Second-Party Opinion

Jönköping Municipality Green and Blue Bond Framework

Second-Party Opinion
Reviewed by:
MORNINGSTAR | SUSTAINALYTICS

Evaluation Summary

Sustainalytics is of the opinion that the Jönköping Municipality Green and Blue Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Climate Change Adaptation, Sustainable Water and Wastewater Management, Green Buildings, and Pollution Prevention and Control – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, 11, 12 and 13

PROJECT EVALUATION AND SELECTION Jönköping Municipality's Green and Blue Bond Working Group, consisting of representatives from the administration, finance and sustainability units of its municipal companies, will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. Jönköping Municipality has in place policies and governing documents to identify and manage potential environmental and social risks associated with the eligible projects. It also ensures that all investments under the Framework align with Swedish national environmental and social regulations. Sustainalytics considers the project selection process to be in line with market practice.

MANAGEMENT OF PROCEEDS Jönköping Municipality's Finance department will manage the proceeds through an internal tracking spreadsheet on a portfolio basis. Jönköping Municipality intends to allocate proceeds within 12 months of issuance. Pending full allocation, any unallocated proceeds will be retained among Jönköping Municipality's liquidity reserves as cash or cash equivalent. This is in line with market practice.

REPORTING Jönköping Municipality will publish an allocation and impact report on its website annually until full allocation and in the case of any material developments. Jönköping Municipality's allocation reporting will include details such as the amounts of outstanding green and blue bonds; the split between financing and refinancing; the breakdown of eligible projects by category; a description of selected eligible projects; and the share of unallocated proceeds. Jönköping Municipality may obtain an annual external verification on the allocation of proceeds. Sustainalytics views Jönköping Municipality's allocation and impact reporting as aligned with market practice.

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Issuer Location	Jönköping, Sweden

Report Sections

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Introduction

Jönköping Municipality ("Jönköping" or the "Municipality") is in southern Sweden with its seat in the city of Jönköping. As of 31 December 2024, the Municipality consisted of 17 urban areas and had a population of 147,654.[1]

Jönköping has developed the Jönköping Municipality Green and Blue Bond Framework, dated May 2025, (the "Framework") under which it intends to issue unsecured green and blue bonds including private placements,[2] and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are intended to contribute to the municipality's sustainability transition. The Framework defines eligibility criteria in the following areas:

1. Renewable Energy
2. Energy Efficiency
3. Climate Change Adaptation
4. Sustainable Water and Wastewater Management
5. Green Buildings
6. Pollution Prevention and Control

Jönköping engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).[3] The Framework will be published in a separate document.[4]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[5] opinion on alignment of the Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA.
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with representatives of Jönköping to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Jönköping representatives have confirmed that: (1) they understand it is the sole responsibility of Jönköping to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with it.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Jönköping.

Sustainalytics' Second-Party Opinion assesses alignment of the Framework with market standards but provides no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the issuer.

[1] Jönköpings kommun, "Befolkningsstatistik", at: https://www.jonkoping.se/kommun--politik/fakta-kartor-och-statistik/fakta-och-statistik/befolkningsstatistik
[2] Jönköping confirmed that private placements are limited to debt placement.
[3] The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/.
[4] The Jönköping Municipality Green and Blue Bond Framework will be available on Jönköping's website at: https://www.jonkoping.se/kommun--politik/sa-styrs-var-kommun/ekonomi-och-budget/finansforvaltning-och-rating
[5] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee their realized allocation towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Jönköping has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Jönköping Municipality Green and Blue Bond Framework

