% more energy efficient than the level required by the national building regulation (BBR) at the investment decision. The energy performance is certified using an Energy Performance Certificate (EPC).

Existing buildings

Buildings (built before 31 December 2020) that have an Energy Performance Certification (EPC) class A or being within the top 15%² most energy efficient of the national or regional building stock expressed as operational Primary Energy Demand (PED).

Major renovations

Major renovations that achieve a reduced PED of at least 30% per square meter A-temp and year compared to the building's pre-investment level.



Target 7.3

EU Environmental Objective: *Climate change mitigation*

² Trelleborg Municipality will utilize the Swedish Property Federation's study, or guidance from an appropriate external benchmark to determine the top 15%, such report shall be issued by a national government or by an industry specialist.

Clean transportation

Financing of zero direct (tailpipe) CO₂ emission and low carbon transport solutions for public, passenger and freight purposes, including:

Sea, rail and road transport³

- Zero direct tailpipe CO₂ emissions and biofuels and/or other renewable fuels
- vehicles and public transport vehicles.

Supporting infrastructure

Infrastructure dedicated to sea, rail, and road transport, including but not limited to:

- Non-motorized mobility, such as bike lanes, and
- Electric and hydrogen charging and fueling stations



Target 11.2

EU Environmental Objective: *Climate change mitigation*

Climate Change Adaptation

Financing of climate resilience enhancements with the objective of increasing resilience to physical climate risk. Such investments include, but are not limited to:

- Multifunctional areas for stormwater collection and management,
- Sea level protection and erosion measures by means such as raising of land and creating beach areas,
- Open stormwater solutions,
- Urban heat protection measures such as tree planting.



Target 9.1



Target 11.5



Target 13.1

EU Environmental Objective: *Climate change mitigation*

Sustainable water and wastewater management

Financing of the conservation of water and/or wastewater sustainably by means including, but not limited to:

- The renewal of water and/or wastewater collection, treatment and supply systems including distribution infrastructures for domestic and industrial needs, water purification, water saving, water conservation and the re-use of water,
- Improved water efficiency through reduced leakage,
- The construction and extension of water and/or wastewater collection, treatment, sustainable urban drainage systems and supply systems.



Target 6.3
Target 6.4

EU Environmental Objective: *Climate change mitigation*

³ The trains and wagons, vessels and road transport will not be dedicated to the transport of fossil fuels

Pollution prevention and control

Financing of projects related to pollution prevention and control measures in the municipality including but not limited to:

Soil remediation

The removal of harmful substances in the soil mainly from past human activity. The conduct of a soil survey will be required to identify the harmful substances and make take necessary measures in substance removal. Emphasis is placed on the reuse of the material.

Removal of Harmful Substances

Investments in the removal and replacement of harmful substances in products, assets or projects, such as asbestos, PCBs, mould, chemicals or metals, that have been linked to negative effects on biodiversity, human health and/or the environment.

Waste Management

Investments in waste management, such as collection, prevention, reduction or recycling of waste, as well as in enabling infrastructure and facilities.



Target 11.6

EU Environmental Objective: *Climate change mitigation*

Terrestrial and aquatic biodiversity

Financing of the conservation, preservation and/or restoration of nature and biodiversity, as well as natural habitats and ecosystems including, but not limited to:

- The protection and restoration of coastal, marine and watershed environments,
- Protection and preservation of biodiversity and natural ecosystems.



Target 6.6



Target 14.2



Target 15.5

EU Environmental Objective: *Climate change mitigation*

Green Project and Asset Selection and Evaluation

Trelleborg Municipality has established a Green Financing Committee (GFC) that meets on a regular basis or when needed. The Green Financing Committee consists of members from the treasury and sustainability department as well as internal and external experts related to the Projects or Assets considered. The Green Financing Committee is responsible for:

- Evaluating the compliance of proposed Eligible Projects and Assets with the eligibility criteria outlined in the Use of Proceeds section of this Framework,
- Ensuring that the pool of Eligible Projects and Assets is aligned with the categories and criteria, as specified in the Use of Proceeds section,
- For avoidance of doubt, these Eligible Projects and Assets will also adhere to applicable laws and regulations as well as Trelleborg Municipality's established long-term plans for environmental and social sustainability,
- Replacing investments that no longer meet the eligibility criteria (e.g., following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria etc.),
- The Green Financing Committee decides on Green Eligible Projects and Assets in consensus; however, the sustainability representative has a veto-right,
- The Green Financing Committee will keep a record of meetings and decisions and approves of the Green Financing Investor Report.

