



Södertälje
kommun

Telge

Green Bond Frame- work



Introduction

The Municipality of Södertälje aims to be climate-neutral by 2030, with zero direct emissions and annually decreasing indirect emissions. Here, citizens can live and work in a sustainable and attractive city. Sustainable development has long been a high priority for the Municipality of Södertälje and the Telge Group, where the aim is to integrate the sustainability goals into all activities. The Municipality of Södertälje is a member of the *Climate Municipalities network* and, through its participation, commits to being at the forefront of the transition towards a fossil-free future.

As part of the journey towards climate neutrality by 2030, and with an updated environmental and climate strategy for 2022–2030, the launch of a Green Bond Framework is a natural step in continuing the journey towards a more sustainable future. Combining sustainability goals and our strategy with green financing further strengthens the Municipality of Södertälje and the Telge Group towards the shared vision of a more sustainable Södertälje for all.

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The Municipality of Södertälje

Södertälje is a municipality in Stockholm County, Sweden. Its seat is the city of Södertälje. With its developed infrastructure, two European highways, railway, international shipping lane, and port, Södertälje is an attractive place to live and work.

Södertälje is a center of innovation and industry, and many large companies are located here. In 2024, 13% of Sweden's exports came from Södertälje's industry and business sector.

Södertälje is a multicultural municipality with residents from many different backgrounds, contributing to a rich and varied community. Approximately 100,000 people live in Södertälje.

The mission of the Municipality of Södertälje is to create a good life and a sustainable society for its residents. The municipality's work is guided by ten goals, divided into three main areas: **social sustainability, ecological sustainability, and economic sustainability**.

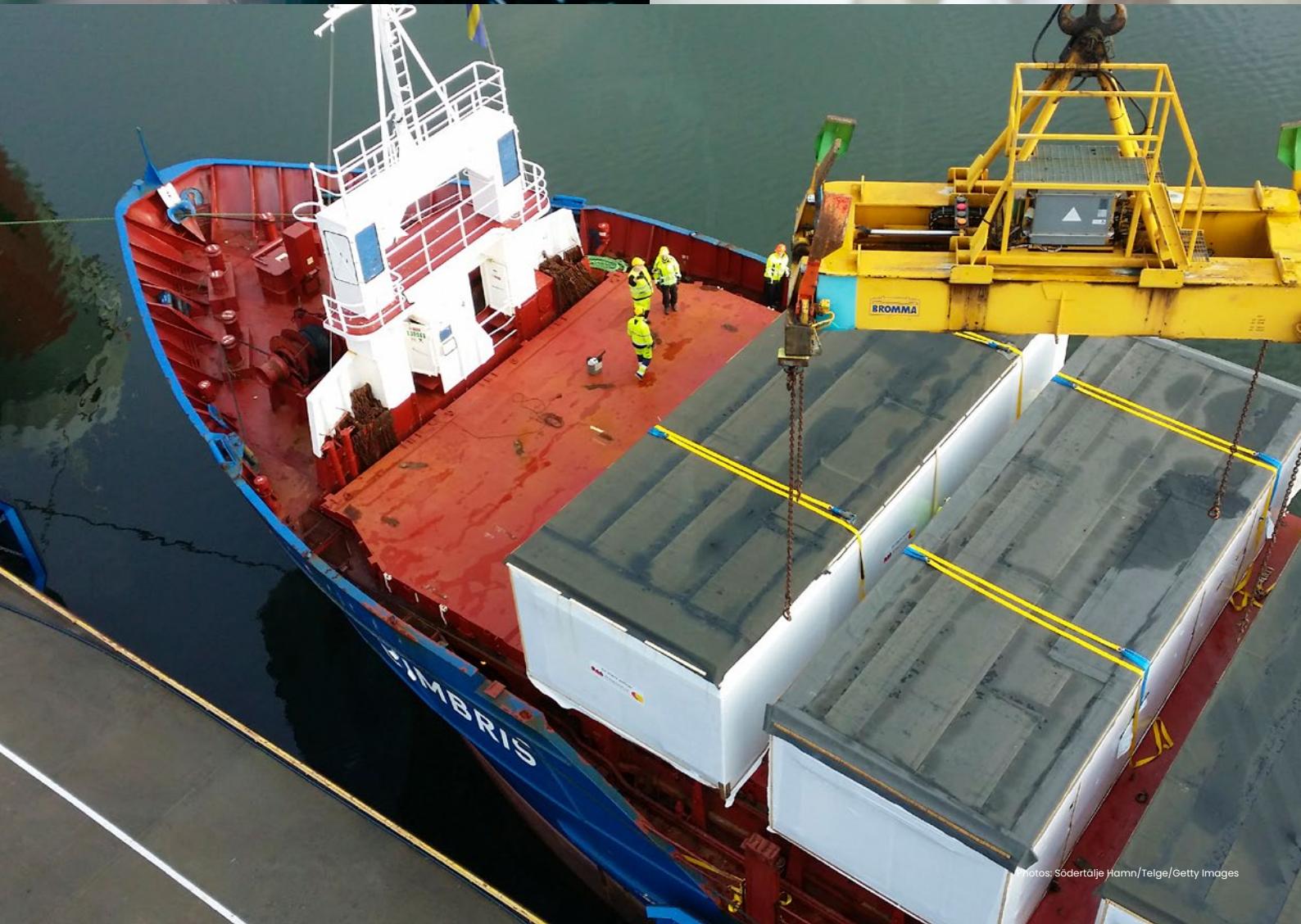
The Municipality of Södertälje is responsible for ensuring that residents have access to necessary services and resources, such as education, social services, health and welfare, environment and sustainability, urban planning and construction, as well as culture and leisure.