Sustainalytics is of the opinion that the Jönköping Municipality Green and Blue Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories – Renewable Energy, Energy Efficiency, Climate Change Adaptation, Sustainable Water and Wastewater Management, Green Buildings and Pollution Prevention and Control – are aligned with those recognized by the GBP.
  - Jönköping has defined a look-back period of five years for its refinancing activities and confirmed that all financing under the Framework will be limited to capital expenditure.
  - Under the Renewable Energy category, Jönköping may finance or refinance the acquisition, development, construction, installation and operation of renewable energy generation facilities and related infrastructure in accordance with the following criteria:
    - Onshore solar power generation from solar photovoltaics technology.
    - Onshore wind power generation.
    - Hydropower power generation through one of the following:
      - Run-of-river plants without an artificial reservoir.
      - Facilities with a power density above 5 W/m².
      - Facilities with life cycle GHG emissions below 100 gCO_2e/kWh.
      - Sustainalytics notes that Jönköping has defined the estimated reservoir emissions intensity threshold at below 100 gCO_2e/kWh. However, considering the longevity of hydropower assets, newly constructed facilities effectively lock in energy generation for an extended period, favouring lower thresholds for new facilities. Sustainalytics encourages Jönköping to favour projects with emissions intensities below the 50 gCO_2e/kWh threshold.
      - Jönköping has confirmed to Sustainalytics that a credible body will conduct an environmental and social impact assessment for each project, ensuring no significant risks, controversies, or expected negative impacts. Projects associated with controversies will be excluded from financing.
    - Sustainalytics considers the expenditures under this category to be aligned with market practice.
  - Under the Energy Efficiency category, Jönköping may finance or refinance the following:
    - Transmission and distribution infrastructure within the Swedish electricity system, which is part of the interconnected European electricity network. Sustainalytics notes that the emissions intensity of electricity generation in Sweden is lower than 100 gCO_2e/kWh.[6]
    - Construction, operation and refurbishment of district heating and cooling distribution networks, including pipelines and associated infrastructure. An eligible distribution network is powered by at least 50% renewable energy, 50% waste heat or 50% of a combination of both. Jönköping has confirmed that it will exclude projects with waste heat from fossil fuel production and operations.

[6] The emissions intensity of electricity generation in Sweden was 8 gCO_2e/kWh in 2023, 22 gCO_2e/kWh in 2010, 17 gCO_2e/kWh in 2000 and 10 gCO_2e/kWh in 1990. European Environment Agency, "Greenhouse gas emission intensity of electricity generation in Europe", at: https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emission-intensity-of-1

        - Battery energy storage facilities that are connected to renewables, or a grid that meets one of the following criteria:
            - More than 90% of the electricity that the grid transmits is renewable electricity.
            - More than 67% of newly enabled generation installed capacity in the grid is below the emissions threshold of 100 gCO_2e/kWh, measured on a life-cycle basis, over a rolling five-year period.
            - The average grid emissions factor is below the threshold of 100 gCO_2e/kWh, over a rolling five-year period.
        - Sustainalytics considers these expenditures to be aligned with market practice.
- Under the Climate Change Adaptation category, Jönköping may finance or refinance physical or nature-based adaptation solutions including:
    - Outdoor environment design, such as planting trees or elevating the ground level to prevent flooding risks. One such example is the Municipality's investment in Skeppsbro park to raise the ground level and introduce erosion protection measures against the rising water levels in Södra Munksjön.[7]
    - Projects that enhance the resilience of water-related infrastructure.[8]
    - All projects will be supported by a vulnerability assessment identifying the relevant physical risks and an adaptation plan outlining the implementation of measures to address these risks.
    - Sustainalytics considers these expenditures to be aligned with market practice.
- Under the Sustainable Water and Wastewater Management category, the Municipality may finance or refinance the following projects:
    - Construction and extension of water and wastewater collection, treatment and supply systems.
    - Upgrades in existing infrastructure for water supply and wastewater systems, including distribution networks, water purification systems, water savings and conservation measures, reuse of water, and water and wastewater pump stations.
    - Urban stormwater management systems and associated subsystems.
    - Measures to improve water efficiency, such as replacing leaking pipes with new ones.
    - Jönköping has confirmed that i) treatment of wastewater from fossil fuel operations and ii) projects associated with controversial sectors such as industrial-scale livestock operations will be excluded from financing.
    - Sustainalytics considers the expenditures under this category to be aligned with market practice.
- Under the Green Buildings category, Jönköping may finance or refinance the construction, acquisition, ownership and renovation of office, industrial, commercial and school buildings, and building energy efficiency measures, according to the following criteria:
    - New buildings with building applications filed after 31 December 2020 that meet the following criteria:
        - The building: i) has a primary energy demand (PED) at least 10% lower than the local requirements for nearly zero-energy buildings (NZEB); or ii) meets the requirements of Miljöbyggnad Silver or better.
        - Buildings larger than 5,000 square metres undergo testing for air tightness and thermal integrity, and the life cycle Global Warming Potential (GWP) resulting from the building construction is calculated for each stage in the life cycle.
    - Existing buildings with building applications filed before 31 December 2020 that have: i) an Energy Performance Certificate (EPC) class A; or ii) a PED within the top 15% of national or regional building stock.
    - Renovations that achieve at least 30% primary energy savings compared to the pre-renovation levels within three years, as validated by an EPC upon completion. Additionally, if the building meets the criteria outlined above for existing buildings after the renovation, the total market value of the building will be financed. Otherwise, financing will be limited to the renovation cost.
    - Installation, maintenance and repair of energy efficiency technologies and equipment in buildings according to the following criteria:

