

Sustainability-Linked
Bond Framework

Progress Report 2023



Sustainability-Linked Bond Progress Report 2023

Uppsala has committed to reporting on an annual basis until no bonds are outstanding. The Sustainability-Linked Bond Progress Report will form the basis for evaluating the impact on the respective structural bond characteristics. This report will cover the following areas:

- The performance of the KPIs and SPTs as per the relevant reporting period including the calculation methodology
- Information about recalculations if any
- Examples of progress within sustainability in Uppsala during 2023
- Any other information deemed relevant to the investors in Uppsala's bonds

For more background and information on our Sustainability Linked Bond's see [uppsala.se: https://www.uppsala.se/kommun-och-politik/sa-arbetar-vi-med-olika-amnen/ekonomi/ramverk-for-hallbarhetslankade-obligationer/](https://www.uppsala.se/kommun-och-politik/sa-arbetar-vi-med-olika-amnen/ekonomi/ramverk-for-hallbarhetslankade-obligationer/)

Uppsala's Key Performance Indicators (KPIs)

Uppsala has selected the following two KPIs for our Sustainability-Linked Bond Framework.

KPI 1: Absolute emissions in tonnes of CO₂e in the geographical area of Uppsala Municipality

KPI 2: Installation of solar energy (MW) in the geographical area of Uppsala Municipality

Calculation Methodology

KPI 1:

This KPI is calculated by combining data from both national and local sources. All emissions are then combined to calculate the absolute emissions in tonnes of CO₂e in the geographical area of Uppsala Municipality.

Emissions from transport, industrial processes, agriculture, and waste are collected from the National Database for Emissions presented by SMHI (Sw. Sveriges meteorologiska och hydrologiska institut).

[The National Database for Emissions can be accessed here.](#)

Emissions from electricity are collected from the local grid owners, Vattenfall and Upplands Energi. All used energy, high and low voltage, for the municipal geography is summarized and multiplied with a locally adapted emission factor. The locally adapted emission factor is an adjustment of the national emission factor for electricity (Nordic electricity mix¹) to include locally produced electricity and its composition of fuel.

Emissions from district heating and cooling are collected from the local heating companies, Vattenfall and Solör. All delivered heating and cooling in the municipality are summarized and multiplied by emission factors delivered by Vattenfall and the Swedish Environmental Protection Agency (Sw. Naturvårdsverket).

KPI 2:

This KPI includes all solar energy facilities installed by the Municipality as well as all other solar energy facilities connected to the electricity grid in Uppsala's geographical area. The data on installed power of solar panels within the geographical area of Uppsala Municipality is collected from the Swedish Energy Agency's (Sw. Energimyndigheten) statistical database.

[The database can be accessed here: www.kolada.se.](http://www.kolada.se)

Documented Changes in External Methodology

Every year, the data distribution methodology and calculations are updated and improved for the National Database of Emissions to increase data quality. The scope of the update varies from year to year and can include retrospective data updates.

The data distribution methodology for bus traffic and sea transportation was updated for the 2023 publication of the National Database of Emissions. This update has altered the calculated emissions retrospectively. Thereby, the absolute emissions for Uppsala's baseline (year 2020) have decreased.

Please see SMHI's publication for detailed description: [Metod- och kvalitetsbeskrivning för geografiskt fördelade emissioner till luft \(submission 2023\)](#).

2020 CO2e absolute levels per 2022's methodology	2020 CO2e absolute levels per 2023's methodology	Change in baseline +/-
711 kilo-tonnes	705 kilo-tonnes	6 kilo-tonnes

¹ The emission factor for the nordic electrical mix (Sw. Nordisk elmix) is calculated by IVL Svenska Miljöinstitutet on behalf of the Swedish Environmental Institute.

KPI and SPT Performance

KPI 1

The KPI 1's performance is tracked by the Sustainability Performance Target (SPT) 1. The SPT 1 is: By 2030, reduce emissions in kilo-tonnes of CO₂e in the geographical area of Uppsala Municipality by 72% vs baseline 2020. The SPT 1 trajectory is based on a yearly reduction rate of 12 % from the baseline of 2020.