The Municipality of Södertälje is a large organization and a major employer in the area, with its 7,000 employees.

Create a good life and a sustainable society for its residents.

Municipality of Södertälje's mission





Telge Group

The Telge Group is wholly owned by the Municipality of Södertälje and provides services to residents and businesses in Södertälje. The Telge Group has approximately 900 employees and a turnover of approximately 4 billion SEK. Telge's purpose is to establish, develop, and operate companies whose services and/or returns create long-term value for both citizens and businesses.

The group consists of the parent company Telge AB and nine majority-owned subsidiaries: Telge Bostäder, Telge Fastigheter, Telge Tillväxt, Telge Inköp, Telge Nät, Telge Elnät, Telge Återvinning, Södertälje Hamn, and Tom Tits Experiment. Additionally, there are three partly owned companies: Söderenergi, Syvab, and Glasberga Fastighets AB. These are different companies and operations, but they share the same goal: to contribute to the development of the community in Södertälje. Telge Group's vision is to combine business with social benefit. It works according to the mission: "We will make it better, easier, and more fun to live, work, study, and operate in Södertälje." To realize the vision, there is a group strategy. The group strategy describes the sustainable path forward.

The group strategy — and everything the Telge Group does — is based on three sustainability dimensions: **social sustainability**, **environmental sustainability**, and **economic sustainability**. The Telge Group provides spaces for schools, elderly care homes, and residences. The youngest get to discover knowledge for life, and adults get the chance to realize their dreams. Goods are shipped in and out of the port, and what can no longer be used is recycled here. The Telge Group delivers heat, electricity, and water.

