

Green Bond Impact Report

Impact statement at year-end 2024

KommuneKredit
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Denmark
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Executive summary

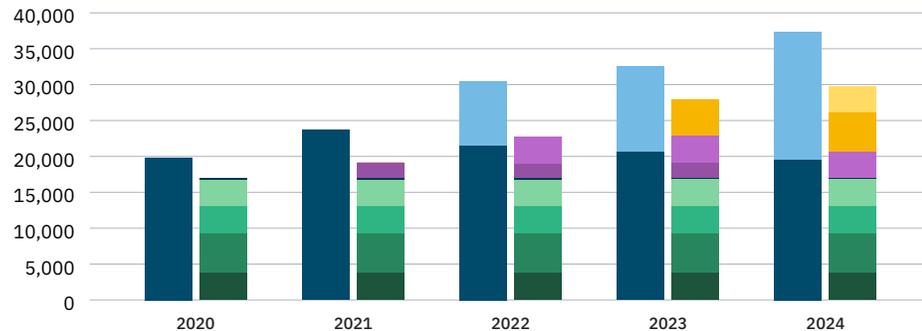
As of year-end 2024

Key facts

- This Green Bond Impact Report includes allocation as well as impact reporting.
- Each green loan is selected according to KommuneKredit's [Green Bond Framework 2022](#) (GBF 2022) or [Green Bond Framework 2017](#) (GBF 2017).
- This report covers the green loan portfolios of both Green Bond Frameworks: Green loan portfolio 2017 and Green loan portfolio 2022.
- The reported environmental impact of the green loans is based on our customers' ex-ante impact estimates to the extent data is available [Impact Reporting Methodology](#).
- The two green loan portfolios that this report covers consist entirely of green loans that are granted to Danish municipalities, regions or entities responsible for municipal or regional tasks and that are backed by a municipal guarantee.
- KommuneKredit reports on a portfolio basis in Danish kroner (DKK). Green bond issues in other currencies are translated into DKK using the exchange rate at 31 December 2024.
- KommuneKredit reports in accordance with recommendations outlined in [the Nordic Public Sector Issuers: Position Paper on Green Bond Impact Reporting \(March 2024\)](#).
- Impacts are based on the outstanding nominal value of loans.
- Separate reporting is provided for Green Bond Framework 2017 and Green Bond Framework 2022 with an emphasis on the latter throughout the report.

Green loans and green bonds

DKK million



Green loans

- Outstanding Green Loans (GBF2017)
- Outstanding Green Loans (GBF2022)

Green bonds

- EUR 500 million green bond, XS1622415674 (6,2017)
- EUR 750 million green bond, XS1851226891 (7/2018)
- EUR 500 million green bond, XS2081058096 (11/2019)
- EUR 500 million green bond, XS2226280084 (9/2020)
- AUD 40 million green bond, XS2240514336 (10/2020)
- GBP 250 million green bond, XS2400352949 (10/2021)
- EUR 500 million green bond, XS2489343793 (6/2022)
- USD 750 million green bond, XS2711552989 (10/2023)
- EUR 500 million green bond, XS2489343793 (6/2024)

Basic information

Green bond frameworks applied

The report comprises projects financed under KommuneKredit's Green Bond Frameworks dated February 2022 and March 2017.

Related green bond ISIN(s)

XS1622415674; XS1851226891; XS2081058096; XS2226280084; XS2240514336; XS2489343793; XS2711552989

Reporting approach

Portfolio-based approach. An anonymised project list is available on www.kommunekredit.com

Reporting period

1 January 2024 to 31 December 2024. The report comprises all eligible loans financed from the start of our green bond programme in 2017 until year-end 2024.

External verifier of allocation report

Deloitte Statsautoriseret Revisionspartnerselskab

Publication date

13 March 2025

Reporting frequency

Annual

Next report due

March 2026

Executive summary

[Green Bond Framework 2022](#) as of year-end 2024

CO ₂ e impact and green indicators*	CO ₂ e emissions reduced/avoided (tonnes p.a.)	Outstanding green loans (DKK million)	Impact (tonnes CO ₂ e per DKK million)
Project category			
Clean transportation	0	51	0
Green buildings	401	510	0.8
Sustainable water and wastewater management	340	4,883	0.1
Pollution prevention and control	15,192	1,020	15
Energy	137,421	10,967	13
Climate change adaptation	0	286	N/A
Total	153,355	17,717	
Outstanding green loans with reported CO₂e impact		6,476	
Impact, tonnes CO₂e per DKK million			24
Annual renewable energy generated, MWh p.a.			1,019,913
Annual energy reduced/avoided, MWh p.a.			17,243

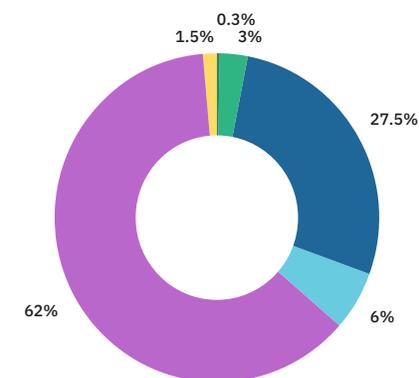
* Due to rounding, the numbers do not sum exactly to 100%.