[7] Södra Munksjön Utvecklings AB, "Översvämning vid Södra Munksjön", at: https://www.sodramunksjon.se/nyhetsartiklar/2024-04-10-oversvamning-vid-sodra-munksjon.html
[8] Jönköping has confirmed that there will be no double counting of eligible projects under the Climate Change Adaptation and Sustainable Water and Wastewater Management categories.

    - Energy efficiency equipment, including insulation, energy efficient windows, doors, lights and heating and ventilation, and low water and energy consuming household appliances. Jönköping has confirmed that financing will be limited to household appliances that belong to the highest two populated classes of the EU Energy Label. Sustainalytics notes that the Municipality's reliance on EU energy labels to define eligibility in this category is consistent with the EU Taxonomy Climate Delegated Act.
    - Electric vehicle charging stations. Jönköping confirmed that associated parking facilities will be excluded from financing under the Framework.
    - Instruments and devices for measuring, regulating and controlling the energy performance of buildings, including zoned and smart thermostats, sensing equipment, management and light control systems, smart meters and facade and roofing elements with solar shading. Jönköping has confirmed that smart meters for gas will be excluded from financing under the Framework.
  - Jönköping has confirmed it will exclude from the Framework i) buildings designed for the extraction, storage, transportation or manufacture of fossil fuel; and ii) buildings designed or intended for controversial activities. Sustainalytics views the expenditures under this category as aligned with market practice.
- Under the Pollution Prevention and Control category, the Municipality may finance or refinance projects related to the collection, transport, prevention, reduction and recycling of hazardous and non-hazardous waste, including the supporting infrastructure and facilities. Sustainalytics notes the following:
  - Jönköping has confirmed that activities involving hazardous waste will be limited to household waste.
  - The Municipality has confirmed that robust waste management processes will be implemented to mitigate associated environmental and social risks related to i) the recovery and treatment of hazardous waste; and ii) the recycling of e-waste and waste from electrical and electronic equipment.
  - For non-hazardous waste, Jönköping has confirmed that: i) the manufacture of plastics in primary form will be excluded from the scope of financing; and ii) in cases of incineration of mixed residual waste, recyclables will be segregated before incineration.
  - The Municipality has further confirmed that: i) waste collection infrastructure financed will support source segregation of waste; and ii) financed waste collection vehicles will meet emission thresholds of 75 gCO_2/km for light commercial vehicles and 25 gCO_2/tkm for heavy trucks.
  - Sustainalytics considers investments under this category to be aligned with market practice.
- The Framework excludes financing activities related to fossil fuel energy generation, nuclear energy generation, weapons, potentially environmentally harmful resource extraction including mining of rare-earth elements, gambling and tobacco.

- Project Evaluation and Selection:
  - Jönköping has established a Green and Blue Bond Working Group that will be responsible for the evaluation and selection of projects in line with the Framework's eligibility criteria. The working group consists of representatives from the administration, finance and sustainability units of the municipal companies.
  - The Municipality has in place policies and governing documents to identify and manage potential environmental and social risks associated with financed projects. These also ensure compliance of all projects with national environmental and social regulations. Sustainalytics considers these environmental and social risk management systems to be adequate. For additional details, see Section 2.
  - Based on the presence of a dedicated oversight committee and a risk management process, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - Jönköping's Finance department will manage the allocation of proceeds using a portfolio approach. The proceeds will be tracked through an internal tracking spreadsheet, which will be reviewed at least annually.
  - The Municipality will allocate proceeds within 12 months from issuance. Pending full allocation, the Municipality will retain unallocated proceeds in its liquidity reserves as cash and cash deposits.
  - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.