**We will make it
better, easier,
and more fun to
live, work, study,
and operate in
Södertälje.**

Telge Group's mission

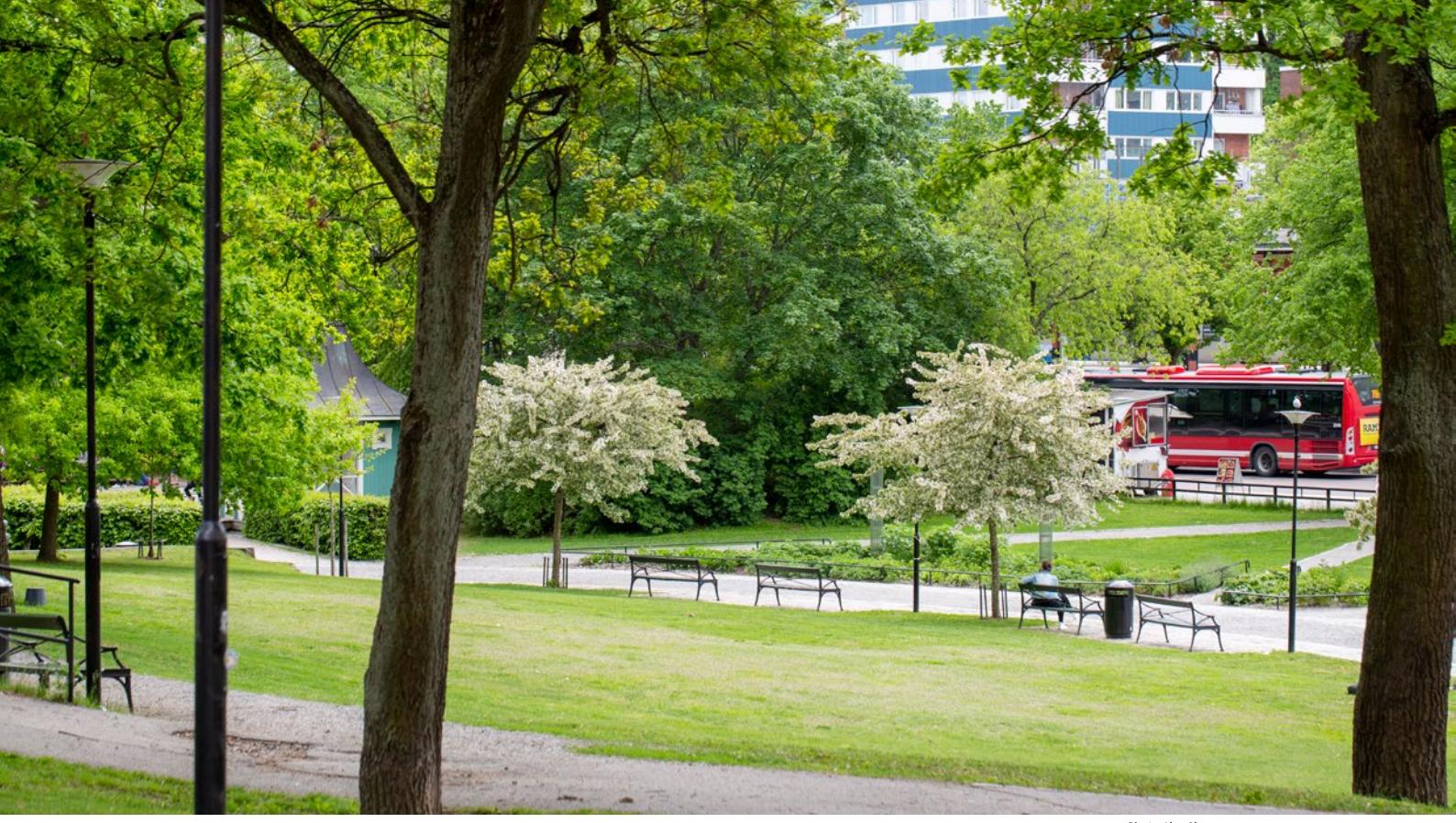


Photo: Liza Simonsson

Climate and Environmental Strategy

The Environmental and Climate Strategy serves as the overarching framework for the Municipality of Södertälje and the Telge Group in addressing the ecological aspects of sustainable development.

Rooted in the global Sustainable Development Goals outlined in the UN's Agenda 2030, it aligns with the Municipality of Södertälje's broader objectives as defined in the strategic document "Goals and Budget." The strategy highlights the critical role of collaboration among residents, businesses, and organizations in building a more sustainable future together. By 2030, the vision is for Södertälje to be a sustainable and attractive place to live and work. Achieving this goal requires the development of a resilient, climate-neutral, green, and circular society.

Robust Södertälje – a society that manages a changing climate

One part of the climate issue is the need to reduce greenhouse gas emissions. The other part is for society to adapt to a changing climate to be safe and robust. To prepare society to handle a changing climate, the Municipality of Södertälje aims to strengthen climate resilience through strategic investments. The focus is on protecting citizens, businesses, and infrastructure from climate risks,

while ensuring that planning processes support long-term adaptation. These efforts create stable conditions for sustainable growth and reduced climate-related vulnerabilities.

Climate-Neutral Södertälje – no greenhouse gas emissions

Greenhouse gas emissions stem from nearly every sector of society, and practically all products and services used in Sweden contribute to some form of emissions. To support Sweden's national climate goals and meet the commitments of the Paris Agreement, the Municipality of Södertälje has set ambitious targets to become a climate-neutral society.

Green Södertälje – long-term sustainable ecosystems

Healthy ecosystems and biodiversity are essential for life on Earth. Land and water use, urban planning, and construction practices play a crucial role in maintaining the capacity of ecosystems to provide vital services. Rising consumption threatens biodiversity through increased chemical use, air pollution, and changes in land and water usage. To mitigate these impacts, the Municipality of Södertälje has established specific environmental sub-goals.