The table presents the calculated impact in terms of CO₂e reduced or avoided. Aggregated data reported represent our customers' ex-ante estimates of the impacts of the financed projects. We report impact proportionately relative to the share of the project that we finance. Our impact calculations are based on primary physical activity data provided by customers. A conservative approach is applied in calculating the CO₂e. Our reporting methodology is presented on page 18. For an anonymised list of our green loans as of 31 December 2024, please see [list of green loans 2024](#).

Impact attributable to green bond investors	73% **
Green bond EUR 1 billion, maturing 16 May 2029, XS2489343793	42%
Green bond USD 750 million, maturing 1 November 2027, XS2711552989	30%

** Total amount of outstanding green bond divided by total outstanding green loan portfolio as of year-end 2024 under the Green Bond Framework 2022 (in DKK).

Green loan portfolio distribution



Green lean categories***

- Clean transportation
- Green buildings
- Sustainable water and wastewater management
- Pollution prevention and control
- Energy
- Climate change adaptation

*** Due to rounding, the numbers do not sum exactly to 100%.

Executive summary

Green Bond Framework 2017 as of year-end 2024

CO ₂ e impact and green indicators*	CO ₂ e emissions reduced/avoided (tonnes p.a.)	Outstanding green loans (DKK million)	Impact (tonnes CO ₂ e per DKK million)
Project category			
Clean public transportation	2,227	1,327	2
Energy efficiency	2,256	235	10
Water management	72	8,069	0
District heating	1,215,737	9,899	123
Total	1,220,292	19,530	62

* Note that the impact of the 2017 green loan portfolio is significantly higher than that of the green loan portfolio under the Green Bond Framework 2022. This is particularly attributable to differences in impact calculation, see [Impact Reporting Methodology](#). In relation to the green loan portfolio under the Green Bond Framework 2022, impact calculations are based on primary physical activity data provided by customers. A conservative approach is applied in calculating the CO₂e. For the 2017 portfolio, the CO₂e is reported directly by customers.

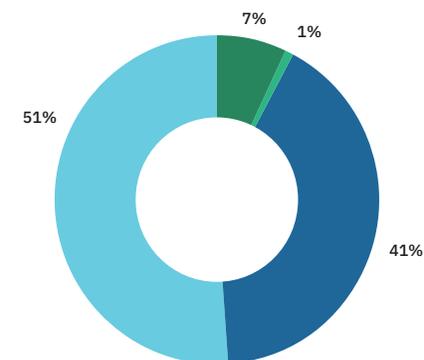
The table above presents the calculated impact in terms of CO₂e reduced or avoided. Aggregated data reported represents ex-ante estimates.

For an anonymised list of our green loans as of 31 December 2024, please see [list of green loans 2024](#).

Impact attributable to green bond investors	87%**
XS1622415674	19%
XS1851226891	29%
XS2081058096	19%
XS2226280084	19%
XS2240514336	1%

** Total amount of outstanding green bonds divided by total outstanding green loan portfolio under the Green Bond Framework 2017 (in DKK).

Green loan portfolio distribution



Green lean categories

- Clean public transportation
- Energy efficiency
- Water management
- District heating

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About this report

This Green Bond Impact Report includes allocation and impact reporting on KommuneKredit's green bonds and examples of green loan cases. As used in this report, the term 'green loans' refers to the financing or refinancing, through loans or finance leases, in whole or in part, of investments undertaken by the customer that promote the transition towards a low-carbon, climate-resilient and environmentally sustainable society – in each case as determined by KommuneKredit and KommuneKredit's Green Bond Committee in accordance with the green loan categories defined in our [Green Bond Framework 2022](#).

We align our reporting with [Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting \(March 2024\)](#). We apply a portfolio-based approach, reporting on impact on an aggregated level, as well as provide an anonymised [List of Green Loans](#) financed under our frameworks as of 31 December 2024.

Get in touch

We welcome any comments, suggestions or questions you may have regarding this report or our performance. Please send an email to bf@kommunekredit.dk.

Stay up to date on the most recent developments at kommunekredit.com and follow KommuneKredit on [LinkedIn](#).