- Reporting:
  - Jönköping commits to publishing an allocation and impact report on its website annually, until full allocation and in the case of any material developments.
  - Allocation reporting will include the amounts of outstanding green and blue bonds; the split between financing and refinancing; the breakdown of eligible projects by category; a description of selected eligible projects; and the share of any unallocated proceeds.
  - Jönköping may publish an external verification report on the allocation of proceeds annually until full allocation and in the event of any material developments.
  - Impact reporting will include metrics such as share of existing water supply and sewerage infrastructure upgraded or rehabilitated (%), calculated annual climate impact (tCO_2e); annual renewable energy generation (MWh); annual energy reduced or avoided (MWh or %); annual GHG emissions reduced or avoided (tCO_2e); environmental certification and corresponding level of buildings financed, where applicable; and the EPC class of financed buildings, where applicable.
  - Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Jönköping Municipality Green and Blue Bond Framework aligns with the four core components of the GBP.

Section 2: Strategy of Jönköping

Contribution to Jönköping's sustainability strategy

Jönköping's sustainability strategy, outlined in its 2022–2030 Sustainability Programme and corresponding policy frameworks, focuses on three dimensions: environmental, social and economic sustainability. The environmental dimension includes three thematic areas: climate, natural resources, and consumption.[9]

Under the climate pillar, the Municipality aligns with the Paris Agreement's 1.5°C goal, committing to reduce GHG emissions by 50% from 2020 levels by 2030 and to limit per capita emissions to under 1 tCO_2e by 2045.[10] Regarding its own operation, Jönköping commits to reach net-negative emissions by 2045, through increased land-based carbon sequestration and, potentially, carbon capture technologies. By 2022, the Municipality had reduced emissions from its operations by 59% compared to the 2009 level. It further reduced the emissions by 7.11% between 2022 and 2024, from 247,582 tonnes CO_2e to 229,968 tonnes CO_2e.[11] In the energy sector, Jönköping aims to reduce energy use in municipal-owned buildings by at least 20% between 2020 and 2030, monitored through building-level energy management systems.[12] To meet this target, the Municipality mandates that building renovations achieve at least a 30% improvement in energy efficiency compared to 2020 baselines and requires new construction to exceed national NZEB standards. Additionally, the Municipality requires that all procured electricity come from renewable sources. It is also expanding its local generation capacity, including solar and biogas. Jönköping's renewable energy production has reached approximately 4,200 MWh in 2024 from a baseline of approximately 1,000 MWh in 2020.[13] Regarding transport-related emissions, the Municipality focuses on infrastructure and vehicle transitions. It aims to reduce the share of trips made by private cars by improving infrastructure for walking, cycling and electric public transport, while continuing to electrify the municipal fleet and expand charging networks.[14] By 2024, emissions from private cars used for work-related travel decreased to 49% from 97% in 2020.[15]

According to national assessments of climate risk exposure, Jönköping is one of 10 municipalities in Sweden identified as particularly vulnerable to climate-related impacts such as landslides, erosion and flooding. Therefore, Jönköping incorporates adaptation measures into spatial planning, using nature-based solutions such as vegetated stormwater systems, green roofs and permeable surfaces to reduce runoff and heat stress. In terms of natural resources, the Municipality focuses on water resources and

[9] Jönköpings kommun, "Program för hållbarhet i Jönköpings kommun 2022–2030", (2025), at: https://www.jonkoping.se/download/18.6751acba183a2e89e794ecfe/1743672589916/Program%20f%C3%B6r%20h%C3%A5llbarhet%20i%20J%C3%B6nk%C3%B6pings%20kommun%202022-2030.pdf
[10] Jönköpings kommun, "Klimatstrategi och koldioxidbudget", at: https://www.jonkoping.se/kommun--politik/sa-arbetar-kommunen-med/hallbar-utveckling---agenda-2030/miljo-och-klimat/klimatstrategi-och-koldioxidbudget
[11] Jönköpings kommun, "Mål 121 och 122. Utsläpp av växthusgaser – kommunkoncernen", at: https://jonkoping.hallbarometern.se/bekampa-klimatforandringen/mal-121-utslapp-av-vaxthusgaser-kommunkoncernen/totalt#mbContentMenu
[12] Jönköpings kommun, "Klimatstrategi och koldioxidbudget", at: https://www.jonkoping.se/kommun--politik/sa-arbetar-kommunen-med/hallbar-utveckling---agenda-2030/miljo-och-klimat/klimatstrategi-och-koldioxidbudget
[13] Jönköpings has shared this information with Sustainalytics.
[14] Jönköpings kommun, "Program för hållbarhet i Jönköpings kommun 2022–2030", (2025), at: https://www.jonkoping.se/download/18.6751acba183a2e89e794ecfe/1743672589916/Program%20f%C3%B6r%20h%C3%A5llbarhet%20i%20J%C3%B6nk%C3%B6pings%20kommun%202022-2030.pdf
[15] Jönköpings has shared this information with Sustainalytics.