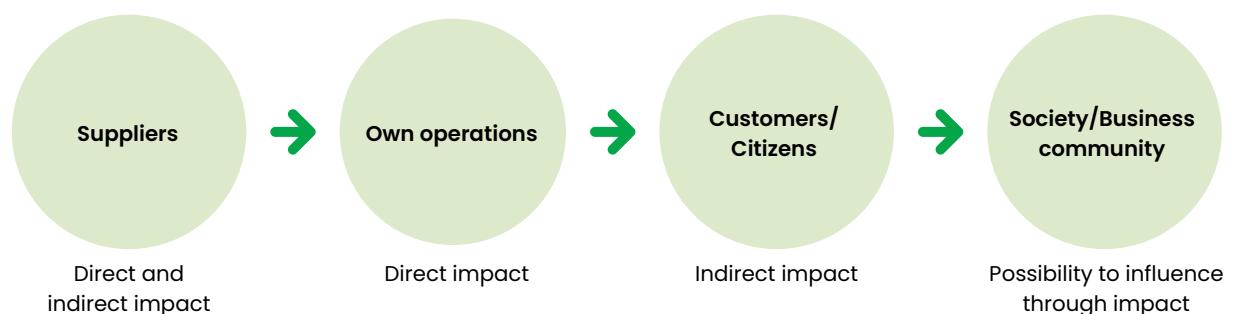
Photo: Telge

Circular Södertälje – resources used efficiently in non-toxic and circular flows

The increasing consumption of resources – locally and globally – is unsustainable, placing immense pressure on ecosystems. The most effective option for the environment and climate is often to reduce consumption and prevent waste before it occurs. This involves thoughtful planning of procurement, logistics, storage, and resource use to avoid unnecessary consumption. Transitioning to a circular economy, where waste essentially does not occur, requires a fundamental transformation of societal systems – from behaviours and norms to resource extraction, financial measures, and legislation.

Target Groups – opportunities to contribute

The Environmental and Climate strategy is structured around four key target groups, clarifying the roles, responsibilities, and opportunities for the municipal group to drive environmental progress. These groups include suppliers, own operations, customers and citizens, as well as the society and industries.



Social Sustainability

The Municipality of Södertälje defines social sustainability as ensuring that all residents have their rights and needs met, fostering an equitable society where people have influence and equal opportunities for a good life and good health. This is achieved through the welfare sector's activities, urban planning and efforts in culture, sports and democracy.

The Telge Group plays a key role in creating an attractive and thriving Södertälje by promoting gender equality, equity, inclusion, participation, influence and trust. Telge Group's work enhances safety and well-being in the city, supports meaningful activities, education and fair working conditions. Telge Group also encourages learning about sustainable development and responsible choices. Together, the Municipality of Södertälje and Telge Group pursue social sustainability through a range of initiatives including:

- 1. Agenda 2030:** The municipality's sustainability efforts are guided by the UN's Agenda 2030, with ten overarching goals adopted by the municipal council to build a long-term sustainable society.
- 2. Strategy for social sustainability 2025–2030:** The strategy aims to support an equal and inclusive Södertälje where all residents can live healthy, fulfilling lives. The strategy promotes human dignity, safety, and mutual trust within the community and towards the municipality.
- 3. Collaboration with Private Actors:** Partnerships with private actors to help foreign-born women and unemployed young adults access employment or further education.
- 4. Free Sports Activities:** In collaboration with local sports clubs, Telge Group offers free sports activities for children in areas such as Hovsjö, Brunnsgård, and Blombacka, engaging approximately 150–200 children weekly.
- 5. Cross-sector initiatives:** The Education Office, Culture and Leisure Office, and Social Services work together with the local police to support children and young people at risk.
- 6. Infrastructure and Urban Planning:** The municipality invests in improving pedestrian and cycling infrastructure, as well as enhancing parks and recreational areas to promote social sustainability.

7. Creating safer communities and opportunities

for all: The municipality actively works with safety-enhancing measures to increase security and safety in residential areas and public spaces, but also to help people find employment. For example, through safety hosts, doormen, and summer internships for young people.

These efforts reflect a comprehensive and integrated approach to promoting social sustainability in Södertälje, with a strong focus on equity, health, safety and inclusion for all residents.

Materiality Assessment

The work to identify the group's material sustainability issues is based on the companies' value chains and stakeholders, which form the basis for the companies' material issues. These are then aggregated to the group level, and in this way, material issues are managed both at the company and group level through a bottom-up approach.