About KommuneKredit

KommuneKredit was established by Act No. 35 of 19 March 1898 as most recently amended by Act No. 405 of 25 April 2023 on the Credit Institution for Local and Regional Authorities in Denmark (*lov om Kreditforeningen af kommuner og regioner i Danmark*). The Act lays down the framework for KommuneKredit as a special-purpose credit institution. KommuneKredit's statutory purpose is to provide loans and finance leases to local and regional authorities and other entities undertaking public tasks when the loan is guaranteed by a municipality or region. KommuneKredit is subject to some of the same requirements and supervisory frameworks that apply to private credit institutions. However, the supervisory frameworks are adapted to our special activities and the limited risks that we assume. The responsibility for the financial supervision of KommuneKredit is entrusted to the Danish Financial Supervisory Authority (*Finanstilsynet*). In addition, the Minister for Industry, Business and Financial Affairs has appointed an auditor to oversee that KommuneKredit's lending is in keeping with the rules applicable to the borrowing of municipalities and regions and the delimitation of KommuneKredit's customer group as set out in the Act.

For more information about our regulatory framework, see our Annual Report and our [website](#), respectively.

Introductory remarks

The strong climate ambitions of our members, Danish municipalities, regions and associated entities, reflected in our green loan portfolio, which continued to grow in 2024.



By year-end, we had approved a total of 1,193 outstanding green loans with a total value of DKK 37.2 billion, which equals 24.7* per cent of our lending. Our strategic objective to increase the share of green loans to at least 25 per cent by 2025 has thus almost been reached.

In the past year, we tapped our EUR 500 million May-2029 green bond benchmark by an additional 500 million, to reach EUR 1 billion. The bond was originally issued in June 2022. By year-end 2024, we had issued a total of DKK 29.8 billion in green bonds, and green bonds made up 12 per cent of our total issued bonds. The estimated impact attributable to the green loans under our Green Bond Framework 2022 portfolio is an annual carbon emission reduction or avoidance of more than 150,000 tonnes of CO₂e per year.

In 2020, the Danish Parliament adopted the [Danish Climate Act](#) (*klimaloven*), which contains a binding national objective to reduce carbon emissions by 70 per cent by 2030 compared to 1990 levels. Our members, municipalities and regions in Denmark and associated entities such as utilities within district heating and water and wastewater management play an important role in reaching this national climate target. All Danish municipalities have developed [climate action plans](#) that aim to reduce emissions and enhance climate resilience in line with the Paris Agreement, ultimately striving for net-zero emissions by 2050 and supporting the Danish Government's 70 per cent reduction target. The utility sector, which accounts for the bulk of our green lending portfolio, also has strong climate ambitions. For example, the [water sector](#) and the [district heating sector](#) aim at climate neutrality in 2030.

I am pleased that we can support the climate ambitions of our members through our financing. Climate protection of our cities and coasts, energy efficiency improvements of public buildings and the continued rollout

of district heating are some notable examples that we expect will require significant investments in the coming years.

The Danish Climate Act specifies that at least every five years, the Minister for Climate, Energy and Utilities must set a national climate target that must not be less ambitious than the most recent objective set. This means that the Danish government must present a new ambitious climate target for 2035 by 2025 at the latest. At KommuneKredit, we will monitor the development closely, in particular how a new national target may affect the investment activities of our members and affiliated entities. The challenges we face as a society suggest that there will be a significant need for green investments in the years to come. This, in my view, implies that the foundation for our continued presence in the green bond market is very strong.

Henrik Andersen
Managing Director,
Member of the Management Board and
Chairman of KommuneKredit's
Green Bond Committee

* Calculated as the share of the outstanding nominal value of approved green loans of the outstanding nominal value of fixed-term loans excluding construction credits, our portfolio of leases and bond loans as of 31 December 2024.

Our green finance history

Since our first green bond issue in 2017, we have consistently maintained our commitment to developing of the green bond market and to financing our customers' green loan investments.



Green bonds

We have issued green bonds on an annual basis since our inaugural green bond in 2017. In June 2024, we tapped our EUR 500 million May-2029 green bond benchmark by an additional 500 million. The tap was our ninth green bond issue and gave us the opportunity to increase the circulating amount of this green bond from EUR 500 million to EUR 1 billion.