biodiversity protection. In Jönköping County, only 25% of the lakes and watercourses meet ecological and chemical standards, as of 2019.[16] To address this gap, the Municipality invests in projects such as expanded stormwater systems and wetland restoration, particularly in urban and peri-urban areas. It plans to invest approximately SEK 1.5 million (approximately EUR 137,000) annually for wetland restoration activities, with opportunities for public co-financing, and SEK 1.2 million (approximately EUR 110,000) annually in stormwater and heavy rainfall investigations.[17] For biodiversity protection, the Municipality focuses on reversing ecosystem fragmentation, increasing the total area under formal nature protection, and establishing ecological corridors between urban and rural areas. High-value ecological zones are prioritized for conservation.[18] When natural values are affected by development, the Municipality applies a mitigation hierarchy: avoid, minimize, restore and compensate. These principles are embedded in the municipal planning procedures and ecological assessments.[19]

Sustainalytics is of the opinion that the Jönköping Municipality Green and Blue Bond Framework is aligned with Jönköping's overall sustainability strategy and initiatives and will further the actions on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that proceeds from the instruments issued under the Framework will be directed towards eligible projects expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects may include issues involving: i) land use and biodiversity loss associated with large-scale infrastructure projects; ii) emissions, effluents and waste generated during construction; iii) occupational health and safety (OHS); and iv) community relations.

Sustainalytics is of the opinion that Jönköping is able to manage or mitigate potential risks through implementation of the following:

- Regarding risks related to land use and biodiversity loss, projects financed are expected to comply with the Environmental Impact Assessment (EIA) Directive 2014/52/EU,[20] which requires projects that are likely to have significant environmental effects to be adequately assessed before approval. It also requires such projects to have in place adequate measures to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats. For land-intensive projects, the directive mandates land use-related impacts to be identified, described and assessed through an environmental impact assessment. Large-scale projects must also limit impacts on land and soil, including organic matter, erosion, compaction and sealing. Additionally, projects must follow the EU Habitats Directive and Birds Directive,[21] which are part of the EU's Biodiversity Strategy for 2030[22] and require EU Member States to conserve the diversity of their wild flora and fauna, with a special focus on threatened and endemic species.
- To manage emissions, effluents and waste, Jönköping follows the applicable EU guidelines and regulations, such as the EU Construction and Demolition Waste Protocol and Guidelines,[23] the EU Waste Framework Directive,[24] the Waste Electrical and Electronic Equipment Directive[25] and the European Waste Shipment Regulation.[26] These regulations and directives aim to ensure that waste management is carried out without endangering human health or negatively impacting the environment. In addition, the Municipality complies with the Swedish regulation for waste

[16] Länsstyrelsen i Jönköpings län, "Vattnets miljömål: åtgärdsprogram 2023–2027", at: https://www.lansstyrelsen.se/download/18.1b1d393819324610c374aa3b/1732520085534/Vattnets%20milj%C3%B6m%C3%A5l%202023-2027.pdf
[17] Jönköpings has shared this information with Sustainalytics.
[18] Jönköpings kommun, "Nyttjande av naturresurser", at: https://www.jonkoping.se/kommun--politik/sa-arbetar-kommunen-med/hallbar-utveckling---agenda-2030/miljo-och-klimat/nyttjande-av-naturresurser
[19] Jönköpings kommun, "Program för hållbarhet i Jönköpings kommun 2022–2030", (2025), at: https://www.jonkoping.se/download/18.6751acba183a2e89e794ecfe/1743672589916/Program%20f%C3%B6r%20h%C3%A5llbarhet%20i%20J%C3%B6nk%C3%B6pings%20kommun%202022-2030.pdf
[20] European Parliament, "Directive 2014/52/EU", at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052
[21] European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02009L0147-20190626
[22] European Commission, "Biodiversity strategy for 2030", at: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en
[23] European Commission, "EU Construction and Demolition Waste Protocol and Guidelines", (2018), at: https://single-market-economy.ec.europa.eu/news/eu-construction-and-demolition-waste-protocol-2018-09-18_en
[24] European Parliament, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives", (2008), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0098
[25] European Parliament, "Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE)", (2012), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012L0019
[26] European Parliament, "Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste", (2006), at: https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006R1013