The group's most material sustainability issues are listed below:

Social sustainability: **Care for People**

"Södertälje is a place where people, entrepreneurs and organizations feel good, are safe, and can grow"

"We are proud ambassadors of Telge and our societal mission"

Material issues

- Own workforce
- Workers in the value chain
- Affected communities
- Consumers and end users



Environmental Sustainability: **Care for the Planet**

"We are green and climate neutral, while also enablers for a sustainable society"

Material issues

- Climate change
- Pollution
- Water and marine resources
- Biodiversity and ecosystems
- Resource use and circular economy







Green Bond Framework

This Green Bond Framework (“the Framework”) has been developed in accordance with the Green Bond Principles (GBP) 2025 established by the International Capital Markets Association (ICMA). The intention of this Framework is to follow best practices for green finance instruments. Over time, and as market standards develop, it will thereby be relevant to update the Framework to reflect changes to market practices. Through this Framework, the Municipality of Södertälje will issue Green Bonds.

The Green Bond Framework has been developed to be aligned with the core components of the GBP:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

S&P Global Ratings will provide a Second Party Opinion on this Green Bond Framework, which will be made publicly available on both the Municipality of Södertälje’s and Telge Group’s websites.

Use of Proceeds

The proceeds from the Municipality of Södertälje’s issuances of Green Bonds will exclusively be used to finance and/or refinance, whole or in part Eligible Assets and Projects to support the municipality’s low-carbon and climate neutral pathway, both for Telge Group, the Municipality of Södertälje’s own operations, Joint Ventures or any acquired entities¹.

Financing refers to Eligible Assets and Projects that have been financed during the reporting year.

Refinancing refers to Eligible Assets and Projects that have been financed prior to the reporting year. This Framework does not apply a specific look-back period for Eligible Assets and Projects. However, the Green Bond Committee assesses applications for refinancing and approves or rejects them based on the nature of the asset and its expected remaining lifetime. The Eligible Assets and Projects shall adhere to applicable laws and regulations, as well as the Municipality of Södertälje’s long term environmental

and social sustainability plans. The Municipality of Södertälje will also make sure that those Assets and Projects are not financed with other green debt instruments to avoid double counting of avoided annual CO₂ emissions.

To guarantee that all Eligible Assets and Projects provide environmental benefits, the Municipality of Södertälje will ensure that they fall into and comply with at least one of the Eligibility Criteria set out in the Eligible Green Categories below. Conscious of the importance of a common definition of sustainable activities, each of the Eligible Green Categories is mapped to the relevant UN Sustainable Development Goals as well as EU environmental objectives. The Municipality of Södertälje has also taken the EU Taxonomy into consideration and on a best effort basis, applicable Eligibility Criteria have been designed to comply with the technical screening criteria set out in the EU Taxonomy Delegated Acts, at the time of this Framework publication.

Exclusions

This Framework will exclude investments directly related to activities associated with fossil energy production or potentially environmentally harmful resource extraction (such as fossil fuels or rare-earth elements).

¹ For Joint Ventures and other acquired entities, only the City of Södertälje’s share of Eligible Assets and Projects will be financed under this Framework, and not the entire financing cost.

Eligible Green Asset and Project Categories

ICMA Green Project Category:	Core UN SDG targets ² Environmental objective ³
Renewable Energy Investments in renewable energy production facilities and supporting infrastructure, for the following renewable sources:	 Target 7.2
Solar power <ul style="list-style-type: none">• The construction of facilities generating electricity using solar photovoltaic technology, concentrated solar power technology or solar thermal technology	
Energy storage <ul style="list-style-type: none">• Energy storage (including batteries), for the purpose of managing the intermittency of renewable energy• Hydrogen storage facilities and transmission and distribution pipelines	EU Environmental Objective: Climate change mitigation
ICMA Green Project Category:	Core UN SDG targets Environmental objective
Energy Efficiency Investments in a low carbon and energy efficient society through energy efficiency technologies and/or processes such as:	 Target 7.3
Efficient and reliable networks <ul style="list-style-type: none">• Construction of transmission and distribution systems for electricity• Capacity-enhancing investments in the power grid• Installation of instruments and devices for measuring, regulating and controlling, enabling effective management and distribution of energy and electricity, such as smart grid technology	
Efficient district heating and cooling network <ul style="list-style-type: none">• The construction, operation and refurbishment of district heating and cooling where the system is using at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of such energy and heat; and related infrastructure distribution.⁴ The facilities may include bioenergy carbon capture and storage (BECCS) facilities	 Target 9.4
	EU Environmental Objective: Climate change mitigation