Total green bonds

29.8

DKK billion



Green bond ratio

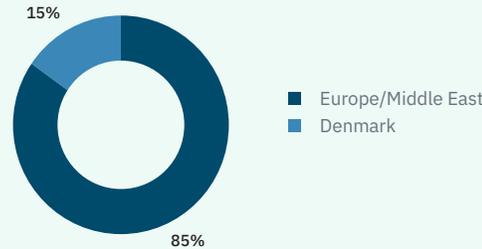
12%

Share of total funding

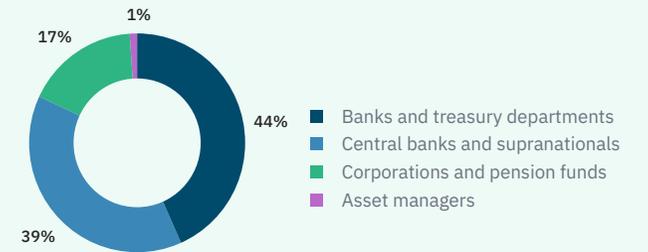
Investor distribution

EUR million green bond issued on 25 June 2024, ISIN: XS2489343793

Investor geography



Investor type



Outstanding green bonds

ISIN	Size (million)	Issue date	Maturity	Coupon (%)	Green Bond Framework
XS1622415674	EUR 500	1 June 2017	18 May 2027	0.75	2017
XS1851226891	EUR 750	5 July 2018	5 July 2028	0.75	2017
XS2081058096	EUR 500	19 November 2019	21 November 2039	0.625	2017
XS2226280084	EUR 500	3 September 2020	26 September 2040	0.125	2017
XS2240514336	AUD 40	2 October 2020	1 October 2032	1.336	2017
XS2400352949	GBP 250	20 October 2021	15 August 2024	0.75	2017
XS2489343793	EUR 500	8 June 2022	16 May 2029	0.015	2022
XS2711552989	USD 750	1 November 2023	1 November 2027	0.051	2022
XS2489343793 – TAP	EUR 500	25 June 2024	16 May 2029	0.015	2022

Green loans

In 2024, green loans accounted for 26 per cent of all KommuneKredit’s new fixed-term loans. 188 green loans of a total value of DKK 6.2 billion were included in the green loan portfolio in 2024.



Total green loans

32.7

DKK billion



Green loan ratio*

24.7%

Share of total funding

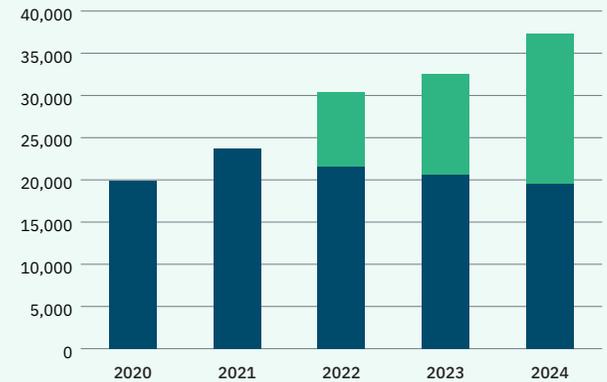
* Calculated as the share of the outstanding nominal value of approved green loans of the outstanding nominal value of fixed-term loans excluding construction credits, our leasing portfolio and bond loans as of 31 December 2024.

At year-end 2024, we had 1,193 outstanding green loans and our green loan ratio was 24.7 per cent. In December 2021, the ambition to increase the share of green loans to at least 25 per cent by 2025 was approved by our Board of Directors. Thus, we are close to reaching this target.

We expect that our green loan portfolio will continue to increase as investment requirements to meet climate and environmental challenges, such as increasing volumes of rainwater, rising sea levels and storm surges, persist. Finally, as noted in the introductory remarks of this report, our members and associated entities generally have strong green ambitions, which also suggests a continued solid green loan pipeline.

Outstanding green loans 2020-2024

DKK million



- Outstanding green loans – Green Bond Framework 2017
- Outstanding green loans – Green Bond Framework 2022



Financing and refinancing of green loans

KommuneKredit uses the net proceeds from green bonds to finance both new and existing green loans within our six green loan categories. KommuneKredit pre-finances green loans until the total disbursed green loan volume enables a green bond issue and as such deploys a bottom-up approach to

green financing. We report on the share of new financing and refinancing by aligning with the [Nordic Position Paper](#) approach (amounts allocated to projects during and before the year of reporting).

Our Green Bond Framework 2022 does not establish a look-back period. The loans included in our portfolio in 2024 are loans from the period 2022-2024.