management[27] and waste deposition[28] which includes requirements for tracking, treatment and disposal of electrical waste and hazardous waste.

- Regarding occupational health and safety, Sweden's Work Environment Act (1977:1160) and supplementary regulations issued by the Swedish Work Environment Authority[29] set out minimum safety and health requirements. These are aligned with the EU Directive on Worker Health and Safety,[30] which requires employers to implement necessary measures to prevent occupational risks, improve working conditions, and provide adequate instructions and training, among other workplace health and safety provisions.
- Regarding community relations, Jönköping incorporates structured stakeholder consultation into its urban and infrastructure planning processes to ensure inclusive decision-making. Citizens are regularly invited to participate through ongoing public consultations announced on the Municipality's official website, where active feedback opportunities are listed for key projects.[31] In addition, Jönköping holds public meetings and workshops for urban and rural development planning, aimed at gathering public input and supporting inclusive decision-making in spatial and infrastructure planning.[32] Telephone consultations are also available as an alternative means for residents to participate in municipal planning consultations, particularly when they are unable to attend public meetings or use digital channels.[33]

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Jönköping has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of financing water and wastewater management infrastructure in Sweden

Sweden maintains a high standard of water and sanitation services, with nearly universal access to safe drinking water and effective wastewater treatment.[34,35,36] However, challenges persist due to aging infrastructure, increased urbanization, climate-induced hydrological variability and the emergence of contaminants such as per- and polyfluoroalkyl substances (PFAS).[37,38,39,40] A 2023 report from Svenskt Vatten estimates an annual investment of SEK 31 billion (EUR 2.75 billion) is required to maintain and upgrade infrastructure to meet national and EU standards, including the Drinking Water Directive and Urban Waste Water Treatment Directive.[41] Additionally, eutrophication, particularly in the Baltic Sea, remains a concern[42] which has prompted Sweden to adopt the National Strategy for Sustainable Water

[27] Sveriges Riksdag, "Avfallsförordning (2020:614)", at: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/avfallsforordning-2020614_sfs-2020-614/#K9
[28] Sveriges Riksdag, "Förordning (2001:512) om deponering av avfall", at: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/forordning-2001512-om-deponering-av-avfall_sfs-2001-512/
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[31] Jönköpings kommun, "Aktuella medborgar-dialoger och samråd", at: https://www.jonkoping.se/kommun--politik/paverka-och-engagera-dig/aktuella-medborgardialoger-och-samrad
[32] Jönköpings kommun, "Särskilt utlåtande Översiktsplan för mindre tätorter och landsbygd", (2024), at: https://www.jonkoping.se/download/18.7eddf19a19192d5332086b55/1727698173053/S%C3%A4rskilt%20utl%C3%A5tande%20-%20%C3%96versiktsplan%20mindre%20t%C3%A4torter%20och%20landsbygd.pdf
[33] Jönköpings kommun, "Medborgardialog om utvecklingen i mindre tätorter och på landsbygden", at: https://via.tt.se/pressmeddelande/3306796/medborgardialog-om-utvecklingen-i-mindre-tatorter-och-pa-landsbygden?publisherId=3236017
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[35] United Nations, "Sweden - Progress on achieving SDG 6", at: https://sdgs.un.org/basic-page/sweden-34141
[36] Eurostat, "Water statistics", (2024), at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Water_statistics
[37] RISE, "Sweden's biggest effort for the future of water", at: https://www.ri.se/en/swedens-biggest-effort-for-the-future-of-water
[38] Vatten2025, "Svenskt Vatten: "Someone in the government must take the lead", at: https://vatten.swefair.com/2024/11/26/svenskt-vatten-someone-in-the-government-must-take-the-lead/
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[41] Svenskt Vatten, "Investeringsrapporten 2023", at: https://vattenbokhandeln.svensktvatten.se/produkt/investeringsrapporten-2023/
[42] Swedish Agency for Marine and Water Management, "Zero Eutrophication", at: https://www.havochvatten.se/en/policy-and-regulation/environmental-objectives/zero-eutrophication.html