2 United Nation's Sustainable Development Goal's

3 EU Taxonomy Environmental Objectives (Article 9 of the Taxonomy Regulation EU 2020/852).

4 Compliant with the EU Energy Efficiency Directive

ICMA Green Project Category:
Clean transportation

Investments in low-carbon transport solutions and construction, modernisation and maintenance of transport infrastructure including:

Fossil-free vehicles

- Light vehicles for public, passenger and freight purposes operated on electricity
- Heavy vehicles for public, passenger and freight purposes operated on electricity or biogas

Infrastructure supporting clean transportation

- Infrastructure dedicated to railways and railway electrification
- Infrastructure required for fossil-free road transport such as electric charging points
- Infrastructure required for fossil-free vessels or the port's own operations, such as electricity charging, biofuels or hydrogen-based stations

Core UN SDG targets
Environmental objective



Target 11.2

EU Environmental Objective:

Climate change mitigation

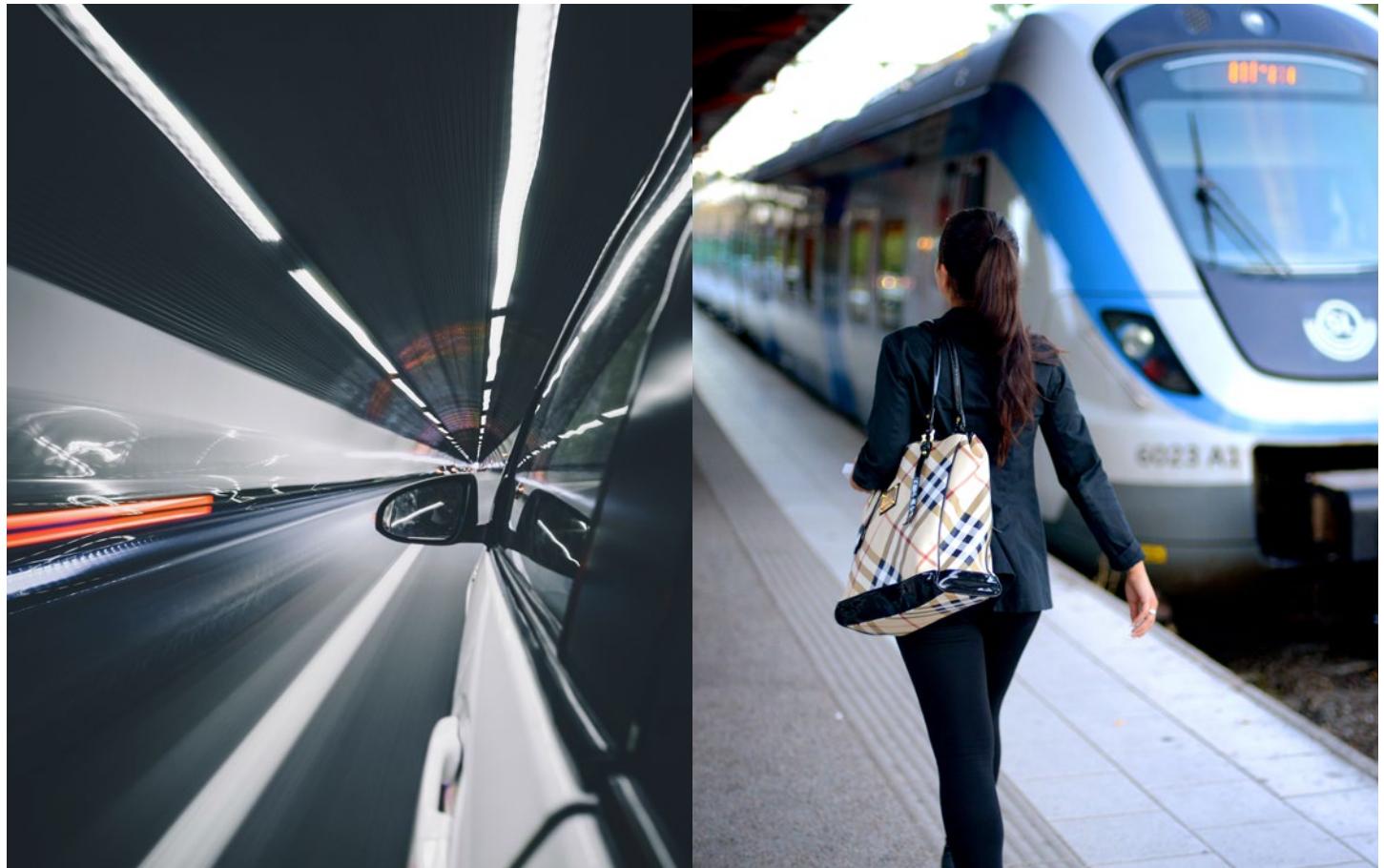


Photo: Unsplash

Photo: Municipality of Södertälje

ICMA Green Project Category: Sustainable water and wastewater management	Core UN SDG targets Environmental objective
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Investments in sustainable water and wastewater management such as:

Water collection, treatment, efficiency, and supply systems

- Construction and/or extension of water and wastewater collection and treatment systems, urban drainage systems and supply systems
- The renewal of water and/or wastewater collection, treatment and supply systems, including distribution of infrastructures for domestic and industrial needs such as water purification, water saving, water conservation and the possibility to re-use water
- Efficiency investments that lead to reduction of water leakage
- Technologies and solutions leading to a reduced amount of pollutants in the water supply systems
- Construction, extension and renewal of redundant water supply



Target 6.3,
Target 6.4

EU Environmental Objective:

The sustainable use and protection of water and marine resources

ICMA Green Project Category: Climate change adaptation	Core UN SDG targets Environmental objective
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Investments in climate resilience through planning, piloting, testing and implementing relevant adaptation measures such as:

Climate adaptation measures

- Stormwater collection and management
- Urban heat protection
- Water-level protection and erosion-control measures
- Management of torrential rain
- Other adaptation solutions, both physical and non-physical, in buildings and infrastructure that reduce the most physical climate risks that the infrastructure is exposed to



Target 11.5



Target 13.1

EU Environmental Objective:

Climate change adaptation

ICMA Green Project Category: Green buildings	Core UN SDG targets Environmental objective
Investments in new and existing buildings as well as major renovations, including:	