2024 in review



Green loans

188

outstanding green loans totalling DKK 6.2 billion approved in 2024

1,193

outstanding green loans of DKK 37.2 billion in total at year-end 2024

24.7%

green loan ratio



Green bonds

1

green bond issuance of EUR 500 million in line with the Green Bond Framework 2022 in 2024

29.8

DKK billion green bonds in total at year-end 2024

12%

green bond ratio

KommuneKredit's green loan portfolio 2024 – finance and refinance

Approach	Nordic Position Paper	
Definition	<i>Financing:</i> Committed volume of green loans during the reporting year.	<i>Refinancing:</i> Committed volume of green loans before the reporting year.
Share of our green loan portfolio	23%	77%

Green loan categories

Our [Green Bond Framework 2022](#) has an overall Medium Green shading and includes green loans across six eligible categories ranging from Dark to Light Green according to our second-party opinion provider, CICERO Shades of Green, now S&P Global Ratings, as illustrated on this page.

Shades of Green



Dark Green corresponds to the long-term vision of a low-carbon and climate-resilient future.



Medium Green represents steps towards the long-term vision, but not quite there yet.



Light Green is climate friendly, but does not represent or contribute to the long-term vision.



Energy

Lending for investments in and ongoing maintenance of distribution infrastructure, new investments and maintenance of clean energy generation and associated technological solutions providing customers with district heating as well as products based on renewable energy.



Sustainable water and wastewater management

Lending for investments in and ongoing optimisation of facilities for the collection, treatment, supply, purification and/or utilisation of water and wastewater of different quality and origin to improve water loss management, reduce energy consumption and carbon emissions, improve health measures or secure and optimise the water supply in Denmark.



Pollution prevention and control

Lending to support the transition to a circular economy, waste management, reduction, sorting and recycling. The category also includes waste-to-energy following the principles of the waste hierarchy and potential investments in removal technologies, such as capture and integration of carbon.



Green buildings

Lending for construction and renovation purposes, acquisition and ownership of energy-efficient buildings as well as renewable energy technologies and energy efficiency equipment.



Clean transportation

Lending for investments in zero-emission transport assets, systems and infrastructure which facilitate the electrification of infrastructure and associated subsystems as well as a shift from private transport to increased use of public transport. The category includes land and water transport.



Climate change adaptation

Lending for investments that improve the resilience of local communities to current and expected future climate change, strengthen the resilience to climate-related hazards and natural disasters and reduce the negative impact and vulnerability of people, nature and/or assets.

Project portfolio summary

Project category	Sustainable Development Goals	EU environmental objectives	Total # projects	Green loans, outstanding DKKm*	Renewable energy production (MWh/year)	Energy reduced/ avoided (MWh/year)	CO ₂ e emissions reduced/ avoided p.a.	Impact, tCO ₂ e per DKKm
Clean transportation		Climate change mitigation	2	51	0	0	0	0
Green buildings		Climate change mitigation	39	510	0	3,446	401	0,8
Sustainable water and wastewater management		Sustainable use and protection of water and marine resources	202	4,883	4,236	161	340	0,1
Pollution prevention and control		Transition to a circular economy, pollution prevention and control	54	1,020	0	0	15,192	15
Energy		Climate change mitigation	321	10,967	1,015,676	13,636	137,421	13
Climate change adaptation		Climate change adaptation	18	286	0	0	0	N/A
Total			636**	17,717	1,019,913	17,243	153,355	
Disbursements with quantified CO ₂ impact, DKKm								6,476
Share of disbursements with quantified CO ₂ impact								37%***

The table presents a summary of the green loan portfolio under the Green Bond Framework 2022 at year-end 2024.

* This allocation reporting has been subject to limited assurance. See Independent Auditor's Assurance Report on pages 19-20.

** Figures have been rounded to the nearest whole figure, therefore totals do not necessarily sum to exactly 100 per cent.

***A major part of the green loans within the category Sustainable water and wastewater management is not currently quantified in terms of CO₂e impact.

Assessment against the EU Taxonomy

We have attempted to make a cautious estimate of the taxonomy alignment of our green loan portfolio at a generic level.

Additionally, Cicero Shades of Green, now S&P Global Ratings, conducted a light-touch taxonomy assessment of the framework as

part of the second-party opinion, focusing on Substantial Contribution (SC) of the climate change mitigation objective. Based on this assessment of eligible project types and their likelihood of alignment with the relevant EU Taxonomy SC criteria, a cautious estimate of the taxonomy alignment of our green loan

portfolio under the 2022 Green Bond Framework suggests that 69 per cent is likely aligned.

We perform our EU taxonomy assessment for transparency purposes and on a voluntary, preliminary and best effort basis.

> Information about our special status is available on our website

“A cautious estimate of the taxonomy alignment of our green loan portfolio under the 2022 Green Bond Framework suggests that 69 per cent is likely aligned.”