Services and to align national objectives with international commitments under the EU Water Framework Directive and Sustainable Development Goal 6.[43,44]

To address the current and emerging challenges in water and wastewater infrastructure, Sweden has adopted a range of public and private initiatives. At the national level, the Swedish Environmental Protection Agency (Naturvårdsverket) provides oversight and guidance on water resource management,[45] while the Water Wise Societies programme, led by Research Institute of Sweden (RISE) in collaboration with the Swedish Water Association and Stockholm Environment Institute, promotes cross-sectoral cooperation to develop long-term water strategies.[46] Furthermore, Sweden's sovereign green bond, raised SEK 20 billion (EUR 1.82 billion) in 2020, with allocations including sustainable water and wastewater management.[47] Kommuninvest, a key municipal financing agency, has issued green bonds supporting 103 water-related projects across the country, amounting to SEK 23.34 billion (EUR 2.13 billion) as of 2024.[48] Complementing these public efforts, private sector actors also play a role; for example, engineering firm Sweco is engaged in the design and development of new water supply systems in Gävle and Älvkarleby, aimed at strengthening system redundancy and supporting population growth.[49] Additionally, localized ecological sanitation projects exemplify efforts to integrate alternative techniques for wastewater treatment in Sweden, particularly in rural and sensitive environments.[50]

Based on the above context, Sustainalytics is of the opinion that Jönköping's investments in sustainable water and wastewater management projects under the Framework have the potential to contribute to the improvement of water and wastewater infrastructure in Sweden.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Jönköping Municipality Green and Blue Bond Framework are expected to advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Climate Change Adaptation	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Green Buildings	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency

[43] RISE, "Sweden's biggest effort for the future of water", at: https://www.ri.se/en/swedens-biggest-effort-for-the-future-of-water
[44] United Nations, "Sweden - Progress on achieving SDG 6", at: https://sdgs.un.org/basic-page/sweden-34141
[45] Naturvårdsverket, "Förvaltning av fastigheter", at: https://www.naturvardsverket.se/vagledning-och-stod/skyddad-natur/forvaltning-av-fastigheter/vatten/
[46] RISE, "Water Wise Societies", at: https://www.ri.se/en/expertise-areas/projects/water-wise-societies
[47] Swedish National Debt Office, "Debt Office publishes report on Sweden's sovereign green bond", at: https://www.riksgalden.se/en/press-and-publications/press-releases-and-news/press-releases/2021/debt-office-publishes-report-on-swedens-sovereign-green-bond/
[48] Kommuninvest, "Green Bonds Impact Report 2024, at: https://kommuninvest.se/download/18.20ba4cb4195b26b1d03159a0/1744177136457/GBIR_2024-final.pdf
[49] Sweco, "Building a stronger future for Europe's water systems", (2025), at: https://www.swecogroup.com/topical/water/building-a-stronger-future-for-europes-water-systems/
[50] Coalition Clean Baltic, "The Swedish Eco-Sanitation Experience", at: https://irp.cdn-website.com/53007095/files/uploaded/CCB_SwedishEconSanExperience_FINAL.pdf

	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality, municipal and other waste management
Pollution Prevention and Control	12. Responsible Consumption and Production	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

Conclusion

Jönköping has developed the Jönköping Municipality Green and Blue Bond Framework under which it intends to issue unsecured green and blue bonds including private placements, and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are intended to contribute to the municipality's sustainability transition. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The Framework outlines processes for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Jönköping Municipality Green and Blue Bond Framework is aligned with Jönköping's sustainability strategy and that the use of proceeds will contribute to the advancement of UN Sustainable Development Goals 6, 7, 9, 11, 12 and 13. Additionally, Sustainalytics considers that Jönköping has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Jönköping is well positioned to issue green bonds and that the Jönköping Municipality Green and Blue Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

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