Management of proceeds

An amount equal to the proceeds of any Green Financing Instrument will be separately identified within Trelleborg Municipality's treasury department, amounts identified will form an earmarked portfolio within Trelleborg Municipality's internal systems. As long as there are Green Financing Instruments outstanding, and the earmarked portfolio has a positive balance, funds may be deducted from the earmarked portfolio and added to Trelleborg Municipality's lending pool in an amount up to all disbursements from that pool made in respect of Eligible Projects and Assets. The earmarked portfolio will ensure prudent monitoring and tracking of the Eligible Projects and Assets. Trelleborg Municipality's Group Treasury team is responsible for tracking funds and allocation of proceeds. If, for any reason, an Eligible Project or Asset ceases to comply with the requirements set out in this Framework, such project will be removed from the portfolio of Eligible Projects and Assets. Proceeds not yet allocated towards Eligible Projects or Assets will be placed in the liquidity reserves and managed as such.

Reporting

To enable investors, and the general public, to follow the development and provide insight to prioritized areas, Trelleborg Municipality will provide a Green Finance Investor Report on an annual basis. The report will cover information on the allocation of proceeds and on the non-financial impact, that is the output and impacts achieved, where feasible and relevant data information is available.

Allocation reporting

- Allocated proceeds to each Project or Asset
- A summary of Green financing developments
- The outstanding amount of Green Financing Instruments
- The distribution of new financing and refinancing of approved Eligible Projects and Assets
- The year when the Eligible Project and Assets was taken into operation

Impact Reporting

The Green Finance Investor Report aims to disclose the environmental impact of the Eligible Projects and Assets financed under this Framework. This can be a complex exercise and sometimes only feasible after a certain amount of time has passed. Therefore, the impact report will include qualitative and where feasible quantitative information as well as publicly available data. The impact reporting will be measures on a best effort basis.

External Reviews

Second-Party Opinion (Pre-issuance)

Trelleborg will obtain a Second-Party Opinion from CICERO Shades of Green to confirm the alignment of this Framework with the Green Bond Principles and to assess the environmental value-added. The Second-Party Opinion will be available on Trelleborg Municipality's website www.trelleborg.se.

Third-Party Review (Post-issuance)

Trelleborg Municipality has appointed an external independent auditor to annually assure that the selection process for the financing of Eligible Projects and that the allocation of the proceeds of the Green Finance Instruments are done in accordance with Trelleborg Municipality's Green Finance Framework.

Publicly Available Documents

The Green Finance Framework, the Second-Party Opinion, and the Green Finance Investor Report will be publicly available on Trelleborg Municipality's website www.trelleborg.se.

- [Sustainability report 2022](#)
- [Sustainability report 2021](#)
- [Sustainability policy for Trelleborg Municipality](#)
- [Energy plan](#)
- [Environment Action Program](#)
- [Nature plan](#)
- [Thematic comprehensive plan: Rising seas and flood](#)
- [Climate adaptation plan](#)

Please contact hallbar.utveckling@trelleborg.se for further information

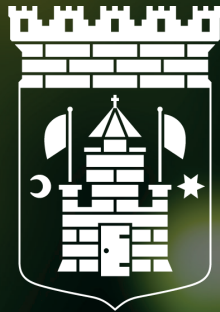


Appendix

Eligible Green Project and Asset Categories

Example indicators

Renewable energy	<ul style="list-style-type: none">• Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)• Capacity of renewable energy plant(s) constructed or rehabilitated in MW
Energy efficiency	<ul style="list-style-type: none">• Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
Green buildings	<ul style="list-style-type: none">• Energy consumption disclosure by absolute consumption (kWh) per year and intensity (kWh per m²/year)• Expected/actual energy use per green building as well as estimated saved/avoided greenhouse gas emissions when possible. Saved green house gas emission depending on saved energy is calculated in comparison to the energy grid's average green house gas emission.• % Energy demand under BBR/building
Clean transportation	<ul style="list-style-type: none">• Kilometers of constructed or improved bicycle lane• Estimated reduction in fuel consumption• Number of vehicles• Number of charging points of electricity or biofuel installed or upgraded• Annual GHG emissions reduced/avoided (tonnes of CO₂e emissions)
Climate Change Adaptation	<ul style="list-style-type: none">• Increase in area under wetland management in km²• Reduction in land-loss from inundation and/or coastal erosion in km²• Improved measures to reduce risk from adverse flooding impact
Sustainable water and wastewater management	<ul style="list-style-type: none">• Annual water savings: Annual absolute (gross) water use before and after project in m³, in % water use reduction• Annual energy savings from new technique (kWh/m³)
Terrestrial and aquatic biodiversity	<ul style="list-style-type: none">• Maintenance/safeguarding/increase of protected area/OECM/habitat in km² and in % for increase
Pollution prevention and control	<ul style="list-style-type: none">• Reduction in contaminant levels in mg contaminant/kg soil



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