Alignment	Volume (DKK million)	Share
Likely aligned	12,212	69%
Likely partially aligned	151	1%
Likely not aligned	3,829	22%
Not covered	1,526	9%
Total	17,717	100%*

* Figures have been rounded to the nearest whole figure, therefore totals do not necessarily sum to exactly 100 per cent.

The table shows likely green loan portfolio 2022 alignment against the SC of the climate change mitigation objective in the EU taxonomy at year-end 2024.



CASE

Climate change adaption

Enø, a small island near Karrebæksminde in the Municipality of Næstved, is a cherished vacation destination, attracting thousands of visitors each year. With its scenic beaches and summerhouses, the island is a highly beloved retreat for many — but also highly vulnerable to rising sea levels and storm surges. Without intervention, increasing water levels and erosion could put large parts of Enø at risk.

To safeguard the island, a coastal protection project was launched. The initiative includes the construction of dikes and storm surge barriers as well as sand replenishment, strengthening Enø's coastline and preventing future flooding. These measures will protect approximately 750 properties and ensure long-term resilience against extreme weather events and sea level rises of up to 2.5 meters. Beyond physical protection, the project is securing Enø's role as a safe and attractive destination for both residents and visitors. By reinforcing natural defenses and adapting to climate change, Enø remains a thriving coastal community. With financing from KommuneKredit approved in 2024, this initiative ensures that future generations can continue to enjoy Enø's unique landscape and coastal heritage.

Loan amount and purpose

- DKK 23.75 million disbursed as a green loan to Enø Digelaug, partly financing the protection against storm surges. The loan accounts for 83 per cent of the total estimated project costs of DKK 40 million.

Expected environmental impact

- Flood prevention by constructing dikes that protect homes, roads and essential infrastructure from storm surges.
- Erosion control through sand replenishment, strengthening the coastline and reducing the risk of land loss.



Photo: NIRAS



CASE

Energy

DIN Forsyning, a utility, contributes to Denmark's transition to sustainable district heating by replacing coal-fired heating with two seawater heat pumps, a biomass boiler and an electric boiler. This initiative will provide more sustainable, secure and flexible heating for nearly 100,000 residents in Esbjerg, Varde and Nordby on the west coast of the Jutland peninsula.

Following the decision made by the Danish Energy Agency's (*Energistyrelsen*) in 2018 to shut down the Esbjerg power plant, DIN Forsyning has developed a new heating production facility at Esbjerg Port. The facility is the world's two largest CO₂-based seawater heat pumps, with a capacity of up to 70 MW.

Designed for flexible operation, the system adjusts to electricity price fluctuations to maximise both economic and environmental benefits. A 60 MW biomass boiler, fueled by 100% certified sustainable wood chips, ensures reliability, while a 40 MW electric boiler capitalises on surplus electricity when available.

As a groundbreaking initiative, the seawater heat pump has garnered international attention. By integrating multiple renewable

technologies, DIN Forsyning not only replaces fossil fuels but also ensures that district heating remains resilient and adaptable to future energy demands.

Loan amount and purpose

- DKK 800 million disbursed green loan for the establishment of a seawater heat pump, biomass boiler and electric boiler.

Expected environmental impact

- Major CO₂ reduction by replacing coal with renewable heating technologies.
- Improved air quality through the elimination of coal combustion.
- Greater energy resilience by integrating flexible, demand-responsive heating solutions.
- Sector integration to utilise surplus energy and heat that would otherwise go to waste.



Photo: DIN Forsyning





CASE

Sustainable water and wastewater management

Hjørring Vandselskab, a water utility, is pioneering groundwater protection through strategic land acquisition. The utility has purchased 180 hectares (1.8 million m² / 445 acres) of agricultural land to secure clean drinking water for future generations. The initiative ensures that groundwater extraction areas remain free from activities that could compromise water quality, and it seems to be the most cost-effective way to ensure clean drinking water for future generations.

The purchase marks a milestone in a broader effort to protect groundwater resources in Northern Jutland. In total, Hjørring Vandselskab aims to acquire 650 hectares (6.5 million m² / 1,606 acres) of land to safeguard four key groundwater extraction zones, representing just under 1% of the municipality's agricultural land. Stakeholder collaboration has been key to the success of the project. The utility engaged in early dialogue with local farmers and the agricultural association and Agillix, an agricultural association and consultancy (previously LandboNord), to ensure agreements that benefit the involved parties. Some landowners have sold their land, while others have opted for land swaps or leasing arrangements that

support sustainable farming practices compatible with groundwater protection.

Loan amount and purpose

- DKK 47.5 million disbursed green loan for land acquisition to protect groundwater resources.
- Net cost per household or company in the municipality: DKK 55 a year.

Expected environmental impact

- Long-term safeguarding of groundwater quality.
- Reduction of potential contamination risks.
- Increased supply security for drinking water.