<p>Construction of new buildings</p> <ul style="list-style-type: none"> • A Primary Energy Demand (PED) that meets the requirements in Miljöbyggnad Silver, and • All buildings must undergo a screening of material physical climate risks assessment, and • Environmental certification with minimum level "Miljöbyggnad Silver" or an equivalent environmental scheme, and • A climate impact, kg CO₂ /square meters BTA, not exceeding the level specified in level "Miljöbyggnad Silver" or an equivalent scheme 	 <p>Target 7.3</p> <p>EU Environmental Objective: Climate change mitigation</p>
<p>Existing buildings</p> <ul style="list-style-type: none"> • Buildings that have an energy performance certificate (EPC) class A or • Energy Performance within the top 15%⁵ of the national or regional building stock, valid at the time of the approval by the Green Bond Committee 	
<p>Major renovations</p> <ul style="list-style-type: none"> • Major renovations of buildings that have or will lead to a reduction of primary energy demand (PED) of at least 30% compared to the building's pre-investment level 	
<p>Building energy efficiency</p> <ul style="list-style-type: none"> • Installation, maintenance and repair of energy-efficiency equipment such as insulation, windows, doors and new light sources (e.g. replacing old lamppost with LED) • Installation, maintenance and replacement of heating (such as heat pumps), ventilation and cooling systems as well as energy management systems • Instruments and devices for measuring, regulation and controlling energy performance of buildings associated with zoned and smart thermostats, sensing equipment, management and light control systems, smart meters and facade and roofing elements with solar shading 	

⁵ City of Södertälje will use either the Swedish Property Federation's study or guidance from an appropriate external benchmark to determine the top 15 percent. The classification must be issued by a national government body or an industry specialist.

Process for Asset and Project Evaluation and Selection

The evaluation and selection process is key in ensuring that the Assets and Projects financed by Green Bonds meet the Eligibility Criteria set out in the Use of Proceeds section.

To ensure that proceeds from Green Bonds are allocated to Assets and Projects aligned with the criteria of this Green Bond Framework, the Municipality of Södertälje and the Telge Group have established a Green Bond Committee (“GBC”) to coordinate, validate, perform and review the selection of Eligible Assets and Projects. Potential Eligible Assets and Projects are identified in connection with the investment planning process and pre-evaluation is carried out by the Telge AB Sustainability team. The GBC has permanent members from the Telge Group management including Head of Sustainability and Group CFO. Experts with relevant technical expertise related to green projects can also be consulted from time to time. The GBC meets on an ad hoc basis no less than four times a year. The Eligible Assets and Projects will be selected by the GBC in consensus.