KPI 1											
Report year		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Data year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KPI 1: Absolute emissions (kilo-tonnes CO ₂ e)	705	725									
Change from 2020 (%)		+ 2,8									
SPT 1 trajectory (kilo-tonnes of CO ₂ e)		625	550	484	426	375	330	290	255	225	198
Performance vs. SPT 1 (%)		+ 16									

The absolute emissions for the Uppsala geographic area increased in 2021 compared to 2020. An increase in emissions is seen in the sectors of electricity and heating, transportation, and heavy machinery. Emissions from agriculture and industry have decreased slightly. This development has resulted in a 2,8 per cent increase in total emissions in the Uppsala geographical area from 2020 to 2021.

Compared to the SPT 1 trajectory, emissions in 2021 are 16 per cent higher than projected. If Uppsala stays within the projected path of emissions decrease, a 24 per cent decrease in total emissions needs to occur in 2022.

A mitigating factor for the KPI 1 outcome and SPT 1 performance is the change in methodology for the National Emissions Database, which decreased the total emissions in the baseline year of 2020.

KPI 2

The KPI 2's performance is tracked by the SPT 2. SPT 2 is: By 2030, 100 megawatts (MW) solar power should be installed in the geographical area of Uppsala. The SPT 2 trajectory is calculated from a linear increase of 7 MW of installed solar power per year.

KPI 2										
Report year		2023	2024	2025	2026	2027	2028	2029	2030	2031
Data year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KPI 2: Installation of solar energy (MW)	41,7	52,1								
Change in installed solar energy (MW)		+10,4								
SPT 2 trajectory (MW)	37	44	51	58	65	72	79	86	93	100
Performance vs. SPT 2 (MW)		+ 8,1								

The installation of solar energy in Uppsala has increased by 10,4 MW from 2021 to 2022. Compared to the SPT 2 trajectory, the speed of new installations has outperformed the expected projection with 8,1 MW.

Sustainability Linked Bonds Issued by Uppsala

During 2023 Uppsala kommun has issued three sustainability linked bonds. The first two issuances took place on April 20th with a total amount of 600 million SEK and the third was issued on May 31st with an amount of 300 million SEK. All three bonds have maturity dates during 2028.

SE number	SEK (Mkr)	Issuance	Maturity	SPT1*	SPT2**	Target Observation Date
				Data year	Data year	
SE0013105442	300	2023-04-20	2028-04-20	2025	2026	2027-09-30
SE0013105434	300	2023-04-20	2028-04-20	2025	2026	2027-09-30
SE0013361086	300	2023-05-31	2028-05-31	2025	2026	2027-09-30

*SPT 1: By 2030, reduce emissions in kilo-tonnes of CO₂e in the geographical area of Uppsala municipality by 72% vs baseline 2020

**SPT 2: By 2030, 100 megawatts (MW) solar power should be installed in the geographical area of Uppsala

Examples of Progress During 2023

Over the past year, we have initiated and successfully concluded numerous crucial processes to achieve our goal of a climate-neutral Uppsala by 2030.

- Ulleråker is an area under development that aspires to be a climate-positive neighbourhood. In Ulleråker buildings will be preserved and renovated, instead of demolished. Two buildings are being dismantled to reuse or recycle as much material as possible.
- To drive the construction industry forward, we are testing the establishment of requirements on the maximum allowable climate impact in a land allocation competition in Rosendal. There has been significant interest from construction stakeholders.
- The municipal water and sewage company, in collaboration with Vattenfall, is constructing a station for hydrogen refuelling and fast charging of heavy vehicles.
- The municipal parking company has started a project with installing charging stations in school parking lots that the municipality's vehicles can use during the day, and that Uppsala residents can use during the night and weekends. The project will continue during 2024.
- The collaborative project Flex-o-Mat has taught us to cook more energy-efficient meals in school kitchens and other large-scale kitchens through behavioural changes among the kitchen staff and technical control.
- During this summer, water from the Fyris River has been used to water flower beds, newly planted trees, etc. in the city. These used to be watered with regular drinking water, so this helps conserve our drinking water supply during the dryer months.
- Uppsala completed its, to date, largest solar power installation on a school. It is 1220 square meters and is estimated to produce about 230 000 kWh per year. We now have 22 installations on schools in total.
- The renovation and remodeling of our Grand Town Square were finished this year. The aim was to reuse as much of the bricks and stones that were already there. Each stone was examined to see if it was fit to be reused. About 70 per cent of the granite could be reused in the square and the rest was redistributed to other parts of Uppsala for further use elsewhere.
- Uppsala has improved its handling of old IT equipment. We have now reached more than a 60 % reuse of our old equipment.