Photo: Getty Images



CASE

Green buildings

The Municipality of Halsnæs, located in the Capital Region of Denmark on the northern coast of Zealand, is taking proactive steps to future-proof its buildings through energy renovations — an essential task for many municipalities. In Denmark, 65 per cent of municipal buildings were built before 1980, and many fall short of modern energy efficiency standards. The Municipality of Halsnæs has launched an ambitious renovation programme to reduce energy consumption and enhance building performance. Key upgrades include new windows and doors, improved insulation, energy-efficient lighting and modernised ventilation systems. These efforts have led to lower energy costs, reduced CO₂ emissions and a healthier indoor climate.

Beyond financial and environmental benefits, the project fosters a culture of sustainability. As teachers, students and staff experience the improvements firsthand, they become more engaged in energy-conscious behavior. The Municipality of Halsnæs proves that energy renovations are not just about cutting costs — they create healthier, more efficient spaces for the community while setting a strong example for the future.

Loan amount and purpose

- DKK 23.75 million disbursed as a green loan to the Municipality of Halsnæs, partly financing the energy-saving measures for the municipality's buildings. The loan accounts for 57 per cent of the total estimated project costs of DKK 41.4 million.

Expected environmental impact

- Lower energy consumption by improving insulation, ventilation and lighting efficiency.
- Improved indoor climate with better air quality and temperature regulation.
- Long-term cost savings through reduced energy demand and operational efficiency.



Photo: Unsplash

Green financing governance

KommuneKredit and our Green Bond Committee, see page 17, uphold the governance of our Green Bond Framework 2022, and the Committee is responsible for approving loans or finance leases as green and pursuant to the green loan criteria of our Green Bond Framework.

In 2024, 196 loans were in scope as potential green loans. Following our process of evaluating and selecting eligible green loans, 188 of these loans formed part of the green loan portfolio under the 2022 Green Bond Framework at the time of reporting.

Management of proceeds

We build our portfolio of green loans prior to issuing green bonds. For the avoidance of doubt, green loans financed under our Green Bond Framework 2017 constitute a separate portfolio: our green loan portfolio 2017.

An independent external party conducts an annual review of the allocation reporting in line with the Green Bond Framework 2022, see pages 19-20.

Process of evaluating and selecting eligible green loans



1

Potential green loan

Customers contact KommuneKredit with a request for a loan or a lease proposal. Our Customer Department will, in their review, consider if the customer application could potentially meet the criteria of a green loan. If so, it is given the status of a potential green loan.



2

Green loan form

Customers with a potential green loan are notified by our Customer Department and asked to submit a standardised green loan form for the relevant green loan category. If further information is required, our Sustainable Finance team will contact the customer to obtain the necessary information.



3

Preliminary green loan

Our Sustainable Finance team evaluates whether the potential green loan complies with the green loan categories presented in our Green Bond Framework. If a loan is considered to meet the eligibility criteria, the loan is given the status of a preliminary green loan.



4

Eligible green loans

A list of preliminary green loans is presented to our Green Bond Committee, which meets two to four times a year or as considered necessary. It requires a consensus decision by the Committee to include a green loan in the portfolio and make it available for green bond funding, *i.e.*, giving each Committee member the right of veto.

Green Bond Committee

KommuneKredit’s Green Bond Committee is mandated to approve or reject the preliminary green loans presented to them in line with the Green Bond Framework 2022.

The Committee has five members, three of whom are external experts. The Committee also has two alternate internal members. The external members have expert knowledge of the sectors proposed to be eligible for loans under the framework, including extensive knowledge of environmental matters, climate change and/or climate adaptation.

In 2024, the Committee convened three times to discuss preliminary green loans resulting in 188 new outstanding loans pursuant to our Green Bond Framework 2022. More than 90 per cent of the loans approved in 2024 were within the energy and the sustainable water and wastewater management categories in terms of both lending volume and number of loans.

More information

For more details on our green loans, please see the anonymised [list of green loans 2024](#).



Members of our Green Bond Committee

External voting members



Carl Hellmers
CEO, Fredericia Utility



Hans-Martin Friis Møller
Principal Consultant,
Kalundborg Utility



Trine Lindegaard Holmberg
CEO, ARGO

Internal voting members



Henrik Andersen, Chairman
Managing Director



Guðrið Weihe
Head of Sustainable Finance

Green Bond Committee secretariat

Coordinator



Louise Rosentoft
Senior Funding & IR Manager

Internal alternate members



Lasse Pinderup Nygaard
Sustainable Finance Manager



Helle Winther
Sustainable Finance Manager

Reporting methodology

KommuneKredit is committed to providing transparent reporting annually and until the maturity of the green bonds issued.