The GBC is responsible for reviewing and validating the register of the Eligible Assets and Projects proposed by the Telge Group Sustainability team, based on the Eligibility Criteria, and removing Assets and Projects that do not meet the criteria. The Committee will ensure that all Eligible Assets and Projects adhere to applicable Swedish laws and regulations, as well as the Municipality of Södertälje’s environmental and social sustainability plans.

Management of Proceeds

The Municipality of Södertälje maintains a Green Register which tracks the amounts of outstanding Green Bonds, as well as the value of the Eligible Asset and Project pool. An amount equal to the proceeds from issued Green Bonds will be earmarked for financing and refinancing of Eligible Assets and Projects as defined in this Green Bond Framework. The Green Register is monitored on a regular basis by Treasury, to ensure that the total amount of Eligible Assets and Projects at all times exceeds the total amount of Green Bonds outstanding. The proceeds will also be checked to account for any need to re-allocate proceeds which no longer fulfil the Eligibility Criteria.

Unallocated proceeds may be temporarily placed in line with the liquidity reserves, taking the exclusion criteria into account, and managed by Treasury. Relevant information regarding the issuance of Green Bonds, as well as Assets and Projects financed/re-financed will be monitored and documented. The Green Register will form the basis for the allocation and impact reporting.

Reporting

To enable investors and the public to follow developments and to provide insight into prioritised areas, the Municipality of Södertälje will publish a Green Bond Investor Report on an annual basis. The report will provide information on the allocation of proceeds of Green Bonds and the environmental impacts of the Eligible Assets and Projects financed by these bonds. The information will be made publicly available on the Municipality of Södertälje's website.

Allocation Reporting

The allocation report will, to the extent feasible, include the following components:

- Allocated proceeds to each Eligible Assets or Project,
- The distribution of new financing and refinancing of approved Eligible Projects and Assets
- A closer description of some of the Eligible Assets and Projects financed
- The outstanding amount of Green Bonds



Photo: Pontus Orre

Impact Reporting

The Municipality of Södertälje recognises the importance of transparency and impact reporting and will report on the actual or expected environmental impact of the investments financed by Green Bonds. The impact report will include qualitative and, where feasible, quantitative information as well as publicly available data. In the table below some metrics are outlined, however, these metrics may change over time subject to providing a relevant understanding of the impact.

Use of Proceeds category	Examples of proposed impact metrics
Renewable energy	<ul style="list-style-type: none"> • Annual renewable energy generation (GWh) • Capacity of renewable energy (MW)
Energy efficiency	<ul style="list-style-type: none"> • Annual energy savings (in MWh) • Description of the expected improvement in energy efficiency
Clean transportation	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided (tCO₂e) • Number of fossil-free vehicles deployed • Number of charging points installed or upgraded
Sustainable water & wastewater management	<ul style="list-style-type: none"> • Annual water savings • Annual energy savings (GWh) • Phase-out of chemicals. Number of REACH-regulated substances removed or replaced
Climate-change adaptation	<ul style="list-style-type: none"> • Physical climate risk addressed and expected adaptation related outcome (quantified if possible)
Green buildings	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided (tCO₂e) • Annual energy savings (kWh/m²) • Annual use of reused materials instead of virgin materials (tons of material/quantity)

External Review

Second Party Opinion (pre-issuance)

The Municipality of Södertälje has, in accordance with the ICMA's Green Bond Principles, appointed S&P Global Ratings as an external reviewer to provide an assessment of this framework's alignment with market guidelines, its credibility and added environmental value. The full Second Party Opinion and this Framework will be publicly available on the Municipality of Södertälje's website.

External verification (post-issuance)

On an annual basis, the Municipality of Södertälje will engage an independent external auditor to assure that the selection process and allocation of proceeds are in line with this Framework. The Green Bond Report and the related limited assurance report will be available on the Municipality of Södertälje's website.

Publicly Available Documents

The Green Bond Framework, The Second-Party Opinion, and the Green Bond Investor Report will be publicly available on both the Municipality of Södertälje's and Telge Group's websites.



Photo: Telge

Green Bond Frame- work



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