In alignment with our Green Bond Framework 2022, our reporting for the 2024 green loan portfolio includes both allocation and impact reporting for the purpose of demonstrating the expected environmental impact of green loans financed through the issuance of green bonds. Allocation reporting is based on the entire green loan portfolio while the relative attributed share of each green bond issued can be found on pages 3 and 4. The impact indicators applied are selected based on an analysis of relevance to our green bond investors.

More information

For more details, please see our [Green Bond Framework 2022](#) and [Impact Reporting Methodology paper](#).

Allocation reporting includes:

- A summary of developments of our green-bond portfolio.
- The outstanding amount of green bonds issued, presented by type of green loan category.
- The distribution between new financing and refinancing.
- The total aggregated proportion of green bond net proceeds used by green loan category.
- The mapping of the contribution to the EU environmental objectives by loan category.

Impact reporting includes:

- A list of green loans, including allocated amounts and brief project descriptions.
- A selection of project examples financed under the green bond framework.
- The associated environmental impact of the green loans based on KommuneKredit's share as well as which environmental objectives that the green loans will support.



Key reporting principles

- We follow the impact reporting principles of the Nordic Public Sector Issuers: Position Paper on Green Bond Impact Reporting (March 2024).
- We calculate CO₂e emissions using scope 1 and scope 2 as defined by the Greenhouse Gas Protocol.
- We apply a conservative approach to the selection and calculation of emission baselines.
- We report on the impact share that is attributable to KommuneKredit's financing.
- We apply a portfolio approach.
- We provide an impact assessment subject to the reservation that not all related data can be obtained and that the reported impact is reliant on our customers' ex-ante estimate of physical activity data.

Management statement

The Green Bond Impact Report 2024 has been prepared in accordance with KommuneKredit's Green Bond Framework 2022 issued on 28 February 2022 (the Green Bond Framework). In our opinion, the Green Bond Impact Report 2024, including the allocation of green loans, provides a true and fair view of the use of proceeds for the year ended 31 December 2024. Further, in our view, the use of proceeds as reflected in the outstanding green loans, DKK 17,717 million as presented in the green loan project portfolio summary on page 3, was allocated, in all material respects, in accordance with the Green Loan Eligibility Criteria of the Green Bond Framework and the process for Project Evaluation and Selection.

Independent Auditor's Assurance Report on green bond allocation reporting

To the stakeholders of KommuneKredit

KommuneKredit has engaged us to provide limited assurance on green bond allocation reporting included in column 'Green loans outstanding, DKK million' in the Project portfolio summary (hereinafter referred to as 'the Allocation report') for the year ended 31 December 2024, presented on page 12 in the 2024 Green Bond Impact Report. The Allocation report was prepared to report on the allocation of green loans in accordance with the Green Bond Framework and accordingly, our report may not be suitable for another purpose. Our assurance engagement was limited to assessing the accuracy of the allocation of the outstanding green loans. Other than described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Green Bond Impact Report and accordingly, we do not express an opinion on this information.

Management's responsibility

Management of KommuneKredit is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the data and information in the Allocation report, ensuring it is free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective criteria for preparing the Allocation report as described in the Green Bond Framework 2022 on pages 16-18 and for measuring and reporting the allocation of outstanding green loans based on the Green Bond Framework 2022, including the allocation of outstanding green loans in accordance with the process for project evaluation and selection on page 16 (hereinafter referred to as 'the Applicable criteria').

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Allocation report is free from material misstatement, whether due to fraud or error, and prepared, in all material respects, in accordance with the Applicable criteria;

- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the stakeholders of KommuneKredit.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objec-

tivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement in the Allocation report. To do so, we have:

- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for assessing the use of the proceeds, measuring, recording and reporting the allocation data;
- on a sample basis, reviewed evidence to check the accuracy of the allocation of outstanding green loans in accordance with the Applicable criteria as set out in the Green Bond Framework 2022;
- performed analytical review of the data and trends to identify areas with significant risk of misleading or unbalanced information and obtained an understanding of any explanations provided for significant variances;
- made inquiries regarding significant developments in allocation;
- considered the presentation and disclosure of outstanding green loans included in the Allocation report; and
- evaluated the evidence obtained.

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us not to believe that the Allocation report for the year ended 31 December 2024, presented on page 12, has been prepared, in all material respects, in accordance with the Applicable criteria as set out in the Green Bond Framework 2022.

Copenhagen, 13 March 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56



Jens Ringbæk
State Authorised
Public Accountant
MNE no 27735



Mads Stærdahl Rosenfeldt
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